

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

**NOTICE OF CONTRACT NO. 071B5500101**

between

**THE STATE OF MICHIGAN**

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
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	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	616-291-9660	8020

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
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CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	517-284-7045	BarronJ1@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Print & Mail Services Job Tracking System			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5	June 2, 2015	June 1, 2020	5, one-year
PAYMENT TERMS	F.O.B.	SHIPPED TO	
N/A	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$510,190.00	

**For the Contractor:**

\_\_\_\_\_  
**Jeff Fecko** [redacted]  
**Contract Administrator**  
[redacted]

\_\_\_\_\_  
**Date**

**For the State:**

\_\_\_\_\_  
**Sharon Maynard-Walenga,**  
**Sourcing Director**  
**State of Michigan**

\_\_\_\_\_  
**Date**



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

### **1.000 Project Identification**

#### **1.001 PROJECT REQUEST**

The State of Michigan (State), through the Michigan Department of Technology, Management & Budget (DTMB) has issued this Contract to obtain Commercial off the Shelf Software (COTS) for one integrated job tracking software system to be utilized by both DTMB Printing Services (PS) and DTMB Mailing Services (MS).

PS must replace the current EFI Logic SQL (Logic) software and all its components. Logic is the software used for end-to-end integration of the printing process. Logic includes data collection tools and applications covering every business function from estimating to billing, order entry to shipping, purchasing, inventory control, finished goods, and accounting. The software is still supported by EFI, but no more future patches or enhancements will be released for this software. This project is to obtain a software solution that will not only replace the functionality of Logic, but will also replace and integrate the functionality of the MS business processes described in **Section 1.002 Background** below.

Currently, PS and MS are run and operated as separate entities. The two organizations have separate billing processes, with separate sets of bill codes. The new software solution will be required to provide a single storefront application for print and mail services and capture separate accounting codes for each individual print and mail processes.

The State Legislature and/or Judiciary may leverage this Contract. In the event either the Legislature or Judiciary opt to leverage this contract, they would need to negotiate and execute a Contract Change Notice (amendment) for the work and deliverables. Such amendment would be governed by the Terms and Conditions of this contract.

#### **1.002 BACKGROUND**

##### **Printing Services**

PS offers a wide variety of design, printing, bindery, mailing and digital copying services. Products include brochures, newsletters, letterhead, business cards, posters, forms, envelopes, carbonless forms, manuals, books and more. Any print requests beyond the business scope are outsourced to pre-qualified vendors. The services offered by PS are detailed below.

**Job Orders-** Orders are submitted in multiple ways.

- **Digital Store Front (DSF):** DSF is web-based software from EFI that allows print jobs to be ordered on demand by the customer. Customers can customize their print jobs including paper stocks and finishing options. DSF can include delivery requirements and capture account and billing information. DSF assigns a job number that is passed to Logic for operations and order tracking.
- **Hardcopy Orders:** Orders can be submitted using a variety of order forms that provide all print, mail, and accounting requirements for the job. The information is manually entered into Logic and assigned a job number.

**Estimating:** Cost estimates are provided for every print request.

**Job Design and Creation:** PS prints from customer furnished data files; camera ready originals, electronic copy, or the PS staff can design and create a file. In addition, PS produces plastic building signs, wide format posters, and CD/DVD duplication. PS Graphic Designers assist in all aspects of design and proof work.



**PrePress:** After a job has been written up, the job ticket moves to PrePress where the original (electronic or hard copy) may be modified to ensure the highest print quality. Once completed, a proof is sent to the customer for approval. As changes are made, the proof process is repeated until the customer signs off on a final proof. Platemaking then produces plate(s) for printing.

**Platemaking and File Archiving:** PS produces metal plates for offset printing using CTP technology. Electronic files are achieved for future reprints.

**Printing:** PS utilizes a number of different cut-sheet and offset printers to produce anything from black and white copies to full color digital printing.

**Bindery:** Full bindery functions enable a wide variety of finished documents. Saddle stitching, folding, tabs inserting, and collating are some examples. Many packaging solutions are also available. Bindery is composed of a cutter, two folders, a saddle stitch machine, banders, drills, counters, and a padding machine.

**Paper Ordering:** PS maintains an inventory of commonly requested paper stocks. Other paper stocks are ordered as needed.

**Shipping:** The shipping department uses system generated labels and receipts to direct orders to final recipients. In addition, two shrink wrap machines are utilized to package and safeguard finished goods.

**Billing:** PS collects and stores all State of Michigan account coding and billing information in Logic SQL tables. The data is extracted weekly.

## Mailing Services

### **Job orders** – Current process

MS accepts job orders via a State web page using a fillable Microsoft Word document. The form allows customers to add a job description and any special handling requirements. This form also lists a menu of preparation options from which the customer can choose. MS employees have the capability to add or make edits to services as actually required when an order is processed.

Once the form (DTMB 530) is completed, the customer submits the order electronically to the State webpage designated at the bottom of the form. Once received, the order is manually assigned a work order number and corresponding bar-code that includes the submitting agency 3 digit agency code, or in the case of standing orders would also include the 2 digit numeric related to the month for processing. Once these steps have been completed, an email is generated from the system to the submitter, notifying that the order has been received and will be acted upon. Once all services have been completed, the units or dollar value of services and State of Michigan account coding information is entered manually into the billing data base for monthly electronic export to Financial Services for State Agency billing and invoicing to local units of government.

### **Billing for PS and MS (labor, processes, and postage) is done independently due to unique bill coding requirements in most cases for each service.**

The goal in purchasing a replacement for the current EFI system is to integrate all print and mail services into a single storefront webpage from which the customer can easily submit orders that encompass all services. This would include but not be limited to: print and mail estimating, end to end job tracking, all print and mail processing functions and final postage costs while maintaining the unique State of Michigan account coding and billing code streams for each service as required by the State.



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

### **1.101 IN SCOPE**

The Contractor will provide all personnel, equipment, tools, materials, software, supervision, and other items necessary to perform the services as described in the specifications herein. All equipment is to be delivered to 7461 Crowner Drive, Lansing, MI 48913. Please refer to section 1.104 Work and Deliverables for more detail.

This project consists of the following:

- Hardware
  - Barcode Readers that interface with software solution
- Software
  - A COTS package that provides a single solution integrating PS and MS and encompassing all business requirements including:
    - Estimating
    - Billing
    - Job Order Entry
    - Shipping
    - Scheduling
    - Inventory Control
    - Purchasing
    - Production/Finishing
    - State of Michigan Account coding requirements
    - Billing data export to the State of Michigan billing system
  - Validation and Verification of State IT compliance
- Implementation
  - On-site configuration
  - Integration into current Print and Mail Services environment
  - Configuration to ensure the entire process is automated and does not require manual intervention to go from one part of the process to the next.
  - Testing of State applications
- Training
  - On-Site (State Facility – Lansing, MI)
  - Operator Training
  - Administrator Training
- Documentation
  - User manuals
  - Technical manuals
  - Database table documentation
- Maintenance and Support
  - Software license to include future upgrades (both major and minor revisions of the application)
  - All software modules to be supported by winning vendor
  - Help Desk
  - Onsite Technical Support
- Knowledge Transfer/Transition
  - On-site training of PS Operations staff on new functionality and/or interfaces
  - On-site training of CPC analyst staff on new functionality and/or interfaces
- Other
  - Reserve bank of hours for future enhancements and/or legislative mandates
  - Firm, fixed price quotes for additional optional software modules

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

### **1.102 OUT OF SCOPE**

The following is out of scope:

- Server hardware. Software will run on State of Michigan provided virtual servers.



- New software development other than customizations specifically stated herein needed to ensure the COTS solution meets the technical and functional requirements detailed in Appendices A and B.

### 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, eMichigan web development, and the State Unified Information Technology Environment (SUITE).

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

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

[http://michigan.gov/dtmb/0,4568,7-150-56355\\_56579\\_56755---,00.html](http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html)

All software and hardware items provided by the Contractor must run on and be compatible with the DTMB Standard Information Technology Environment. Therefore, non-standard development tools may not be used unless approved by DTMB. The Contractor must request, in writing, approval to use non-standard software development tools, providing justification for the requested change and all costs associated with any change. The DTMB 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 DTMB, before work may proceed based on the changed environment.

#### **Enterprise IT Security Policy and Procedures:**

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

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

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

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

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

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

DTMB Single Login.

DTMB provided SQL security database.

Secured Socket Layers.

SecureID (State Security Standard for external network access and high risk Web systems)

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

#### **Look and Feel Standard**

All software items provided by the Contractor must be ADA complaint and adhere to the Look and Feel Standards [www.michigan.gov/somlookandfeelstandards](http://www.michigan.gov/somlookandfeelstandards).

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

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



## Agency Specific Technical Environment

### Hardware Listing

- (5) Xerox Nuvera 288 Digital Printers
- Xerox Freeflow Front-end Systems
- (1) Xerox iGen 150 Digital Press
- Fiery Front-end System
- Ricoh 4100 CF Duplex Printer with Pre- and Post-processing Equipment
- Ricoh 4100 CF Simplex Printer
- Shinohara 66VP 5-Color Perfecting Press
- Shinohara 2- Color Perfecting Press
- HALM Envelope Jet Press
- Omega Binder
- (2) Hanagata Shrink Wrappers
- Stahl B-20 Folder
- Stahl VSA 66D Right-Angle Folder
- (2) Polar Cutters
- New Hermes Interior Signage Engraving System
- Large Format Laminators
- Epson Wide Format Imposition Proofer
- HP Wide Format Printer

### Operating Systems – 2008 and 2012 Server

### Desktop Workstations – MS Windows 7 and 8

### Software Listing

- EFI Digital Storefront
- EFI Logic Print Management System
- Microsoft Office 2010 and 2013
- Adobe Creative Suite 6
- Red Titan Datamerge Software

### Database SQL 2012

### Multiple Network Security Zones

### Firewalls

### Locations

### Capacity Projections

### Current Workload Profile

### Development tools

### Browser

- Internet Explorer 8

### Reporting tools

### Interfaces

### Classes of users

### Other systems/applications requiring integration

## 1.104 WORK AND DELIVERABLES

### I. Services (Work) To Be Provided and Deliverables

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

#### A. Software

The Contractor will provide a COTS solution that provides end-to-end integration of DTMB's Print and Mail Services. The solution will meet the State's objectives outlined in 1.002 Background, all Technical/General Requirements as detailed in Appendix A, all Functional Requirements as detailed in Appendix B, and the Implementation Plan as detailed in Appendix E.



Contractor certifies that the EFI Pace system supports bi-directional communication with Fiery. Contractor will provide Fiery Central SW in the solution, which will support bi-directional communication Freeflow and Nuvera.

**Deliverable(s)**

Contractor will deliver the software deliverables identified in Appendix C - Cost Table 2 and detailed in Appendix E.

**Acceptance Criteria**

High-level acceptance criteria are listed in Section 1.501. The deliverable approval process is detailed in Appendix E. Software will fully perform the Use Cases the State will provide to Contractor at Contract initiation.

**B. Implementation**

The Contractor will install, configure, integrate, and test the COTS solution in cooperation with the State's designated employees and/or contractors to ensure the complete and successful implementation of software for use in DTMB's Print and Mail Services. The initial software installation and configuration must be performed on-site. All software installation will be performed by qualified personnel. For further details see Appendix E.

**Deliverable(s)**

Implementation services as detailed in Appendix E.

**Acceptance Criteria**

High-level acceptance criteria are listed in Section 1.501. The deliverable approval process is detailed in Appendix E.

**C. Training**

Contractor will provide on-site operator and administrator software training services to the State for the installed software. Contractor will supply release documentation for all future releases. In the event the State purchases additional functionality, the State may also purchase additional training on that new functionality at an additional cost based on Contractor's then-effective pricing. For further details see Appendix E.

**Deliverables**

On-site training for administrator(s) and Leads on all base objects within the EFI Pace application. Training will involve the set up and configuration of records for many of the base objects within EFI Pace.

**Acceptance Criteria**

High-level acceptance criteria are listed in Section 1.501. The deliverable approval process is detailed in Appendix E.

**D. Documentation**

Contractor will provide a complete set of Solution documentation to the State including, but not limited to, the items specified in the Deliverables subsection below. Training material is a combination of session agendas, workbooks for Estimating and online user support. All User manuals are embedded in the application help and are available for download as printable PDF files.

**Deliverable(s)**

- User manuals
- Technical manuals
  1. A copy of the following documentation in an electronic format or online:
    - a. User and Technical Manuals - On-line and Hard Copy
    - b. Data Element Dictionary
    - c. Operations Manual
    - d. All updates of documentation during the term of the Contract, software license and maintenance agreement
  2. The following documentation is provided for all modules and program development:



- help
- a. System-wide documentation and specifications
  - b. Baseline End-User training manuals to be used as a basis for “User Manuals” and online help
  - c. Installation procedure
  - d. Module configuration documents sufficient for configuration maintenance purposes
  - e. Testing scripts
  - f. Specification documentation
  - g. Production migration
3. The documentation of components, features, and use of the hardware/software will be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.
  4. All system, operational, user, change, and issue documentation must be available in electronic format, published to a 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 one (1) previous version.
  5. All system, operations, user, change and issue documentation is to be organized in a format approved by the State and facilitates updating and allows for revisions to the documentation to be clearly identified including the three (3) previous versions.
  6. The Contractor must develop and submit for State approval complete, accurate, and timely system, operations, and user documentation.
- Detailed workflow diagrams in an electronic pdf format depicting the new as-built end-to-end fully integrated Print and Mail Services business process resulting from full implementation of the COTS solution. The EFI Project Manager will provide the initial workflow diagram and will work with the State of Michigan staff to develop State of Michigan specific process documents based on the final workflow and configuration.

All documentation provided becomes the property of the State. The State acknowledges and agrees that the ideas, concepts and other intellectual property included in the documentation do not transfer to the State but instead remain owned by the Subcontractor.

The Contractor must notify the State of any discrepancies or errors outlined in the system, operations, and user documentation.

### **Acceptance Criteria**

High-level acceptance criteria are listed in Section 1.501. The deliverable approval process is detailed in Appendix E.

### **E. Maintenance and Support**

Contractor will provide ongoing maintenance and support of the installed solution as described in **Appendix D** as long as the State is current on its maintenance fee payments.

#### **Deliverable(s)**

- Maintenance of software will include at no additional cost to the State:
  1. As updates, break-fix patches and new version upgrades become available, Contractor will supply the updates and version upgrade packages with release notes and installation instructions. Upon the State’s request, Contractor will provide assistance to SOM to resolve issues related to upgrades, or provide patches as needed to correct system bugs, to ensure successful and full implementation in agreed upon time frames. All such upgrades shall comply with Section 1.103 Environment and all State security policies.
  2. At the State’s sole option, from time to time the State may require Contractor to conduct maintenance of software through annually renewed State-provided VPN access.
- Maintenance and support of all software components will be administered by Contractor or qualified third party.
- Support



## 1. Help Desk

Help desk support is available Monday-Friday, 7am-7pm Eastern Standard Time (EST) excluding State holidays, with escalation as necessary to senior technical/engineering staff, and then to higher management and/or senior management. Help Desk support will be provided in accordance with attached **Appendix D**.

## 2. Technical

- All maintenance is performed by qualified personnel familiar with the software.
- Remote diagnostic capabilities are provided.
- Maintenance is available on an annually renewable contract.
- The software maintenance program includes all future software updates, new versions and system enhancements applicable to system modules licensed without further charge to all licensed users maintaining an annually renewable software support contract.
- Maintenance service options are provided including Monday-Friday, 7am-7pm Eastern Standard Time (EST) excluding State holidays, onsite service, 2- (emergency), 4-, and 8-hour and next day response times.
- Calls for service will be returned in accordance with attached **Appendix D**.
- A Web-enabled help desk interface is provided at no additional cost.
- Support is provided for the current release and one back release.
- The following services are provided for the current version and one previous version of any Software provided with the deliverables:
  1. **Error Correction.** Upon notice by State of a problem with the Software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.
  2. **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 will initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.
  3. **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.

## Acceptance Criteria

Maintenance and support are provided per the terms of Appendix D.

## F. Reserve Bank of Hours / Future Enhancements

The State intends to establish a contingency reserve of resource hours that may be used to address scope changes encountered during the project to increase functionality or meet legislative mandates. Contractor will ensure that technical resources are available to address this requirement at the agreed upon all-inclusive fixed rates.

Upon request and at the State's sole option, the Contractor will provide additional services to meet requirements stated within this section. To use any portion of the Reserve Bank of Hours, the State will submit a Statement of Work (SOW) to the Contractor for the additional services requested. For each such SOW received from the State, the Contractor will provide a Written Proposal, including firm-fixed pricing and a project schedule. Upon review and written approval of the Written Proposal by the DTMB PM and the Agency PM, the Agency will submit a contract change request to DTMB-Procurement in accordance with Section 1.403 Change Management. Upon review and written approval by DTMB-Procurement, a Contract Change Notice will be executed. A fully executed Contract Change Notice is required prior to issuance of any Purchase Order release and prior to beginning any work or providing any goods under this Subsection 1.104.G. Reserve Bank of Hours / Future Enhancements.



## Deliverable(s)

- Upon request at the sole option of the State at any time during the life of the Contract, and after executing a Contract Change Notice, Contractor will provide up to one hundred (100) hours of technical services at the firm, fixed hourly rates stated in the attached **Appendix C Cost Tables, Table 6 Future Enhancements/Rate Card**. Contractor will provide such services on time and on budget pursuant to the terms of each respective Statement of Work and Written Proposal. Unless specifically requested, contractor will develop customizations at non-State-provided locations. Contractor will provide customizations specifically requested by the State of Michigan, even if its other customers have not requested similar customizations. Contractor will provide such services in a manner that meets State requirements. Contractor will support testing to ensure the as-built enhancements perform as specified by the State. Contractor will provide test cases to the State that the contractor used in testing the enhancements in advance of user acceptance testing.
- Upon request and at the sole option of the State at any time during the life of the Contract, and after executing a Contract Change Notice, Contractor will provide any additional software module listed in the attached **Appendix C Cost Tables, Table 7 Optional Modules: Software and Hardware License and Maintenance and Support** at the firm, fixed price(s) stated therein.

## Statements of Work and Issuance of Purchase Orders

Unless otherwise agreed by the parties, each Statement of Work 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. Payment Schedule
9. Travel and Expenses
10. Project Contacts
11. Agency Responsibilities and Assumptions
12. Location of Where the Work is to be performed
13. Expected Contractor Work Hours and Conditions

The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Contract Change Notices that include Statements of Work and Purchase Orders (PO) executed under this Contract. Contractor will not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a fully executed Contract Change Notice and a PO issued against this Contract. Contractor will perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.

## II. Requirements

This section defines requirements for the Print and Mail Services Solution. Contractor's System and Services will meet the Technical/General Requirements in the manner detailed in Appendix A and the Functional Requirements in the manner detailed in Appendix B.

### **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 Statement of Work.

##### **Single Point of Contact (SPOC)**

The Contractor will identify a SPOC. The duties of the SPOC will 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.

### **Organizational Chart**

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

### **Key Personnel**

All Key Personnel may be subject to the State's interview and approval process. Any key staff substitution must have the prior approval of the State. The State has identified the following as key personnel for this project:

- Project Manager
- Technical Lead

**The Contractor will provide a Project Manager** to interact with the designated personnel from the State to insure a smooth transition to the new system. The Project Manager will coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. The Contractor's Project Manager's responsibilities include, at a minimum:

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

**The Contractor will provide a Technical Lead** to interact with the designated personnel from the State, including the Project Manager, to insure a seamless transition to the new system from the hardware and software perspective. The Technical Lead will work with State personnel on installation and integration of software and hardware into the current environment. The Contractor's Technical Lead's responsibilities include, at a minimum:

- Knowledge of all proposed software modules
- Knowledge of EFI DSF software
- Integrate proposed solution with current DSF software
- Utilize change control procedures
- Serve as the point person for all technical issues
- Work with Project Manager to develop and maintain the project plan
- Escalate project issues, project risks, and other concerns to Project Manager
- Proactively propose/suggest options and alternatives for consideration

## **B. On Site Work Requirements**

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

The work is to be performed, completed, and managed at the following locations:

General Services Building  
State Secondary Complex  
7461 Crouner Dr.  
Lansing, MI 48913



**2. Hours of Operation:**

- a. State working hours are 7:30 a.m. to 4:30 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 will 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.

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

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

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

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

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

Agency should specify State personnel dedicated to project, and identify their associated roles and responsibilities.

The State will provide the following resources for the Contractor’s use on this project as needed in such location(s) as the parties determine through the project planning process:

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

The State project team will consist of Executive Subject Matter Experts (SME’s), project support, and a DTMB and Agency project manager:

**Executive Subject Matter Experts**

The Executive Subject Matter Experts representing the business units involved will provide the vision for the business design and how the application will provide for that vision. They will be available on an as-needed basis. The Executive SME’s 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.

Name	Agency/Division	Title	Phone/e-mail
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Mark Miller	DTMB-PS	Printing Consultant	517-322-6455
Mike Armstrong	DTMB-MS	Supervisor	517-322-6984
Christopher Clark	DTMB-PS	Analyst	517-322-1704

**State Project Managers- (DTMB and Agency)**

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

*Agency Project Manager:* Kristen Hampton, Manager  
 Department of Technology, Management and Budget  
 7461 Crowner Drive, Lansing, MI 48913  
[hamptonk@michigan.gov](mailto:hamptonk@michigan.gov)  
 Telephone: (517) 322-5488  
 Fax: (517) 322-6747

*DTMB Project Manager:* Julie Proux  
 Department of Technology Management and Budget  
 400 S. Pine St  
 Lansing, MI  
[Prouxj@Michigan.gov](mailto:Prouxj@Michigan.gov)  
 Telephone: (517)241-3472  
 Fax: (517)241-8153

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

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

Name	Agency/Division	Title
Julie Proux	DTMB-IT	Project Manager
Kristen Hampton	DTMB-PS	Project Manager

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

Name	Agency/Division	Title
Jarrold Barron	DTMB-Procurement	Contract Administrator

**1.203 RESERVED**

**1.300 Project Plan**

**1.301 PROJECT PLAN MANAGEMENT**



### **Preliminary Project Plan**

Contractor will provide a Preliminary Project Plan with the proposal for evaluation purposes, including necessary time frames and deliverables for the various stages of the project and the responsibilities and obligations of both the Contractor and the State.

1. In particular, the Preliminary Project Plan will include a MS Project plan or equivalent (check the SUITE/PMM standard):
  - a. A description of the deliverables to be provided under this contract.
  - b. Target dates and critical paths for the deliverables.
  - c. Identification of roles and responsibilities, including the organization responsible. Contractor is to provide a roles and responsibility matrix.
  - d. The labor, hardware, materials and supplies required to be provided by the State in meeting the target dates established in the Preliminary Project Plan.
  - e. Internal milestones
  - f. Task durations
2. The Preliminary Project Plan will include the following deliverables/milestones for which Contractor proposes payment be made.
  - a. Payment to the Contractor may be made upon the completion and acceptance of the deliverable or milestone, not to exceed contractual costs of the phase. A milestone is defined as complete when all of the deliverables within the milestone have been completed. The State reserves the right to negotiate a modified payment schedule with Contractor after reviewing the Preliminary Project Plan.
  - b. Failure to provide deliverable/milestone by the identified date may be subject to liquidated damages as identified in Article 2.

Note: A Final Project Plan will be required as stated in Article 1, Section 1.301 (C) Project Control.

### **Orientation Meeting**

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

### **Performance Review Meetings**

The State will require the Contractor to attend monthly meetings, at a minimum, 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 will bear no cost for the time and travel of the Contractor for attendance at the meeting.

### **Project Control**

1. The Contractor will carry out this project under the direction and control of DTMB, Logistics & Operations Support (LOS) PS.
2. Within 10 working days of the execution of the Contract, the Contractor will submit to the State project manager(s) for final approval of the project plan. This project plan must be in agreement with Article 1, Section 1.104 Work and Deliverables, and must include the following:
  - The Contractor's project organizational structure.
  - The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
  - The project work breakdown structure (WBS) showing sub-projects, activities and tasks, and resources required and allocated to each.
  - The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the WBS.



The Contractor's estimate of the time and skills that will be required of State staff.

3. The Contractor will manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>
  - a. Contractor will use 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 will have the capability to produce:
    - Staffing tables with names of personnel assigned to Contract tasks.
    - 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 30 calendar days, updated semi-monthly).
    - Updates must include actual time spent on each task and a revised estimate to complete.
    - 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.

### **1.302 REPORTS**

Reporting formats must be submitted to the State's Project Manager for approval within 10 business days after the execution of the contract resulting from this RFP. Once both parties have agreed to the format of the report, it will become the standard to follow for the duration of the contract. Contractor will provide the following project reports:

- Weekly Project status
- Weekly Updated project plan
- Weekly Summary of activity during the report period
- Weekly Accomplishments during the report period
- Weekly Deliverable status
- Weekly Schedule status
- Weekly Action Item status
- Weekly Issues

### **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 will maintain an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the State's Project Manager on an agreed upon schedule, with email notifications and updates. The issue log must be updated and must contain the following minimum elements:

- Description of issue
- Issue identification date
- Responsibility for resolving issue.
- Priority for issue resolution (to be mutually agreed upon by the State and the Contractor)
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description

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

- Level 1 – Business leads
- Level 2 – Project Managers
- Level 3 – Executive Subject Matter Experts (SME's)

#### **1.402 RISK MANAGEMENT**



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

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

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

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

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

### **1.403 CHANGE MANAGEMENT**

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

If a proposed contract change is approved by the Agency, the Contract Administrator will submit a request for change to the DTMB-Procurement Buyer, who will make recommendations to the Director of DTMB-Procurement regarding ultimate approval/disapproval of change request. If the DTMB Procurement Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the DTMB-Procurement Buyer will issue an addendum to the Contract, via a Contract Change Notice.

**Contractors who provide products or services prior to DTMB-Procurement issuing a Contract Change Notice risk non-payment for the out-of-scope/pricing products and/or services.**

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

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

### **1.500 Acceptance**

#### **1.501 CRITERIA**

The following is standard acceptance criteria for all document and software deliverables.

#### **Document Deliverables**

1. Documents are dated and in electronic format, compatible with State of Michigan software.
2. Requirements documents are reviewed and updated throughout the development process to assure requirements are delivered in the final product.
3. Draft documents are not accepted as final deliverables.
4. The documents will be reviewed and accepted in accordance with the requirements of the Contract and Appendices.

**Software Deliverables** - Software includes, but is not limited to, software product, development tools, support tools, data migration software, integration software, and installation software.



1. Beta software is not accepted as final deliverable.
2. The software will be reviewed and accepted in accordance with Appendix E.
3. DTMB will review software within a mutually agreed upon timeframe for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery, and operation.
  - a. Approvals will be written and signed by both the DTMB Project Manager and Agency Program Manager.
  - a. Unacceptable issues will be documented and submitted to the Contractor.
  - b. After issues are resolved or waived, the Contractor will resubmit software for approval within 30 days of receipt.
4. Software is installed and configured, with assistance from DTMB, in an appropriate environment (e.g. development, conversion, QA testing, UAT testing, production, and training).
5. Contingency plans, de-installation procedures, and software are provided by the Contractor and approved by both the DTMB Project Manager and Agency Project Manager.

See Section 1.104 and Appendix E for specific acceptance criteria.

**1.502 FINAL ACCEPTANCE**

Final acceptance is expressly conditioned upon completion of ALL deliverables/milestones identified in Section 1.104 and Appendix E, completion of ALL tasks in the project plan, completion of ALL applicable inspection and/or testing procedures, and the certification by the State that the Contractor has met the defined requirements.

**1.600 Compensation and Payment**

**1.601 COMPENSATION AND PAYMENT**

**Method of Payment**

This is a firm-fixed price deliverables based contract. The State will pay Contractor the following lump-sum amounts:

<b>Software</b>	Upon Software Acceptance as defined in Appendix E	\$217,890.00
<b>Services</b>		
Milestone 1: "Getting Started"	Upon Milestone 1 acceptance as defined in Appendix E	\$24,225.00
Milestone 2: "Estimating"	Upon Milestone 2 acceptance as defined in Appendix E	\$13,975.00
Milestone 3: "DSF"	Upon Milestone 3 acceptance as defined in Appendix E	\$18,900.00
Milestone 4: "Pace Customization"	Upon Milestone 4 acceptance as defined in Appendix E	\$ 5,850.00
Milestone 5: "Production and Workflow"	Upon Milestone 5 acceptance as defined in Appendix E	\$38,750.00
Milestone 6: "System Launch and Project Completion"	Upon Milestone 6 acceptance as defined in Appendix E	\$23,550.00
<b>Total Services</b>		<b>\$125,250.00</b>

**Maintenance Fees**

Contractor will invoice the State for the First Year maintenance fee upon the Software Acceptance. Contractor will pro-rate the First Year maintenance fee based on the number of days then-remaining in the calendar year. Thereafter, Contractor will invoice the State for maintenance fees annually in advance on the first day of each successive calendar year.

Contractor may invoice the State for Future Enhancements as described in corresponding future SOW's.

**Travel**



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

**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](mailto:DTMB-Accounts-Payable@michigan.gov)

Invoices must provide and itemize, as applicable:

Contract number;

Purchase Order number

Contractor name, address, phone number, and Federal Tax Identification Number;

Description of any commodities/hardware, including quantity ordered;

Date(s) of delivery and/or date(s) of installation and set up;

Price for each item, or Contractor's list price for each item and applicable discounts;

Maintenance charges;

Net invoice price for each item;

Shipping costs;

Other applicable charges;

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.



## **Article 2 – Terms and Conditions**

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

#### **2.001 BASE CONTRACT TERM**

This Base Contract Term is for a period of 5 years, commencing on the date that the last signature required to make the Contract enforceable is obtained. All outstanding Purchase Orders shall also expire upon termination for any of the reasons listed in Section 2.150 of the Contract, unless otherwise extended pursuant to the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's Base Term, or any Renewal Term, will remain in effect for the balance of the fiscal year for which they were issued.

The parties acknowledge and agree that several provisions will survive the expiration or termination of this Contract. See Section 2.012 for further details.

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

The State, in its sole discretion, may exercise up to five (5) one-year options (each one-year period a "Renewal Term") at the pricing provided herein by providing notice to Contractor not less than 30 days before the expiration of the Base Contract Term or any Renewal Term. The State reserves the right to exercise one or more Renewal Term options at a given time but not more than three (3) Renewal Terms at once.

Further, the parties may agree in writing to Renewal Terms in addition to those stated above ("Additional Renewal Terms") not less than 30 days before the expiration of the Contract as amended. The parties may not agree to more than three (3) Additional Renewal Terms at any given time. Additional Renewal Terms will be contingent upon the Contractor's acceptable contractual performance, as solely determined by the State, and the parties successfully negotiating pricing for such agreed Additional Renewal Terms.

#### **2.003 LEGAL EFFECT**

Contractor accepts this Contract by signing two copies of the Contract and returning them to the DTMB-Procurement. The Contractor will 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 will 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 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 a Purchase Order apply unless they are specifically contained in that Purchase Order or Blanket Purchase Order's accompanying Statement of Work.

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

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



In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only), provided, however, that a Statement of Work may not modify or amend the terms of the Contract. 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 RESERVED**

### **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, confidentiality, limitation of liability, and assignment 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 DTMB-Procurement and DTMB-LOS-PS (collectively, including all other relevant State of Michigan departments and agencies, the "State"). DTMB-Procurement is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The DTMB-Procurement Contract Administrator for this Contract is:

Jarrod Barron, IT Buyer  
Procurement  
Department of Technology, Management & Budget  
1st Floor, Constitution Hall  
525 West Allegan Street  
Lansing, Michigan 48909  
Email: barronj1@michigan.gov  
Phone: 517-284-7045

#### **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:

Kristen Hampton, Manager  
 DTMB Printing Services  
 7461 Crowner Drive, Lansing, MI 48913  
 Email: hamptonk@michigan.gov  
 Phone: 517-322-5488  
 Fax: 517-322-5968

### **2.023 PROJECT MANAGER**

The following individuals will oversee the project:

*Agency Project Manager:* Kristen Hampton, Manager  
 Department of Technology, Management and Budget  
 7461 Crowner Drive, Lansing, MI 48913  
[hamptonk@michigan.gov](mailto:hamptonk@michigan.gov)  
 Telephone: (517) 322-5488  
 Fax: (517) 322-6747

*DTMB Project Manager:* Julie Proux  
 Department of Technology Management and Budget  
 400 S. Pine St  
 Lansing, MI  
[Prouxi@Michigan.gov](mailto:Prouxi@Michigan.gov)  
 Telephone: (517)241-3472  
 Fax: (517)241-8153

### **2.024 CHANGE REQUESTS**

A Change Notice will only be effective if the process described in this Section has been completed. A State Agency will submit a Statement of Work (SOW) to the Contractor for the services requested. For each such SOW received from the State, the Contractor will provide a Written Proposal and a project schedule. The Written Proposal pricing will be based on the Cost Tables in this Agreement. Upon the Agency's review and written approval of the Written Proposal and project plan, the Agency will submit a Change Notice request to DTMB-Procurement. Upon review and written approval by DTMB-Procurement and the State Administrative Board, if applicable, a Change Notice (contract amendment) will be executed. A fully executed Change Notice is required prior to issuance of any Purchase Order release and prior to beginning any work or providing any goods. **If Contractor provides products or services prior to the issuance of a Change Notice and Purchase Order in accordance with this Section, Contractor risks non-payment for the out-of-scope/pricing products and/or services.**

### **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  
 DTMB-Procurement  
 Attention: Jarrod Barron  
 PO Box 30026  
 Lansing, MI 48909-7526

**Contractor:**

Xerox Corporation  
Attn. Office of General Counsel  
Address: 45 Glover Ave.  
Norwalk, CT 06856

**With Copy to:**

Xerox Corporation  
Attn. Jeff Fecko, Printing Systems Marketing Executive  
1381 Kirk Drive  
Grand Rapids, MI 49546  
Email: [jeff.fecko@xerox.com](mailto:jeff.fecko@xerox.com)

**Subcontractor:**

Electronics For Imaging, Inc.  
Attn: General Counsel Office  
6750 Dumbarton Circle  
Fremont, CA 94555

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 will be deemed to be an employee, agent or servant of the State for any reason. Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

**2.028 COVENANT OF GOOD FAITH**

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

**2.029 ASSIGNMENTS**

Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party, such consent not to be unreasonably withheld; 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 will 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 will 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 will 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 will provide the State with priority service for repair and work around in the event of a natural or man-made disaster provided that the State pay Contractor for all time and materials needed to provide such services.

### **2.040 Financial Provisions**

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

Each Statement of Work or Purchase Order issued under this Contract will 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.

#### **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 will negotiate an equitable reduction in Contractor's charges for services not yet rendered by Contractor under such Statement of Work commensurate with the reduction in scope. Contractor need not provide a price reduction for goods or services already delivered.

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

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

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

- (a) Each Statement of Work issued under this Contract will 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 will 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 will 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 will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after the date of the invoice, provided Contractor delivers the invoice to the State on the on the date of the invoice.
- (d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Procurement, Department of Technology, Management and Budget. This activity will 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) will mutually agree upon. The schedule should show payment amount and should reflect actual work done by the payment dates. As a general policy statements will be forwarded to the designated representative by the 15th day of the following month.



#### **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 will be pro-rated for any partial month.

#### **2.046 ANTITRUST ASSIGNMENT**

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

#### **2.047 FINAL PAYMENT**

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract will 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 will provide that payment will be made by electronic fund transfer (EFT).

#### **2.050 Taxes**

##### **2.051 EMPLOYMENT TAXES**

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

##### **2.052 SALES AND USE TAXES**

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

#### **2.060 Contract Management**

##### **2.061 CONTRACTOR PERSONNEL QUALIFICATIONS**

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

##### **2.062 CONTRACTOR KEY PERSONNEL**

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



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

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

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will 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 will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

### **2.065 CONTRACTOR IDENTIFICATION**

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



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

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

### **2.067 CONTRACT MANAGEMENT RESPONSIBILITIES**

Contractor will 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 will have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties will include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with the Project Plan is likely to delay the timely achievement of any Contract tasks. Notwithstanding the above, Contractor is not responsible to the State for any negligent or willful act on the part of the State, its officers, employees, volunteers, or agents, or the negligent or willful acts of any party other than a Contractor's officer, employee, or agent.

The Contractor will provide the Services/Deliverables directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, will 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 will 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 will have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

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

Contractor will 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 will 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 will be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request will be based on legitimate, good faith reasons. Replacement Subcontractor(s) for the removed Subcontractor will be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will 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 will 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 will require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor will remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor will make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract will 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 will 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 will select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

### **2.080 State Responsibilities**

#### **2.081 EQUIPMENT**

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

#### **2.082 FACILITIES**

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

### **2.090 Security**

#### **2.091 BACKGROUND CHECKS**

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested. The State agrees that Contractor and Subcontractor will not be required to force an employee to submit to any background checks initiated by the State provided that if a specific employee refuses to submit to such a background check Contractor and Subcontractor will identify an alternative employee who is willing to submit to such review.



## **2.100 Confidentiality**

### **2.101 CONFIDENTIALITY**

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

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

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

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

### **2.103 RESERVED**

### **2.104 EXCLUSIONS**

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



### **2.105 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 will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 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 2.100 et seq must survive the termination or expiration of this Contract for any reason.

### **2.110 Records and Inspections**

#### **2.111 RESERVED**

#### **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 30 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 will 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.



## **2.120 Warranties**

Section 2.120 et seq will survive and expiration or termination of this Contract but will terminate if the grant of license set forth in Section 2.320 is terminated pursuant to Section 2.152(e).

### **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.
- (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.
- (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.
- (o) the Software Deliverables delivered to the State pursuant to the terms of this Agreement and provided that the State is current on Maintenance will perform materially in accordance with the specifications and other standards of performance contained in this Contract; *provided, however*, that the foregoing warranty shall not apply to defects attributable to (A) defects caused by any equipment or software not provided to the State by Contractor, (B) any modification of the Deliverables (not including configuring the Deliverables in accordance with the specifications) by the State, its employees or any third party acting on behalf of the State to the extent that such modification is undertaken without Contractor's express, prior written approval, (C) any accident, neglect, misuse or abuse by the State, its employees or any third party acting through or on behalf of the State, or (D) exposure of the Deliverables to conditions outside the range of environmental, power and operating specifications provided by Contractor.

### **2.121.1 Authority**

Contractor represents and warrants to the State that:

- (a) It is duly organized, validly existing, and in good standing as a corporation or other entity as represented under this Contract under the laws and regulations of its jurisdiction of incorporation, organization, or chartering;
- (b) It has the full right, power, and authority to enter into this Contract, to grant the rights and licenses granted under this Contract, and to perform its contractual obligations;
- (c) The execution of this Contract by its Representative has been duly authorized by all necessary organizational action; and
- (d) When executed and delivered by Contractor, this Contract will constitute the legal, valid, and binding obligation of Contractor, enforceable against Contractor in accordance with its terms.

### **2.121.2 Bid Response**

Contractor represents and warrants to the State that:

- (a) Neither 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 Contract. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two (2) calendar days of learning about it;
- (b) Neither Contractor nor any Affiliates, nor any employee of either has accepted or will 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 will not attempt to influence any State employee by the direct or indirect offer of anything of value;
- (c) 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;
- (d) 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 to the RFP; 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;
- (e) All financial statements, reports, and other information furnished by Contractor to the State as part of Contractor's Bid Response 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, or 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;
- (f) All written information furnished to the State by or for Contractor in connection with this Contract, including Contractor's Bid Response, 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;
  - (g) 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 within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract; and
  - (h) If any of the certifications, representations, or disclosures made in Contractor's Bid Response change after contract award, the Contractor is required to report those changes immediately to DTMB—Procurement.

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

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

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

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

#### **2.124 NO SURREPTITIOUS CODE WARRANTY**

The Contractor represents and warrants that except for code to prevent the unlicensed use and/or transfer of the Software ("Disabling Code") no copy of Software provided to the State contains or will contain any Self-Help Code or any Unauthorized Code as defined below. The State acknowledges and agrees that (i) if it does not permit Contractor to have periodic access to the Software, the Disabling Code may impair the Software's functionality and (2) the Disabling Code will not be defined as Self Help Code or Unauthorized Code as those terms are 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.



### **2.125 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 will include, at no added cost to the State, design and performance so the State will 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, will 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 will be correctly treated as a leap year within all calculation and calendar logic.

### **2.126 THIRD-PARTY SOFTWARE WARRANTY**

Contractor represents and warrants that it will not include in the Software Deliverables, and operation of the Software Deliverables will not require, any third-party materials, unless specifically approved in writing by the State.

### **2.127 OPEN SOURCE COMPONENT WARRANTY**

Contractor represents and warrants that it will not include in the Software Deliverables, and operation of the Software Deliverables will not require, any Open Source Components, unless specifically approved in writing by the State.

### **2.128 PHYSICAL MEDIA WARRANTY**

Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. If the Contractor breaches this warranty, then the State will be entitled to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

### **2.129 CONSEQUENCES FOR BREACH OF WARRANTY**

(a) If the State discovers any defect in the Deliverables that constitutes a breach of the warranty set forth in clause 2.121(o) above, Contractor's liability under this Contract will be limited to providing to State, at no additional cost to the State, programming services necessary to correct such defect as promptly as is reasonable under the circumstances.

(b) If the Contractor breaches any of the other warranties contained in this section, the breach may be considered as a default in the performance of a material obligation of this Contract if such breach is not cured by Contractor within thirty (30) days from the date the State provided the Contractor with written notice of such a breach.

(c) This provision does not absolve Contractor of its indemnification responsibilities where applicable, nor does this provision limit any remedies available to the State in law.

### **WARRANTY DISCLAIMER**

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE WARRANTY AND REMEDIES EXPRESSLY SET FORTH IN THIS CONTRACT ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES AND REMEDIES, ORAL OR WRITTEN, EXPRESS OR IMPLIED, AND CONTRACTOR, AND WHERE APPLICABLE, ITS SUBCONTRACTORS, SPECIFICALLY DISCLAIM ANY SUCH WARRANTIES AND REMEDIES. THERE IS NO WARRANTY OR REPRESENTATION THAT THE OPERATION OF THE PRODUCTS WILL BE UNINTERRUPTED, FAULT-TOLERANT, SECURE OR ERROR-FREE, OR THAT THE LICENSED SOFTWARE WILL BE FREE FROM INFRINGEMENT OR VIOLATION OF ANY PATENT, COPYRIGHT, TRADE SECRET OR ANY OTHER INTELLECTUAL PROPERTY RIGHT OF ANY THIRD



PARTY. NOTWITHSTANDING THE FOREGOING, THIS DISCLAIMER DOES NOT AFFECT CONTRACTOR'S PATENT/COPYRIGHT INFRINGEMENT INDEMNIFICATION RESPONSIBILITIES UNDER SECTION 2.144.

**2.130 Insurance**

**2.131 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 as an additional insured where applicable 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 shall cause its insurer to waive all rights against the State for the recovery of damages where allowable by law that are covered by the insurance policies except for Professional Liability 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.

(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) 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.

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

**(i) Commercial General Liability**

Minimal Limits:

- \$10,000,000 General Aggregate Limit including Products/Completed Operations
- \$1,000,000 Personal & Advertising Injury Limit, and
- \$1,000,000 Each Occurrence Limit.

Additional Requirements:

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds for claims caused by the negligent acts or omissions of Contractor on the Commercial General Liability certificate.



**(ii) Umbrella or Excess Liability**

Minimal Limits:

\$10,000,000.00 General Aggregate

Additional Requirements:

Umbrella or Excess Liability limits must at least apply to the insurance required in (i), General Commercial Liability. The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate.

**(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.

**(iv) Hired and Non-Owned Motor Vehicle Coverage**

Minimal Limits:

\$1,000,000 Per Incident

Additional Requirements:

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds for claims caused by the negligent acts or omissions of Contractor on the vehicle liability certificate. Claims under this provision shall only apply to losses or claims arising out of the willful or negligent acts or omissions of Xerox, its officers, employees, or agents in the performance of services under the contract.

**(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

**(vii) Employee Fidelity (Crime)**

Minimal Limits:

\$1,000,000 Employee Theft Per Loss



Deductible Maximum:  
\$50,000 Per Loss

Additional Requirements:

Insurance must cover Forgery and Alteration, Theft of Money and Securities, Robbery and Safe Burglary, Computer Fraud, Funds Transfer Fraud, Money Order and Counterfeit Currency.

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

**(viii) Professional Liability (Errors and Omissions)**

Minimal Limits:

\$3,000,000 Each Occurrence  
\$3,000,000 Annual Aggregate

**(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.

**(x) Property Insurance**

Property Insurance covering any loss or damage to the State-owned office space used by Contractor for any reason under this Contract, and the State-owned equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The State must be endorsed on the policy as a loss payee as its interests appear.

**2.132 SUBCONTRACTOR INSURANCE COVERAGE**

Except where the State has approved 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. Notwithstanding the foregoing, the State agrees that Subcontractor EFI will provide Professional Liability (Errors and Omissions) insurance for a period of up to one-year from the date this Contract is signed, or until 90 days after all software customizations required in Milestone 4 of the Implementation Plan have been accepted by the State, whichever is later.

**2.133 CERTIFICATES OF INSURANCE**

Before the Contract is signed, and within 20 days of 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 for claims caused by the negligent acts or omissions of Contractor 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 will indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's intentional or negligent breach of the No Surreptitious Code Warranty.

### **2.143 EMPLOYEE INDEMNIFICATION**

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

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

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

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

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



## **2.145 CONTINUATION OF INDEMNIFICATION OBLIGATIONS**

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

## **2.146 INDEMNIFICATION PROCEDURES**

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

- (a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 30 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"). In the event the Contractor intends to defend the claim independently, Contractor shall keep the State Attorney General's office informed of the proceedings.
- (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 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 will provide the Contractor with written notice of the breach and a time period (not less than 45 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 (except those described in Section 2.220) 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 will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.
  - (d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.
  - (e) The Contractor or Subcontractor may terminate this contract, for cause, by notifying the State in writing, if the State (i) breaches any of its material duties or obligations under this Contract and (ii) fails to cure a breach within the time period (not less than 45 days) specified in the written notice of breach provided by the Contractor or Subcontractor *provided that* Contractor or Subcontractor will not have to give a cure period if the State breaches Sections 2.322 or 2.323. This subsection shall survive termination or expiration of the Contract and will survive for as long as the license granted in Section 2.320 is in effect.

### **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 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 will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.



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

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

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

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

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

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

- (a) If the State terminates this Contract for its own convenience under Section 2.153, 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.
- (b) If either party terminates this Contract under the provisions above, the State agrees (a) that all intellectual property provided by Contractor under this agreement (including all licensed software and documentation) that which the State does not own shall be returned to Contractor within thirty (30) days of termination and (b) it will not have any right to use of possess any intellectual property (including all licensed software and documentation) provided by Contractor pursuant to this Contract.
- (c) If the State terminates this Contract for any reason, the State agrees (a) that all intellectual property provided by Contractor under this agreement (including all licensed software and documentation) that which the State does not own nor is intended to own under this Contract shall be returned to Contractor or Subcontractor within thirty (30) days of expiration and (b) it will not have any right to use of possess any intellectual property (including all licensed software and documentation) provided by Contractor pursuant to this Contract.

This Section 2.157 shall survive termination or expiration of the Contract and will survive for as long as the license granted in Section 2.320 is in effect.

#### **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 Reserved**

**2.170 Reserved**



## **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 will resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract will 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 will be deemed to be a termination for convenience under **Section 2.153**, and the State will pay reasonable costs resulting from the Stop Work Order in arriving at the termination settlement. For the avoidance of doubt, the State will not be liable to Contractor for loss of profits because of a Stop Work Order issued under this Section.

## **2.190 Dispute Resolution**

### **2.191 IN GENERAL**

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

### **2.192 INFORMAL DISPUTE RESOLUTION**

(a) All disputes between the parties will 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 will discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.



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

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

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

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

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

### **2.193 INJUNCTIVE RELIEF**

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 will 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, will 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 will 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 will comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.



## **2.204 PREVAILING WAGE**

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

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

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

## **2.210 Governing Law**

### **2.211 GOVERNING LAW**

The Contract will 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 will 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 will 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. Notwithstanding anything above, in no case shall Contractor's or any State-approved subcontractor's liability under this Contract exceed two times (2X) the total amount of the fees actually paid by the State to Contractor pursuant to this Contract.

This section will survive the expiration or termination of this Contract pursuant to Section 2.012.



## **2.230 Disclosure Responsibilities**

### **2.231 DISCLOSURE OF LITIGATION**

Contractor will 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) will 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 will disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements that are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

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

- (a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
  - (1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
  - (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.
- (c) Contractor will 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 will 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 will also notify DTMB-Procurement within 30 days whenever changes to company affiliations occur.

### **2.232 RESERVED**

### **2.233 BANKRUPTCY**

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, if:

- (a) the Contractor voluntarily files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 60 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 that is specifically related to a bankruptcy filing or insolvency; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

## **2.240 Performance**



### 2.241 TIME OF PERFORMANCE

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

### 2.242 SERVICE LEVEL AGREEMENT (SLA)

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

### 2.243 RESERVED

### 2.244 EXCUSABLE FAILURE

Neither party will be liable or responsible to the other party, nor will be deemed to have defaulted under or breached this Contract, for any failure or delay in fulfilling or performing any term of this Contract, when and to the extent such failure or delay is caused by:

- (a) acts of God;  
flood, fire or explosion;  
war, terrorism, invasion, riot, or other civil unrest;



embargoes or blockades in effect on or after the date of this Contract;  
national or regional emergency; or  
any passage of law or governmental order, rule, regulation or direction, or any action taken by a governmental or public authority, including imposing an embargo, export or import restriction, quota or other restriction or prohibition.

(each of the foregoing, a “**Force Majeure**”), in each case, provided that: (i) such event is outside the reasonable control of the affected party; (ii) the affected party provides prompt notice to the other party, stating the period of time the occurrence is expected to continue; and (iii) the affected party uses diligent efforts to end the failure or delay and minimize the effects of such Force Majeure event.

### **2.250 Reserved**

### **2.260 Ownership**

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

Contractor agrees that all the State’s authored documents printed/copied or data processed on Contractor supplied equipment or on Contractor supplied software are the State’s sole and exclusive property, and that Contractor shall have no rights to these documents. All other work prepared by or processes developed by Contractor for the State’s use will remain the sole property of Contractor or its Subcontractor and is not deemed a “work for hire”.

However, Subcontractor EFI grants the State a non-exclusive, perpetual, fully paid-up, worldwide license to use, display, reproduce, and modify any report, form, design, computer programs, code, or other work of authorship provided by Contractor to the State in the course of performing the Services under the Contract strictly for the State’s internal business use and not for resale or distribution outside of the State’s organization; *provided that* this license shall be governed by Section 2.320 below.

This section will survive the expiration or termination of this Contract pursuant to Section 2.012.

#### **2.262 RESERVED**

#### **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](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 Reserved**

## **2.290 Environmental Provision**

### **2.291 ENVIRONMENTAL PROVISION**

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

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

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

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

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

**2.300 Reserved****2.310 Reserved****2.320 Software Licensing**

Section 2.320 et seq will survive the expiration or termination of this Contract *provided that* for as long as this Section survives it may be terminated pursuant to Section 2.152(e).

**2.321 LICENSE GRANT**

Contractor hereby grants to the State the right and license to use the COTS Solution and Documentation throughout the universe for the Permitted Use in accordance with the terms and conditions of this Contract. The rights and licenses hereby granted are non-exclusive, royalty-free, perpetual, and irrevocable except as provided for in this Contract. For purposes of this Section, ("Permitted Use") means use of the COTS Solution and Documentation by the State for the purposes set forth in Article 1 of this Contract.

**2.322 LICENSED ACCESS AND USE**

Pursuant to the license granted under Section 2.321 and in accordance with the terms and conditions thereof, the State has the right and license to do each of the following for or in connection with the Permitted Use:

- (a) install, execute and run copies of the COTS Solution on the State's computer network for use by authorized end users in accordance with Article 1;
- (b) have authorized end users access and use the COTS Solution by any means whatsoever, including via the internet or any WAN, LAN or VPN, from any other device;
- (c) generate print, copy, download and store all State Data and other data, information and content, including all GUI, audio, visual or digital and other displays and output, as may result from any execution or other use of the COTS Solution;
- (d) use the COTS Solution in object code form;
- (e) prepare and make one copy of the COTS Solution and Documentation for the Permitted Use, including for purposes of:
  - (i) operation with other software or systems;
  - (ii) hardware or system maintenance or repair;
  - (iii) software, hardware or system testing;
  - (iv) disaster recovery; and
  - (v) backup and archiving;
- (f) train end users in uses of the COTS Solution and Documentation permitted hereunder; and
- (g) perform and have end users perform, any other act, including the provision of any service, that is reasonably incidental to the operation of the COTS Solution for the Permitted Use in accordance with terms and conditions of this Contract.

**2.323 USE RESTRICTIONS**

The State shall not, and shall not permit others to:

- (a) Reverse engineer, disassemble, decompile, decode or adapt the COTS Solution, or otherwise attempt to derive or gain access to the Source Code of the COTS Solution, in whole or in part.
- (b) Rent, lease, lend, sell, sublicense, distribute, publish, transfer or otherwise make the COTS Solution available to any third party.

**2.330 Source Code Escrow****2.331 DEFINITION**

"Source Code Escrow Package" will 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 will include precise identification of all compilers, library packages, and linkers used to generate executable code.

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

Upon the State's written request to Contractor, Contractor will work with subcontractor to deliver a Source Code Escrow Package to the Escrow Agent, pursuant to the Escrow Contract, which will be entered into on commercially reasonable terms subject to the provisions of this Contract.

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

If at any time during the term of this Contract, the Contractor provides a maintenance release or upgrade version of the Licensed Software, Contractor will within thirty (30) 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 State 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, files a voluntary petition of bankruptcy that is not discharged with 60 days, 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 and applicable subcontractor discontinues support of the provided products.

### **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 will comply with all procedures in the Escrow Contract;
- (b) The State will 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 will 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, maintain, and support the Deliverables. Further, the State will 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.



**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, will 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.



**Appendix A – Technical/General Requirements**

**1. General Requirements**

#	Detailed Requirement	M/O	Y/N/M	Comments
A.	The system must have role based security that is in compliance with separation of duties in accordance with internal controls.	M	Y	Configured at group level. Read and write access controlled at the individual field level
B.	The system must be compatible with and able to integrate with existing EFI DSF system currently version.	M	Y	Simply added as a Pace Connect setup.

**2. System Architecture**

#	Detailed Requirement	R/O	Y/N/M	COMMENTS
A.	The system employs web application server architecture with a workstation browser accessing a central database through software on a server.	M	Y	Pace supports IE 8.x and higher, Chrome 4.x and higher, Firefox 3.x and higher and Safari 4.x on Windows, Mac and Linux Clients.
B.	The system is fully self-contained and capable of being operated by State staff with no dependency on Vendor services for its routine operation.	O	Y	The pace appliance includes all necessary web services and interfaces for normal usage
C.	The system keeps a log of each transaction which alters the database. Logs are date and time stamped to allow the system to reconstruct activity for any period.	O	Y	Each user logs into the system with a unique ID and password. The system also features usage tracking for every action of each user on the system with a complete audit log.
D.	Application server operating system compatibility: Windows Server 2008 and Windows Server 2012.	M	Y	EFI Pace provides easy Web-based access, eliminating the need for software downloads and installations on client workstations. Pace also supports all popular industry-standard browsers. Since access is via a Web browser, the system is operational on multiple platforms, including Windows®, Macintosh® OS, Linux® or UNIX®. Pace itself is based on Linux platform and works well with Windows environments like DSF.
E.	Communication protocol: TCP/IP	M	Y	Built in. Can be manually set or automatic as set by administrator



**3. Database Management**

#	Detailed Requirement	R/O	Y/N/M	COMMENTS
A.	The system is available with State's standard relational database management system SQL Server 2008 and SQL Server 2012.	M	M	Pace uses PostgreSQL. The API (Application Program Interface) enables other systems outside of EFI Pace to interact with EFI Pace through an industry-standard series of SOAP-based services. Through the EFI Pace API, other systems can obtain generic access to objects, and execute or invoke specific processes (such as posting invoices, calculating estimates, refreshing job plans, etc.), within EFI Pace.
B.	Full-text indexing and a full-text database search feature are available to provide easy retrieval of records.	O	Y	PaceStation Query Tool, as well as standard search screens

**4. Computer Security and Access Requirements**

#	Detailed Requirement	R/O	Y/N/M	Comments
A.	The system provides secure access control based upon unique user login.	O	Y	EFI Pace offers a robust security model, which enables you to manage access rights to each module and screen down to individual fields on a screen. Each user logs into the system with a unique ID and password. The system also features usage tracking for every action of each user on the system with a complete audit log.
B.	The system checks each user's access privileges at login, and automatically disables or enables client functions (in real time) based upon the user's profile.	O	Y	There is ability to define Read only, Edit or no display of functions down to every field based on login credentials
C.	The system provides varying levels of access within the application, such as administrators or view only.	O	Y	See 4B
D.	Desktop OS compatibility: Windows XP, Windows 7 and Windows 8	M	Y	Yes assuming Java and cookies are enabled
E.	Internet Browser compatibility: IE 9.0 and IE 10.0 and IE 11.0	M	Y	Pace supports IE 8.x and higher, Chrome 4.x and higher, Firefox 3.x and higher and Safari 4



**5. Security/Password Controls**

#	Detailed Requirement	R/O	Y/N/M	Comments
A.	The system provides an enforced password for use.	M	Y	Your system administrator configures the EFI Pace password requirements for your shop, including the minimum length, number of characters, and password expiration timeframe, on the Company Setup page in EFI Pace.
B.	The system can integrate with Microsoft Active Directory.	O	M	Requires LDAP module
C.	The system provides an enforced requirement for user passwords to be automatically prompted for change after a defined period has passed, such as 30, 60 or 90 days.	O	Y	The system administrator configures the EFI Pace password requirements for your shop, including the minimum length, number of characters, and password expiration timeframe, on the Company Setup page in EFI Pace.
D.	The system provides users with the capability to change their own passwords.	O	Y	User must enter new one twice for confirmation and security
E.	The system disables user ID's after a specified number (3) of consecutive invalid login attempts.	O	Y	See 5C
F.	The system enters passwords in a non-display field.	O		They display as asterisks *****
G.	The system encrypts passwords when they are routed over the network.	O	Y	https can be used by clients
H.	The system encrypts passwords in system storage.	O	N	Not visible within UI but can be exported via PaceStation query but is restricted to Admin
I.	Passwords must meet the following complexity requirements.			
	i. May not be based on the user's account name	M	N	Set minimum non alpha characters which could avoid their name
	ii. Must contain at least eight characters	M	Y	Dictated by administrator under password policies
	iii. Must contain characters from three of the following four categories: a. Uppercase letters (A-Z) b. Lowercase letters (a-z) c. Numbers (0-9) d. Special characters (for example, ! \$ # %)	M	Y	Dictated by administrator under password policies
J.	The maximum password age is 120 days (i.e., a password may not be used for longer than 120 days).	O	Y	Dictated by administrator under password policies



#	Detailed Requirement	R/O	Y/N/M	Comments
K.	To ensure that passwords are not repeated within a period of time, the password history limit is 10. This means that when a user creates a new password, he/she may not select one that is one of their 10 most recently used passwords.	O	N	There is no history of previous passwords
L.	After a lockout, the account may not be automatically unlocked in fewer than 30 minutes (i.e., the account may be unlocked by the State Client Service Center (Internal Help Desk) or a system administrator at any time).	O	Y	No unlocking by user. Admin only can reset password or unlock account

**6. Security/Activity Logging**

#	Detailed Requirement	R/O	Y/N/M	Comments
A.	The system logs unauthorized access attempts by date, time, user ID, device and location.	O	Y	It is located in several locations and can be accessed by Pace Support for your needs
B.	The system maintains an audit trail of all security maintenance performed by date, time, user ID, device and location, with easy access to information.	O	Y	Full sortable logging
C.	Provides security reports of users and access levels.	O	Y	Can be sorted by date, user or group

**7. Software Package Specifications**

#	Detailed Requirement	R/O	Y/N/M	Comments
A.	The software will operate effectively on state hardware as defined by Vendor with Vendor-supplied upgrade recommendations.	M	Y	As a VM there will be some minimum level of RAM and CPU allocation to properly handle load of concurrent user base
B.	The software operates in a recognized industry standard operating system environment.	M	Y	Easily works within wide variety of environments as standalone system within your VMware infrastructure
C.	The software allows for real time input and extraction of data.	O	Y	Via PaceStation query or API connection (requires API module)
D.	The software allows for processing of all identified state business.	M	Y	Works with digital, offset, inventory fulfillment, wide format workflows
E.	The software provides identified data reporting capabilities.	O	Y	Configurable using PaceStation edited queries, or with standard reports
F.	The software provides a Graphical User Interface (GUI) that is user-friendly and provides data, calculation, reporting, and communication capabilities to State users.	M	Y	Works with multiple operating systems and industry standard browsers like IE, Firefox, Chrome
G.	The system is modular in design to accommodate phased implementation and future expansion.	O	Y	With both licenses and modules Pace is scalable



#	Detailed Requirement	R/O	Y/N/M	Comments
H.	The modularity allows the capabilities of the core systems to function without the entire system complement.	O	Y	The foundation bundle is the core component that will work without advanced modules
I.	Additional modules may be integrated into the system without a major impact to the installed components.	O	Y	EFI offers a large list of optional modules as per your needs that can be added later
J.	All modules of the system are integrated and designed to work together using a single input and a common database with no redundant data entry or data storage.	O	Y	Functionality is instantly added to existing system and can be added to user permissions
K.	The software provides the capability of transferring data to and from the host/server to the client for processing on other software packages.	O	M	The API (Application Program Interface) enables other systems outside of EFI Pace to interact with EFI Pace through an industry-standard series of SOAP-based services. Through the EFI Pace API, other systems can obtain generic access to objects, and execute or invoke specific processes (such as posting invoices, calculating estimates, refreshing job plans, etc.),
L.	The system provides the capability for expansion in order to take advantage of technology such as optical scanning and imaging in order to reduce data entry workload.	O	M	Customization to system is possible but chargeable

**8. Reporting Requirements**

#	Detailed Requirement	R/O	Y/N/M	Comments
A.	The system must produce reports as specified under the Functional Requirements.	O	y	There are standard reports in the system that can be customized using an optionally licensed Custom Report Writer module OR by Pace Professional Services for a fee. All EFI Pace systems do come standard with a dynamic query tool (PaceStation) that allows full access to the object model.
B.	The user must be able to enter date ranges for selected reports.	O	y	User picks start and end dates
C.	The system must produce reports in .pdf, Excel or both.	O	y	Reports can be printed as PDF, to local printer or exported to Excel
D.	The system must automatically generate certain reports.	O	M	Pace provides multiple options for this. A PaceStation query can also automatically update. Or, using the Alerts module, even more control and automation can be achieved.



#	Detailed Requirement	R/O	Y/N/M	Comments
E.	The system must provide the ability to generate:			
	i. static reports with pre-determined formatting and data population	O	y	Built in reports with report specific parameters selectable before printing
	ii. dynamic reports where users can select from pre-determined data sets and can perform some sorts and filtering	O		PaceStation query
	iii. ad hoc reports	O	y	PaceStation query is configurable and can auto refresh if chosen
F.	The system must allow a user to preview reports before printing them.	O	Y	Via Print Preview button
G.	The online query capability enables non-technical end-users to extract information.	O	Y	Can be easily configured as a bookmark in the browser
H.	Standard reports to be scheduled, executed, viewed online, printed (centrally or remotely) and dispersed (including the use of report distribution management software)	O	Y	Using Alerts Module, reports can be scheduled and/or triggered and distributed by email for example
I.	Offices and work locations to control which standard reports they do and do not receive.	O	Y	By user group
J.	The State to control the information that appears on standard reports so that data security is maintained.	O	M	Custom report writer is required to control information that appears on reports
K.	The system provides methods for retaining and modifying previously built queries	O	Y	Pacestation query list
L.	The system provides security and control mechanisms that limit the abuse of ad hoc queries (e.g., attempted access to restricted data, attempted execution of a query that would run for several hours, etc.)	O	Y	Based on user security settings

**9. Audit Trail**

#	Detailed Requirement	R/O	Y/N/M	Comments
A.	The system enables the user to modify data entry transactions that have already been posted to the database while maintaining an audit trail of the change.	O	Y	Assuming those fields have been set to be editable
B.	The system's internal control functionality ensures that the data entry and processing associated with a business event has been completed before updating the database.	O	Y	Fields can be set to be mandatory before database is updated

**Edit and Validation Control**

#	Detailed Requirement	R/O	Y/N/M	Comments
A.	The system includes comprehensive field edits to prevent incomplete or incorrect data from entering the system.	O	Y	Fields can be set to mandatory with certain length and enforced before completion
B.	The system ensures data integrity and controls processing without hard-coded logic.	O	Y	Using XPath configurable calculations, users have flexibility to edit and control processing



**Capacity**

#	Detailed Requirement	R/O	Y/N/M	Comments
A.	The system must support the activities of up to 250 users simultaneously.	O	Y	250+ users requires Enterprise Appliance or VM equivalent. According to your normal prediction of 30 concurrent users, Pace will handle the load
B.	The software has a timeout feature that displays a message when the session is about to end.	O	N	After specified idle time, user is logged off

**10. System Auditing**

#	Detailed Requirement	R/O	Y/N/M	Comments
A.	The system has the ability to maintain a historical record of all changes made to any item within the system (e.g., data element, business rule, process control, software program), the ID of the person or process that made the change, the before images of the affected data records, and the date and time the change was made.	O	Y	<p>EFI Pace includes an audit log that records Add, Update, and Delete transactions created by specific objects in the Object Model Browser. The audit log makes up the Recent History file that you access from the EFI Pace toolbar at the bottom of most EFI Pace records. By default, the history logs are not trimmed or purged and thus, can become very large. In most cases, if you do not set up the Auto Purge feature, over 50% of your database size consists of these logs. If you use the EFI Pace system heavily and do not manage the audit log through the built-in Auto Purge Audit feature, the data-to-log size can cause minor performance issues.</p> <p>You can set the system to automatically purge aged audit log records on the Company Setup Detail page, based on settings you specify on the individual Object records. You can also set the maximum number of days to keep the audit records for an object on the Auditable Settings tab of the Object Detail page.</p>
B.	The system must ensure that all system events for software, hardware, interfaces, operating system, network, etc. are written to a system event log.	O	Y	Daily logging is part of backup



#	Detailed Requirement	R/O	Y/N/M	Comments
C.	The system offers the ability to query, view, filter, and sort the system audit trail.	O	Y	Can be sorted by name, size, date modified
D.	The system is able to store/save the queries.	O	Y	PaceStation queries can be saved and grouped and named as chosen
E.	The system has the ability to identify and track data back to its input source (e.g., imaged document, keyed from form, interface file, etc.).	O	M	System logs throughout. PaceConnects, Estimating, Job, Data Collection. See Object History
F.	The system has the ability to audit all override of edits and audits and identify the login ID, date, and time.	O		Object History. Example, job history.

**11. Error Handling**

#	Detailed Requirement	R/O	Y/N/M	Comments
A.	The system must ensure that all errors are written to an error log.	O	Y	Daily along with backup
B.	The system must allow for an administrator to view, filter, sort, and search the error log.	O	Y	Can be sorted by name, modified date, size and description
C.	The system must allow for an administrator to archive error log entries based upon user-defined criteria.	O	Y	System does full logging of entire system performance and errors

**12. Backup and Recovery**

#	Detailed Requirement	R/O	Y/N/M	Comments
A.	In the event of failure, the system must be able to recover data and files from the latest incremental backup.	O	N	Every backup are full backups and done on a daily basis and can be loaded back for full functionality

**13. Performance Requirements**

#	Detailed Requirement	R/O	Y/N/M	Comments
A.	The system must be available 24 hours a day, 7 days a week, and 365 days a year.	O	Y	Pace does not have mandatory shutdowns. If you choose to update your system when major annual updates are released, there could be a 2-4 hour cycle to download, install and restart. Minor upgrade down 20-60 minutes. Recommended to schedule during down/slow usage time.



**Appendix B – Functional Requirements**

The system will, without additional software licensing or any additional development time or cost:

#	Functional Requirements	M/O	Y/N/M	Comments
	<b>Software Requirements</b>			
1.	Software will assign unique number to all jobs for tracking throughout all software modules	M	Y	Can be configured to start at certain number. Certain job types can also have prefixes.
2.	Software will create a banner sheet or job ticket for every job with barcoded job number that can be scanned throughout the print and mail process. The barcode must be an industry standard barcode (i.e. 2 of 5, 3 of 9, etc.). Job ticket must be able to be modified by State of Michigan.	M	M	Standard Job ticket has bar codes with industry standard format. Optional Custom Report Writer module needed for modifications to job ticket
3.	Software will populate field information automatically in the system each time the barcode is scanned	M	Y	Job number is automatically read if supported barcode font used
4.	Software must have the ability to assign at least two sets of separate State of Michigan MAIN account code sets used for billing to every job entered into the system. These separate bill code sets will contain accounting information for both printing and mailing and each set will contain fifteen (15) separate MAIN fields with data in some or all fields following data requirements described in the attached documents headed "MAIN Coding Structure" and "DIT ITAM Invoice Payment, Encumbrance Liquidation and Credit Invoice Layout of Inbound Accounting Transaction Interface File Record". In addition to the fourteen fields and field requirements identified in the attached "Main Coding Structure" document, the software must have the ability to store one additional four-character MAIN account code field named "Appropriation Year" with each account code set. Numbers or alpha- numerics stored in these MAIN account code fields are values, including zero-fill from the left. As an additional optional requirement, the software should be capable of storing and displaying defaults as drop-down lists for these MAIN account code fields and should be capable of restricting fields for entry, or selecting default entries for certain fields based upon the selected MAIN AGY account code or other selected codes. The attachment "DIT ITAM Invoice Payment, Encumbrance Liquidation and Credit Invoice Layout of Inbound Accounting Transaction Interface File Record", is included in this functional requirement only to help define field requirements for the required sets of 15 separate MAIN fields. Creation of a MAIN interface file, as described in the attachment, is not a requirement of this RFP.	M	M	Customization to DSF order codes to allow accounting codes to pass along with order into Pace properly.
5.	Software will accept all job information from DSF including job numbers, quantities, pricing, job formatting, finishing options, user information, and accounting information.	M	Y	Via XML, all is passed into Pace via PaceConnect.



#	Functional Requirements	M/O	Y/N/M	Comments
6.	Software will communicate bi-directionally with all PS digital cut-sheet printer controllers. The software will extract job information from the print controller including print start time, print complete time, number of images, and stock size.	M	Y	Assuming Fiery controllers using JDF/JMF
7.	Software will store all data in database that the State staff will be allowed to query and extract.	M	Y	Assuming security settings allow specific people to read data
8.	Software will be able to produce various production and management reports on material and labor charges, employees, and customer history	M	Y	Can be filtered by date, location. Customer record includes spending histories
9.	Contractor will install all software on State virtual Windows servers	M	Y	VMWare ESXi version 5 or higher.
10.	Contractor will provide any software upgrades or patches without charge to the State	M	Y	Included and available for administrator to easily install when released via Admin Console assuming client is in good standing with no credit hold and under maintenance contract.
11.	Software will provide end to end integration of all modules into the Printing Services environment	M	Y	As per proper number of hours of customization as well as implementation, or you can integrate yourselves with the API toolkit
12.	Customization of COTS software to meet Printing Services requirements, future enhancements, and/or legislative mandates	M	Y	Can be performed by EFI customization team or you can do customization with optional modules
13.	Diary notes may be added throughout the modules and attached to jobs or quotes in a manner visible to all staff that need detailed job information	M	Y	Notes can be unlimited in length, throughout the system and also sorted by department
14.	The application must provide the ability to insure security of the data through password assignment, restricted access to specified data and reports, and read-only access to specified end users.	M	Y	Based on login privileges, security settings for user will only allow what is configured to show/edit down to field level

Estimating Requirements				
1.	Compare quantities and configurations to optimize estimates	M	Y	Pace will recommend best method based on stock size and press size maximums, as well as working style
2.	Enable flexible standard markups, discounting and overrides	M	Y	Can be done at paper level, outside purchase markup percentage, price level or overall markup as well as 1-9 price level, or overall sell markup



3.	The system must be able to convert an estimate into an order.	M	Y	Can be added to previous job or create new one
4.	The system must generate an estimate report that can be sent to the customer. The report must be alterable (format, add or delete fields) by an administrative user	M	Y	Can be emailed or printed from Pace with full editing, deselecting and structure configuration based on your defaults
5.	Changes to the estimate or order must be recorded for auditing. User, date, time and description of change must be captured	M	Y	Audit trail highlights changes in pink, user and date are captured and logged
6.	Automatically save, calculate and display changes	M	Y	After alteration, user hits recalculate and its updated
7.	Calculate raw cost, all-inclusive cost and targeted selling price for up to five quantities minimum.	M	Y	6 on first screen, unlimited after first calculation command is complete
8.	Generate a purchase order for materials when a non-stock item is needed.	M	Y	Can be manual or automatic
9.	Provide combined estimates for printing and mailing	M	Y	Mailing can be done on a job by job option or included automatically on mailing job types
10.	Provide separate estimates for printing and mailing	M	Y	If you want to add a mailing part to a print job you can or combine them together into one estimate with mailing details
11.	Provide detail of all services included for printing and mailing	M	Y	Also advanced billing is possible with mailing charges where other accounts might be covering mailing separately from print job

<b>Billing Requirements</b>				
1.	Capture all print and mail job information and store it in a database	M	Y	All is captured in Job detail which is part of permanent Pace database
2.	State staff has the ability to create reports from data stored in database	M	Y	With permission, using either standard reporting or customized PaceStation reports
3.	If multiple tables are used in database, all tables will or can be linked together for reporting	M	Y	Multiple accounts for instance can be accessed for single job
4.	Software can export information from database into a usable format (i.e. .csv or delimited file)	M	Y	Throughout Pace, CSV is an option for output
5.	Must allow management to develop standards for processes throughout the shop, enabling rate adjustments	M	Y	Billing rates are set at Customer level and can be overridden at job level



6.	Compare estimate price to actual production costs and selling price	M	Y	Job Costing is tallied throughout the job and will display estimated costs versus actual costs with profits also calculated
7.	Job costs are integrated with all labor and material components	M	Y	Time and materials as per your standards are collected via Data collection or automated machine interfaces. Fiery will automatically post machine and material costing to job detail
8.	Allow custom reports to be added to the report menu	M	Y	And can also be added to Data Collection window for users if desired

<b>Job Order Entry Requirements</b>				
1.	The system must allow separation of customers via a customer number assigned by the system	M	Y	Unique identifier is what is created and referenced as orders are passed from DSF to Pace.
2.	Orders changed must automate the subsequent changes to materials, run times, etc. that are affected by the change	M	Y	Orders in Pace recalculate and refresh as per changes. Best handled by modifying the estimate and reconverting.
3.	The system must allow creation of shipping labels and delivery receipts	M	Y	Located in job part detail in Shipping section
4.	Control of edit and viewing authorization	M	Y	Set by administrator at group or user level and can be controlled right down to the field level
5.	Update job data real-time throughout the shop	M	Y	Auto refresh pacementation queries at selectable intervals (i.e. every 5 minutes autorefresh browser)
6.	Maintain detailed history of job changes	M	Y	Date and user time stamp. Also in-depth and detailed handling of change orders and outside buyouts.
7.	The ability to generate invoices for non-state agencies orders with format for these invoices to be determined by the State.	M	Y	Needs Custom report writer module if you want to change style or layout from standard layout
8.	The ability to issue credit after the order has been billed	M	Y	Reversal entries can be applied. Credits can be applied generally toward customer credit against future or past invoices
9.	Software must be able to retrieve previous orders and associated tickets and estimates based on job description	M	Y	Can be searched and filtered many ways



Hardware Requirements				
	Barcode scanners that will interface directly with the software		Y	The Wasp model WCS 3905 USB scanner is compatible with EFI Pace, as well as any scanner that supports the "3of9" barcode font. You can view available models at <a href="http://www.waspbarcode.com">http://www.waspbarcode.com</a>

Shipping Requirements				
1.	Maintain a history of shipping activity	M	Y	Within job detail
2.	Provide shipping details for invoicing	M	Y	You can choose to have actual shipment cost or DSF estimated shipping cost. Can print shipping labels, carton labels, delivery tickets, and bring in shipments from DSF order
3.	Allow multiple ship to locations	M	Y	Drag and drop easy and can allow different quantities for each. Shipping instructions can be passed via XML into Pace
4.	Automatically produce packing lists and invoices	M	Y	Pace can schedule automated invoicing and pacementation query could display candidates for packing
5.	Captures time and materials data	M	Y	This is true of any Pace job and its sub parts. Shipping timeframe and material quantities (paper and non-paper) pass from DSF to Pace shipping detail
6.	Software can track shipments via third party	O	Y	Shipping to many partners via Process Shipper 200 module.
7.	Software can cost shipments via third party	O	Y	Can be captured manually with foundation system. Automatically for UPS and FedEx, DHL, USPS via Process Shipper 200 module. Base system allows manual entry of third party shipping costs and weight without added modules.



<b>Scheduling Requirements</b>				
1.	The system must be able to track and report location of job tickets as the job progresses through the shop	M	y	Data collection or machine interface can also report progress into job part costing detail. For advanced tracking, Pace Scheduling module or Printflow are optional
2.	Track job status and job commitments	M	y	Status updates sent to buyer via DSF integration. Job status updated organically as configured in system.
3.	System allows select users to change or alter production workflow	M	y	With privilege, one could alter promise date, production steps, device, etc.
4.	Software updates all information when changes or alterations are made to a job	M	y	We can update estimate then reconvert into job or perform Job>Estimate>Job conversion
5.	System will handle both digital and offset jobs.	M	y	Pace can recommend best output method. Also indicate all possible output destinations and their cost and can allow forcing of output to a certain press. Also within a job separate parts could be digital and offset

<b>Inventory Control Requirements</b>				
1.	Track location, material withdrawals, usable and damaged inventory	M	y	All contained in Inventory control menu. Tracking of quantity on hand, allocated and available. Via ABC analysis, you could allocate damaged items
2.	Provides real time updates of available stock to customers via DSF.	M	Y	Instant updates to published items show up within DSF interface
3.	Track availability and job commitments of material.	M	Y	Shows allocated and available amounts of specific items. Data Collection can pull materials directly from this quantity



Production/Finishing Requirements				
1.	Track labor, material and status by employees	M	y	Data collection captures pulled materials and time with hourly costing calculated
2.	Allow employees to enter comments or select from a list of barcodes to record job specifics	M	y	Comments can be required
3.	System allows select users to change or alter production jobs	M	y	Only with permissions set, user could access content files within Job Detail as PDF and would require manually re-attaching altered PDF to job detail and its activity would be tracked within audit trail
4.	Software will have the ability to direct print to any digital printer in PS.	M	y	For bi-directional reporting, Fiery or Fiery central.
5.	Software automatically updates all software components when changes or alterations are made to a job	M	Y	We can update estimate then reconvert into job or perform Job>Estimate>Job conversion

Purchasing Requirements				
1.	Built-in reconciliation process for physical inventory adjustments	M	Y	The Purchasing module integrates with the Inventory module, which enables you to create purchase orders for inventory items. When you receive the items, EFI Pace automatically updates the quantities on hand and item costs when you post the inventory transactions.
2.	Track outside purchases, stock commitments, orders, receipts, usage and adjustments	M	Y	The Purchasing module integrates with the Inventory module, which enables you to create purchase orders for inventory items. When you receive the items, EFI Pace automatically updates the quantities on hand and item costs when you post the inventory transactions.



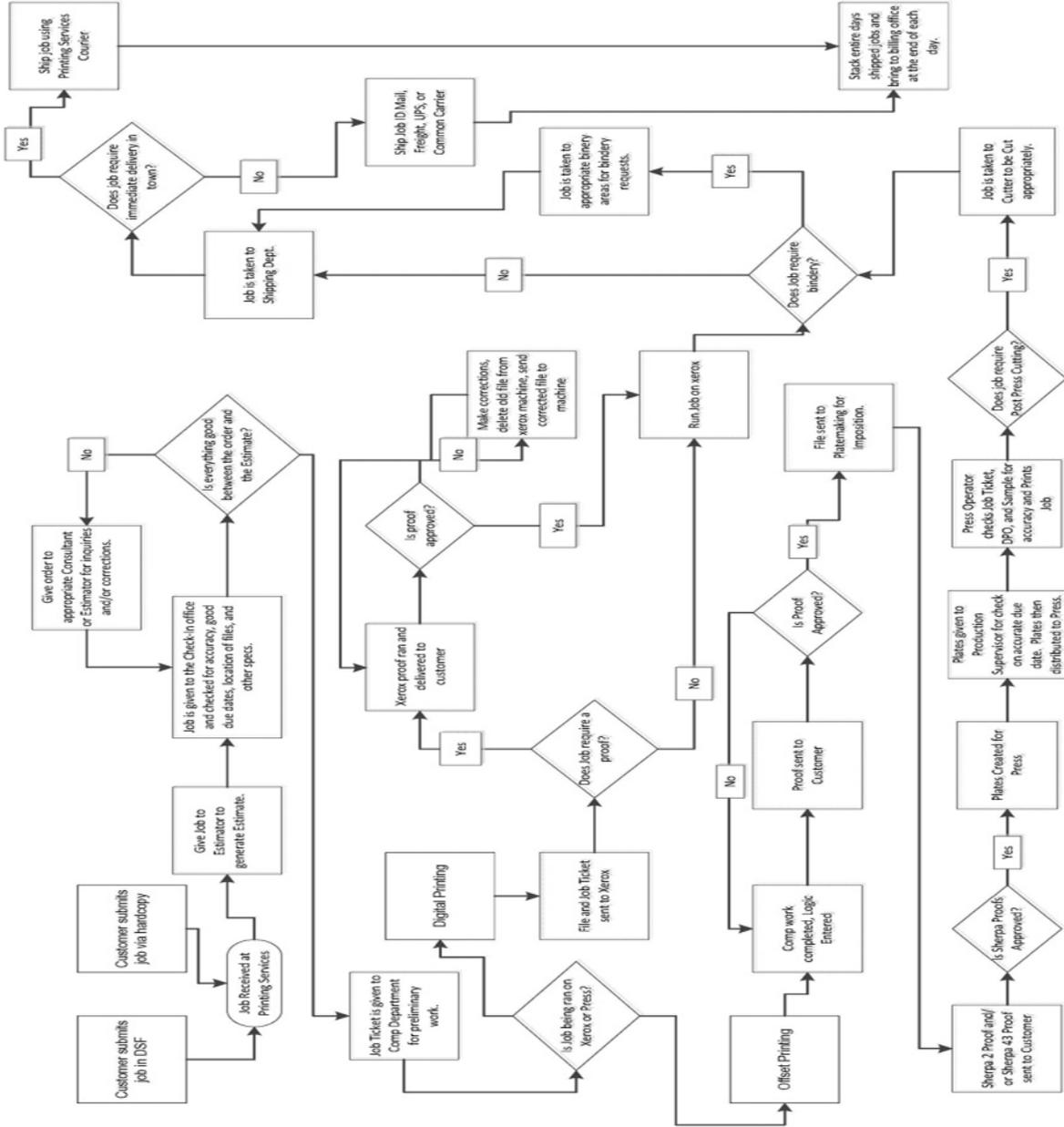
3.	Automated data exchange between shop floor, job and accounting	M	Y	The Data Collection module integrates with the Inventory module, and enables employees to enter usages through Data Collection. This updates the inventory item on hand quantities when you post the transactions. Also we support Inventory to GL
4.	Compare invoices against original orders and material receipts	M	Y	The Purchasing module is integrated with the Inventory module and automatically generates an inventory transaction of type 1-Receive when you receive inventory items.
5.	Commit material for a job directly from the estimate or purchasing	M	Y	Inventoried Materials in an estimate are automatically committed upon the estimates conversion to a job. PO Lines for Inventory lines can write job costing records upon entry or receipt.
6.	Ability to generate Purchase Orders	M	Y	Can be automatically batched and filtered by vendor, type etc.

<b>Accounting Requirements</b>				
1.	Must be able to capture at least two (2) separate sets of State of Michigan MAIN account codes for each job	M	M	Customization of DSF codes can be passed into Pace for billing specifics
2.	Software will assign one (1) job number for jobs with at least two (2) sets of MAIN accounting codes	M	M	Customization of DSF order fields
3.	MAIN account code sets must contain fifteen (15) separate fields each	M	M	Customization of DSF order fields
4.	See Software Requirement #4 for additional information.	M	M	Modification of accounting codes within DSF will allow functionality of added accounting and mailing codes as well as year code to pass into Pace



APPENDIX B  
FUNCTIONAL REQUIREMENTS

EXHIBIT 1: CURRENT PRINTING SERVICES BUSINESS PROCESS WORKFLOW DIAGRAM





**Appendix C – Cost Tables**

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

<b>Project Cost(s)</b>	<b>Cost (\$)</b>	<b>Comments</b>
<b>Software</b>	<b>\$175,210</b>	<b>See Table 2 for details.</b>
<b>Implementation</b>	<b>\$81,120</b>	<b>See table 3 for details.</b>
<b>Training &amp; Documentation</b>	<b>\$38,250</b>	<b>See table 4 for details.</b>
<b>Maintenance and Support</b>	<b>\$193,110</b>	<b>Fixed at \$38,622 per year for each of the 5 base contract years. Option year price increases limited to 3% per year. See Table 5 for details.</b>
<b>Total Project Cost</b>	<b>\$487,690</b>	

**Table 1a: Initial Contract Value**

<b>Project Costs</b>	<b>\$487,690</b>
<b>Optional Future Enhancements*</b>	<b>\$22,500</b>
<b>Total</b>	<b>\$510,190</b>

\*For further details, see Table 6.



**Table 2: Breakdown of Software Licenses**

Vendor Part Number	Xerox Part Number	Description	Unit Price	Qty	Extended Price
3000003411	498N00844 Annex	<b>Pace System Software - Foundation Bundle</b> <i>Bundle includes: Estimating, Job Control, Data Collection, Job Costing, Inventory, Purchasing, Job Shipments, Job Billing, Accounts Receivable, Job History, PaceStation, 5 full system users and 5 data collection users.</i>	\$35,776.00	1	\$35,776.00
3000002608	498N00844 Annex	<b>Pace Additional Concurrent Users for Full System</b>	\$832.00	25	\$20,800.00
3000002576	498N00844 Annex	<b>Pace Additional Data Collection Licenses [per workstation location]</b>	\$416.00	20	\$8,320.00
3000002574	498N00844 Annex	<b>Pace Custom Reporting Module Reporting</b> <i>Enables you to create or modify complex reports and utilizes a design tool similar to Crystal Reports Designer, but with the flexibility to be cross platform and unlimited in the number of users that can use the tool. You can use this tool to create custom reports and modify existing reports in the system.</i>	\$4,036.00	1	\$4,036.00
3000004559	498N00844 Annex	<b>PaceStation Add-on Charts &amp; Graphs</b> <i>Enables you to create powerful, on-demand visuals using the powerful PaceStation query engine as your data source. The dynamic nature of the engine and its toolset create the perfect way to customize your view of the health of your company</i>	\$1,581.00	1	\$1,581.00
3000004580	498N00844 Annex	<b>Pace Mailing Module</b> <i>The Mailing add-on module offers you the ability to manage and communicate details of a production job that include business/residential mail delivery through a seamless integration with EFI Pace</i>	\$16,474.00	1	\$16,474.00
3000005501	498N00844 Annex	<b>Pace LDAP Module</b> <i>When this feature is implemented, your Pace users can access the Pace system without physically logging into Pace. Your Pace System Administrator simply defines an LDAP Host, Port and Domain via the Company setup. Once LDAP is configured, the Pace system will automatically log users into Pace without requiring a Pace password.</i>	\$4,119.00	1	\$4,119.00
3000005582	498N00844 Annex	<b>Pace Customization Toolkit Bundle</b> <i>Contains the following modules:</i>  <u>Pace User Defined Alerts Module</u> <i>Enables the administrator to add notifications to the system that generate emails when certain events occur within the system. The administrator can also change the behavior of notifications currently programmed into the system.</i>  <u>Pace User Defined Translations Module</u> <i>Enables the administrator to modify field labels and tooltips that appear throughout the system via a direct</i>	\$39,600.00	1	\$39,600.00



	<p>user interface in the Pace application.</p> <p><u>Pace User Defined Defaults Module</u> Enables the administrator to configure the default values associated with the fields for an object created or duplicated in the system. The administrator can also control what is carried forward when something is duplicated in the system.</p> <p><u>Pace User Defined Fields/Lists Module</u> Enables the administrator to add fields and lists to most objects in the Pace management system. This module allows you to add any of 17 field types including Strings (Alphanumeric field), Memos, Attachments, Integers (numbers), Dates, Booleans (Yes/No), email address and links and URL's. These fields can be added and used on reports and screens as well as in EFI PaceStation to record or track information related to an item that is not standard in Pace. In addition, these fields are not affected by upgrades or other development enhancements over time.</p> <p><u>Pace User Defined Forms/Object Contexts Module</u> Enables the administrator to customize the forms, screen displays, lists, and context menus throughout the application.</p> <p><u>Pace User Defined Objects Module</u> Enables the administrator to add user defined objects and link these objects so existing objects in the system and link to other user defined objects defined to truly extend the application and its capabilities.</p> <p><u>Pace User Defined Database Views</u> Enables the administrator to create and manage custom views directly on the EFI Pace database. This module adds another layer of depth to the reporting capabilities of the EFI Pace system.</p> <p><u>Pace API Module (Programming Interface)</u> Enables the administrator or programmer to interact directly with the EFI Pace business tier, allowing an external program or other application to integrate directly with EFI Pace in the real time mode. It is commonly used to integrate an existing web site to enter orders directly into EFI Pace or to retrieve any information from within the management system and use that information for external purposes. This is an advanced module used by customers with an advanced level of programming aptitude. This module offers access to the EFI Pace business object tier via a web services model and requires someone on staff with programming experience and common knowledge of advanced programming concepts such as XML, JAVA and SOAP. The API</p>			
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		supports programs written in Java, PHP, and >NET languages.			
3000004924	498N00844 Annex	<b>PaceConnect-Fiery Central</b> <i>See Fiery Central Brochure for details</i>	\$0.00	1	\$0.00
3000003592	498N00844 Annex	<b>PaceConnect-DSF [Item Templates &amp; PLQ]</b> <i>Pace Item Templates module provides a framework for creating product templates. This framework can be used for rapid entry of commonly ordered products and integration to a web-to-print storefront. The result is a fully populated production job with as little clicks as possible by front-office users managing the incoming orders.</i>  <i>Pace Pricelist Quoting module enables you to quote pricelist items with optional customer-specific pricelists without regard to time and material-based pricing. It also provides you with optional links to inventory items and activity codes for scheduling, and enables you to convert the quotes you create to jobs.</i>	\$4,576.00	1	\$4,576.00
3000006034	498N00844 Annex	<b>Fiery Central Software Kit for MIS customers</b> <i>See Fiery Central Brochure for details</i>	\$9,984.00	1	\$9,984.00
45112779	498N00844 Annex	<b>Fiery Central license for additional non-Fiery driven device</b> <i>See Fiery Central Brochure for details</i>	\$6,240.00	4	\$24,960.00
3000003621	498N00844 Annex	<b>Pace Base Server-Virtual Edition</b>	\$2,492.00	1	\$2,492.00
3000003622	498N00844 Annex	<b>Pace Staging Server-Virtual Edition</b>	\$2,492.00	1	\$2,492.00
<b>TOTAL</b>					<b>\$175,210.00</b>



**Table 3: Implementation Costs**

Category	Task	Total # of hours	Total cost (\$)	Comments
<b>Project Management</b>		<b>48</b>	<b>\$9,984</b>	State of Michigan will supply the Project Manager and own the Project, Change, Risk and Issues Management requirements.
<b>Data Migration</b>	<b>DSF w/ Logic to DSF with Pace</b>	<b>30</b>	<b>\$6,240</b>	The 30 hours is to migrate the data from DSF w/Logic to DSF w/Pace comes from successfully conducting the same migration, both during internal testing and real life execution with EFI clients
<b>Configuration</b>	<b>See SOW (Discovery, Getting Started, 2 days of estimating, Fiery, customization, custom report, mailing, LDAP, DSF)</b>	<b>209</b>	<b>\$54,678</b>	The 209 hours is defined in detail in Appendix E and is broken down as follows: 4-2 day (64 hrs), 5.5 extra days (44 hrs) & 101 hrs.
<b>Customization</b>	<b>Custom Code</b>	<b>25</b>	<b>\$5,850</b>	Account code sets used for Billing
<b>Testing:</b> (i.e. Unit, System, Integration, Performance (load and stress), Parallel Testing, User Acceptance Testing (UAT), and other)	<b>See EFI Implementation Plan (Milestones)</b>	<b>10</b>	<b>\$2,080</b>	The 10 hours as defined in detail in Appendix E is to validate for EFI and the State that the implementation is on track and able to meet the States requirements.
<b>Interfaces/Integration</b>				
Name of Interface: <b>DSF</b>	<b>See EFI Implementation Plan (DSF)</b>	<b>7</b>	<b>\$1,456</b>	The 7 hours as defined in Appendix E was arrived at from both internal testing and real life execution with EFI clients
Name of Interface: <b>Fiery</b>	<b>See EFI Implementation Plan (Fiery)</b>	<b>4</b>	<b>\$832</b>	The 4 hours as defined in Appendix E was arrived at from both internal testing and real life execution with EFI clients
<b>Total</b>			<b>\$81,120</b>	

**Table 4: Breakdown of Training & Documentation Cost**

No.	Training and Documentation	Cost (\$)	Session/Document Quantities	Comments
<b>D.</b>	End User training		<b>120 Hours</b>	The 120 hours of System Administrator training services is Usage training and is broken down as follows: 3-2 day (48hrs), 7.5-Extra days (60 hrs.) & 12 hrs.
	System Administrator training	<b>\$38,250</b>		
<b>E.</b>	End User training documentation	No Charge		Training sessions rely on oral instructions; mutually agreed to agendas; instructor guided learning and an embedded user guide
	System Administrator training documentation	No Charge		
	<b>Total Training and Documentation Cost</b>	<b>\$38,250</b>		



**Table 5: Recurring Costs: Software Maintenance and Support**

Contractor will invoice the State for the First Year maintenance fee upon Software Acceptance. Contractor will pro-rate the First Year maintenance fee shown below based on the number of days remaining in the calendar year. Beginning on the first day of the each successive calendar year, Contractor may invoice the State for maintenance fees annually in advance.

Contractor’s maintenance fees are fixed during the Base Contract Years as set forth in the table below. In the event the State exercises a Renewal Term option, Contractor may increase Fees for such Renewal Term by providing written notice to the State at least sixty (60) calendar days prior to the commencement of such Renewal Term. Any such increase of maintenance fees for a Renewal Term shall not exceed three percent (3%) per year of the maintenance fees effective during the immediately preceding twelve (12) month period.

No.	Software Maintenance and Support <i>(includes help desk)</i>	Cost (\$)	Comments
F.	First Year	\$38,622	Software maintenance pricing is fixed for full 5 years and does not include any optional modules listed in Table 7. See itemized list below
	Second Year	\$38,622	
	Third Year	\$38,622	
	Fourth Year	\$38,622	
	Fifth Year	\$38,622	
	<b>Total Base Contract Year Costs</b>	\$193,110	



<b>SUPPORT</b>						
<b>Vendor Part Number</b>	<b>Xerox Part Number</b>	<b>Part Number Description</b>	<b>Qty</b>	<b>Unit</b>	<b>Customer Disc Unit Price</b>	<b>Extended Customer Disc Price</b>
10000005033	614N03636 Annex	Pace System Software - Foundation Bundle Maintenance	1	YR	\$6,642.00	\$6,642.00
10000003365	614N03636 Annex	ANNUAL MAINTENANCE: Pace Additional Concurrent Users for Full System	25	YR	\$156.00	\$3,900.00
100000003296	614N03636 Annex	ANNUAL MAINTENANCE: Pace Additional Data Collection Licences (per workstation location)	20	YR	\$78.00	\$1,560.00
100000003294	614N03636 Annex	ANNUAL MAINTENANCE:Pace Custom Reporting Module	1	YR	\$750.00	\$750.00
100000005055	614N03636 Annex	ANNUAL MAINTENANCE:PaceStation Add-on Charts & Graphs Maintenance	1	YR	\$294.00	\$294.00
100000005056	614N03636 Annex	ANNUAL MAINTENANCE:Pace Mailing Module	1	YR	\$3,060.00	\$3,060.00
100000006182	614N03636 Annex	ANNUAL MAINTENANCE:Pace LDAP Module	1	YR	\$765.00	\$765.00
100000006232	614N03636 Annex	ANNUAL MAINTENANCE: Pace Customization Toolkit Bundle	1	YR	\$7,239.00	\$7,239.00
100000007123	614N03636 Annex	ANNUAL MAINTENANCE:PaceConnect-Fiery Central	1	YR	\$1,125.00	\$1,125.00
100000005042	614N03636 Annex	PaceConnect-DSF [Item Templates & PLQ] Maintenance	1	YR	\$858.00	\$858.00
100000005946	614N03636 Annex	Fiery Central Software Kit for MIS customers Maintenance	1	YR	\$2,247.00	\$2,247.00
100000006354	614N03636 Annex	ANNUAL MAINTENANCE: Fiery Central license for additional non-Fiery driven device	4	YR	\$1,404.00	\$5,616.00
100000003531	614N03636	ANNUAL MAINTENANCE: A Pace Professional Services hours Customization (account code sets used for billing)	1	YR	\$1,194.00	\$1,194.00
100000004044	614N03636 Annex	Pace Base Server-Virtual Edition Maintenance	1	YR	\$1,686.00	\$1,686.00
100000004045	614N03636 Annex	Pace Staging Server-Virtual Edition Maintenance	1	YR	\$1,686.00	\$1,686.00
		<b>Annual Support Subtotal (per year):</b>		YR		<b>\$38,622.00</b>
		<b>Annual Support Subtotal (total years):</b>	5	YR		<b>\$193,110.00</b>



**Table 6: Future Enhancements/Rate Card**

No.	Staffing Category	Key Staff	Firm Fixed Hourly Rate	100 Hours (5 year total)	Extended Price
G.	Developer/System Administrator		\$225/hour		
	Programmer		\$225/hour		
	List Any Other(s)		\$225/hour		
	<b>Future Enhancement/Rate Card Estimated Cost</b>	N/A	N/A		<b>\$22,500.00</b>

**Notes:**

1. Hourly rates quoted are firm, fixed rates for the duration of the contract. Travel and other expenses will not be reimbursed. "Estimated Hours" and "Extended Price" are non-binding and will be used at the State's discretion to determine best value to the State. The State will utilize the fully loaded hourly rates detailed above for each staff that will be used as fixed rates for responses to separate statements of work.
2. The State intends to establish funding for up to 100 hours over the five year life of the application for development. Actual funding for enhancements will occur on a yearly basis, and there is no guarantee as to the level of funding, if any, available to the project.
3. Unless otherwise agreed by the parties, each Statement of Work will include:
  - a. Background
  - b. Project Objective
  - c. Scope of Work
  - d. Deliverables
  - e. Acceptance Criteria
  - f. Project Control and Reports
  - g. Specific Department Standards
  - h. Payment Schedule
  - i. Travel and Expenses
  - j. Project Contacts
  - k. Agency Responsibilities and Assumptions
  - l. Location of Where the Work is to be Performed
  - m. Expected Contractor Work Hours and Conditions
4. The parties agree that the Services/Deliverables to be rendered by Contractor using the future enhancements/rate card on this Contract will be defined and described in detail in separate Statements of Work. Contractor will not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a purchase order issued against this Contract.



**Table 7: Optional Modules: Software and Hardware License and Maintenance and Support**

This table contains optional modules available as of the Effective Date of the contract. The State may opt to add any of these modules to the base software configuration at any time during the life of the contract. The prices shown are MSRP as of the bid date. If the State opts to purchase any optional module, the purchase price would be that in effect at time the State submits such order. The State may also opt to purchase additional training and support on such modules at an extra cost at time of order.

Optional Software Modules and Annual Maintenance	Cost (\$)
Pace Financial Consolidation Company	\$12,450
Pace Additional Company (Single Appliance or Single Hosted Environment)	\$8,700
Pace Additional Site License	\$28,100
Pace Satellite Office 1	\$8,500
Pace Satellite Office 2	\$11,500
Pace Satellite Office 3	\$14,000
Pace Change Orders Module	\$1,600
Pace Advanced Accounting Module [AP/GL/BR]	\$6,350
Pace Bank Reconciliation Module	\$2,000
Pace General Ledger Module	\$4,500
Pace Fixed Assets Module	\$4,400
Pace Payroll Module (USA only)	\$4,800
Pace Owner's Dashboard Module	\$5,000
Pace Customer Relationship Management Module	\$7,700
Pace Credit Card Module	\$7,700
Pace Mobile Web App	\$8,700
Pace MultiCurrency Module	\$8,250
Pace Tax Distribution Module	\$3,450
Pace Time Zones Module	\$2,750
Pace Visual Product Builder	\$11,000
Pace eService	\$16,050
Pace eService Users [per 100]	\$165
Pace eGoods [F/G Inventory]	\$8,050
Pace Forest Stewardship Council Module	\$4,400
Pace Custom Report [per quote]	\$0
PaceConnect-Virtual Systems [API]	\$13,200
PaceConnect-JDF/JMF Module [Standard JDF integration]	\$24,900
PaceConnect-Pageflex	\$24,000
PaceConnect-Xpedx	\$12,000
PaceConnect-[Metrix]	\$2,500
PaceConnect-RSI [API]	\$24,000
PaceConnect-iWay	\$24,000
PaceConnect-Sales Tax Service	\$7,500
PaceConnect-XML Job Importer	\$7,500
PaceConnect-XML Upgrade from Job Importer to Multiple Data Objects Importer	\$7,500
PaceConnect-Four51	\$24,000
PaceConnect-OPS [Item Templates & PLQ]	\$5,500
KIT LICENSE: Pace Scheduling Bundle, includes: Job Planning and Prioritization, Base Scheduling, Optimized Loading, What If Scenarios, Switchover Modules	\$22,500
Pace Scheduling Module - Base	\$8,250
Pace Job Planning and Prioritization Module	\$14,995



Pace Scheduling - Optimized Loading	\$2,750
Pace Scheduling - What If Scenarios	\$2,750
Pace Scheduling - Switchover	\$2,750
EFI Scheduling - PrintFlow Module - Level 1.	\$17,500
EFI Scheduling - PrintFlow Add'l users	\$5,000
EFI Scheduling - PrintFlow Browser viewer - Level 1	\$2,500
Pace Freightlink Module (USA only)	\$2,500
SmartWare Ship100	\$7,500
ProcessShipper Ship300	\$38,500
Additional ProcessShipper Location License	\$12,000
Additional Cleansing & Residential Commercial Indicator (per site)	n/a
Metrix Automation Server Site License	\$69,995
Metrix Bundle Local Standalone (Base, Capacity Plus, Auto Plan, Content Previews)	\$12,552
Metrix Bundle 1 Concurrent User Site License (Base, Capacity Plus, Auto Plan, Content Previews)	\$17,419
Metrix Bundle 2 Concurrent User Site License (Base, Capacity Plus, Auto Plan, Content Previews)	\$22,443
Metrix Bundle 3 Concurrent User Site License (Base, Capacity Plus, Auto Plan, Content Previews)	\$27,467
Metrix Bundle 5 Concurrent User Site License (Base, Capacity Plus, Auto Plan, Content Previews)	\$32,962
Metrix Bundle 10 Concurrent User Site License (Base, Capacity Plus, Auto Plan, Content Previews)	\$46,621
Metrix Base 3 Concurrent User Site License	\$17,495
Capacity Plus 3 Concurrent User Site License	\$3,324
Auto Plan 3 Concurrent User Site License	\$3,324
N-Up Binding 3 Concurrent User Site License	\$4,198
Barcodes 3 Concurrent User Site License	\$4,198
Content Previews 3 Concurrent User Site License	\$3,324
Automation Lite 3 Concurrent User Site License	\$4,198
Automation Pro 3 Concurrent User Site License	\$16,795
Auto-Count 1000 Software Module(s)	\$5,000
Auto-Count for Finishing (bindery)	\$2,500
Auto-Count 3000 Software Module(s)	\$18,000
Auto-Count 3000 Software Module(s) - Upgrade from AC2	\$9,000
Auto-Count 3000 Add-on Module(s) for Additional Delivery on Press	\$1,500
Auto-Count nonDMI Single User (for non-automated equipment/tasks)	\$1,500
Auto-Count nonDMI Five Users (for non-automated equipment/tasks)	\$5,000
Auto-Count Paper Monitor Module	\$9,000
Auto-Count Plant Manager (standalone, includes 5 users)	\$7,500
Auto-Count Plant Manager Concurrent Users (standalone)	\$990
Auto-Count Performance Dashboard Site License	\$3,000
Auto-Count Performance Dashboard Delivery Display	\$500
Auto-Count Plant View	\$2,000
Auto-Count DMI Hardware Kit	\$5,000
Scale Interface Board	\$1,000
Two Position Stack Light	\$210
Four Position Stack Light	\$330
Scale Retro-fit Kit	\$1,050
DMI Cutler Hammer Inductive Sensor	\$150
PrintStream Fulfillment + POD	\$65,000
PrintStream Fulfillment	\$47,500



PrintStream Fulfillment Additional Facility	\$20,000
PrintStream Fulfillment SBE	\$25,000
PrintStream POD (customer must own Fulfillment)	\$17,500
PrintStream StoreFront (customer must own Fulfillment)	\$20,000
PrintStream Fulfillment Distribution MRP	\$20,000
PrintStream Fulfillment Pageflex Connect	\$6,000
PrintStream Fulfillment Web Service API	\$12,000
PrintStream Fulfillment XMPie Connector	\$6,000
PrintStream Wireless Warehouse Module	\$8,000
PrintStream Wireless Device License - per user	\$1,500
Pace - Standard Appliance	\$4,995
Pace - Power Appliance	\$7,395
Pace - Enterprise Appliance	\$24,995
Pace Staging Appliance - Standard	\$5,995
Pace Staging Appliance – Power	\$7,995
Pace Staging Appliance – Enterprise	\$24,995
Pace Power Appliance - Bundle (includes Base and Staging Appliances)	\$10,995
Pace Enterprise Appliance - Bundle (includes Base and Staging Appliances)	\$39,995
Annual Maintenance: Pace Financial Consolidation Company	\$2,054
Annual MAINTENANCE: Pace Additional Company (Single Appliance or Single Hosted Instance)	\$1,436
Annual MAINTENANCE: Pace Additional Site License	\$4,637
Annual Maintenance: Pace Satellite Office 1	\$1,403
Annual Maintenance: Pace Satellite Office 2	\$1,898
Annual Maintenance: Pace Satellite Office 3	\$2,310
Annual MAINTENANCE: Pace Inventory Module [includes FG]	\$1,064
Annual MAINTENANCE: Pace Change Orders Module	\$264
Annual MAINTENANCE: Pace Advanced Accounting Module [AP/GL/BR]	\$1,048
Annual Maintenance: Pace Accounts Payable Module	\$330
Annual Maintenance: Pace Bank Reconciliation Module	\$330
Annual Maintenance: Pace General Ledger Module	\$743
Annual Maintenance: Pace Fixed Assets Module	\$726
Annual MAINTENANCE: Pace Payroll Module	\$800
Annual MAINTENANCE: Pace Item Template	\$800
Annual MAINTENANCE: Pace Owner's Dashboard Module	\$825
Annual MAINTENANCE: Pace Customer Relationship Management Module (includes Outlook Plug In)	\$1,271
Annual MAINTENANCE: Pace Credit Card Module	\$1,271
Annual Maintenance: Pace Price List Quoting Module	\$1,271
Annual Maintenance: Pace Data Collection Module	\$1,328
Annual Maintenance: Pace Job Costing & Productivity / WIP Module	\$800
Annual MAINTENANCE: Pace Mobile Web App	\$1,436
Annual MAINTENANCE: Pace MultiCurrency Module	\$1,361
Annual MAINTENANCE: Pace Tax Distribution Module	\$569
Annual MAINTENANCE: Pace Time Zones Module	\$454
Annual MAINTENANCE: Pace Visual Product Builder (requires Price List Quoting)	\$1,815
Annual MAINTENANCE: Pace eService [Est Req/Job Status/Proof/CO/Web Activity]	\$2,648
Annual MAINTENANCE: Pace eService Users [per 100]	\$27
Annual MAINTENANCE: Pace eGoods [F/G Inventory]	\$1,328
Annual MAINTENANCE: Pace Forest Stewardship Council Module	\$762
Annual MAINTENANCE: Pace Custom Report [per quote]	\$0



Annual MAINTENANCE: Pace User Defined Alerts Module	\$1,361
Annual MAINTENANCE: Pace User Defined Translations Module	\$528
Annual MAINTENANCE: Pace User Defined Defaults Module	\$528
Annual MAINTENANCE: Pace User Defined Fields/Lists Module	\$1,147
Annual MAINTENANCE: Pace User Defined Forms / Object Contexts Module	\$528
Annual MAINTENANCE: Pace User Defined Objects Module	\$528
Annual MAINTENANCE: Pace User Defined Database Views	\$454
Annual MAINTENANCE: Pace API Module [programming interface]	\$3,985
Annual Maintenance: PaceConnect-Fiery	\$1,200
Annual MAINTENANCE: PaceConnect-Virtual Systems [API]	\$1,980
Annual MAINTENANCE: PaceConnect-JDF/JMF Module [Standard JDF integration]	\$4,109
Annual MAINTENANCE: PaceConnect-Pageflex - pricing is per site	\$3,960
Annual MAINTENANCE: PaceConnect-Xpedx - pricing is per site	\$1,980
Annual MAINTENANCE: PaceConnect-[Metrix]	\$413
Annual MAINTENANCE: PaceConnect-RSI [API]	\$3,960
Annual MAINTENANCE: PaceConnect-iWay	\$3,960
Annual MAINTENANCE: PaceConnect-Sales Tax Service	\$1,238
Annual MAINTENANCE: PaceConnect-XML Job Importer	\$1,238
Annual MAINTENANCE: PaceConnect-XML Upgrade from Job Importer to Multiple Data Objects Importer	\$1,238
Annual MAINTENANCE: PaceConnect-Four51	\$3,960
Annual MAINTENANCE: PaceConnect-OPS [Item Templates & PLQ]	\$916
Annual MAINTENANCE: Pace Scheduling Bundle	\$3,713
Annual MAINTENANCE: Pace Scheduling Module - Base	\$1,361
Annual MAINTENANCE: Pace Job Planning and Prioritization Module	\$2,474
Annual MAINTENANCE: Pace Scheduling - Optimized Loading	\$454
Annual MAINTENANCE: Pace Scheduling - What If Scenarios	\$54
Annual MAINTENANCE: Pace Scheduling - Switchover	\$454
Annual MAINTENANCE: EFI Scheduling - PrintFlow Module - Level 1.	\$2,888
Annual MAINTENANCE: EFI Scheduling - PrintFlow Add'l users	\$825
Annual MAINTENANCE: EFI Scheduling - PrintFlow Browser viewer	\$413
Annual MAINTENANCE: Pace Freightlink Module	\$413
Annual MAINTENANCE: SmartWare Ship100	\$1,388
ProcessShipper Ship300	\$7,123
Additional ProcessShipper Location License	\$2,220
Additional Cleansing & Residential Commercial Indicator (per site)	\$1,500
Annual Maintenance: Auto-Count 1000 Software Module(s)	\$500
Annual Maintenance: Auto-Count for Finishing (bindery)	\$250
Annual Maintenance: Auto-Count 3000 Software Module(s)	\$1,800
Annual Maintenance: Auto-Count 3000 Software Module(s) - Upgrade from AC2	\$900
Annual Maintenance: Auto-Count 3000 Add-on Module(s) for Additional Delivery on Press	\$150
Annual Maintenance: Auto-Count nonDMI Single User (for non-automated equipment/tasks)	\$150
Annual Maintenance: Auto-Count nonDMI Five Users (for non-automated equipment/tasks)	\$500
Annual Maintenance: Auto-Count Paper Monitor Module	\$900
Annual Maintenance: Auto-Count Plant Manager (standalone, includes 5 users)	\$750
Annual Maintenance: Auto-Count Plant Manager Concurrent Users (standalone)	\$99
Annual Maintenance: Auto-Count Performance Dashboard Site License	\$300
Annual Maintenance: Auto-Count Performance Dashboard Delivery Display	\$50
Annual Maintenance: Auto-Count Plant View	\$200
Annual Maintenance: Auto-Count DMI Hardware Kit	\$500
Annual Maintenance: Scale Interface Board	\$100
Annual Maintenance: Two Position Stack Light	\$21



Annual Maintenance: Four Position Stack Light	\$33
Annual Maintenance: Scale Retro-fit Kit	\$105
Annual Maintenance: DMI Cutler Hammer Inductive Sensor	\$15
Annual Maintenance: PrintStream Fulfillment + POD	\$10,725
Annual Maintenance: PrintStream Fulfillment	\$7,838
Annual Maintenance: PrintStream Fulfillment Additional Facility	\$3,300
Annual Maintenance: PrintStream Fulfillment SBE	\$4,125
Annual Maintenance: PrintStream POD (customer must own Fulfillment)	\$2,888
Annual Maintenance: PrintStream StoreFront (customer must own Fulfillment)	\$3,300
Annual Maintenance: PrintStream Fulfillment Distribution MRP	\$3,300
Annual Maintenance: PrintStream Fulfillment Pageflex Connect	\$990
Annual Maintenance: PrintStream Fulfillment Web Service API	\$1,980
Annual Maintenance: PrintStream Fulfillment XMPie Connector	\$990
Annual Maintenance: PrintStream Wireless Warehouse Module	\$1,320
Annual Maintenance: PrintStream Wireless Device License - per user	\$248
Annual Maintenance: Metrix Automation Server Site License	\$12,599
Annual Maintenance: Metrix Bundle Local Standalone (Base, Capacity Plus, Auto Plan, Content Previews)	\$2,259
Annual Maintenance: Metrix Bundle 1 Concurrent User Site License (Base, Capacity Plus, Auto Plan, Content Previews)	\$3,135
Annual Maintenance: Metrix Bundle 2 Concurrent User Site License (Base, Capacity Plus, Auto Plan, Content Previews)	\$4,040
Annual Maintenance: Metrix Bundle 3 Concurrent User Site License (Base, Capacity Plus, Auto Plan, Content Previews)	\$4,944
Annual Maintenance: Metrix Bundle 5 Concurrent User Site License (Base, Capacity Plus, Auto Plan, Content Previews)	\$5,933
Metrix Bundle 10 Concurrent User Site License (Base, Capacity Plus, Auto Plan, Content Previews)	\$8,392
Annual Maintenance: Metrix Base 3 Concurrent User Site License	\$3,149
Annual Maintenance: Capacity Plus 3 Concurrent User Site License	\$598
Annual Maintenance: Auto Plan 3 Concurrent User Site License	\$598
Annual Maintenance: N-Up Binding 3 Concurrent User Site License	\$756
Annual Maintenance: Barcodes 3 Concurrent User Site License	\$756
Annual Maintenance: Content Previews 3 Concurrent User Site License	\$598
Annual Maintenance: Automation Lite 3 Concurrent User Site License	\$756
Annual Maintenance: Automation Pro 3 Concurrent User Site License	\$3,023
Annual MAINTENANCE: Pace - Standard Appliance	\$3,000
Annual MAINTENANCE: Pace - Power Appliance	\$3,000
Annual MAINTENANCE: Pace - Enterprise Appliance	\$4,999
Annual MAINTENANCE: Pace Staging Appliance - Standard	\$3,000
Annual MAINTENANCE: Pace Staging Appliance - Power	\$3,000
Annual MAINTENANCE: Pace Staging Appliance - Enterprise	\$4,999
Annual MAINTENANCE: Pace Power Appliance - Bundle	\$6,000
Annual MAINTENANCE: Pace Enterprise Appliance - Bundle	\$9,998



## Appendix D – Maintenance and Support

**1. Definitions.** For purposes of this Appendix, the following terms have the meanings set forth below. All initial capitalized terms in this Appendix that are not defined in this Section shall have the respective meanings given to them in the Contract.

**"Contact Information"** means a current list of Contractor contacts and telephone numbers set forth in the attached **Exhibit A** to enable the State to escalate its Support Requests.

**"Error"** means any failure of the Software to operate in all material respects in accordance with the Specifications and, to the extent consistent with and not limiting of the Specifications, the Documentation, including any problem, failure or error referred to in the Service Level Table.

**"First Line Support"** means the identification and diagnosis and correction of Errors by the provision of the following Support Services by help desk technicians sufficiently qualified and experienced to identify and Resolve the State's Support Requests reporting these Errors: (a) telephone and email assistance; and (b) access to technical information on the Contractor's website for proper use of the Software.

**"Contract"** means the Contract to which this Appendix relates.

**"Out-of-scope Services"** means any of the following: (a) any services requested by the State and performed by Contractor in connection with any apparent Software Error that the State and Contractor agree in writing has been caused by a State Cause; and (b) any services requested by the State that the parties agree required are customization services by that will be described and priced in a statement of work to be mutually agree to and executed by the parties.

**"Resolve"** and the correlative terms, **"Resolved"**, **"Resolving"** and **"Resolution"** each have the meaning set forth in **Section 0**.

**"Service Levels"** means the defined Error severity levels and corresponding required service level responses, response times, Resolutions and Resolution times referred to in the Service Level Table.

**"Service Level Table"** means the table set out in **Section 0**.

**"State Cause"** means any of the following causes of an Error, except, in each case, any such causes resulting from any action or inaction that is authorized by this Appendix or the Contract, specified in the then-current Specifications or Documentation, or otherwise authorized in writing by Contractor: (a) any grossly negligent or improper use, misapplication, misuse or abuse of, or damage to, the Software by the State; (b) any maintenance, update, improvement or other modification to or alteration of the Software made solely by the State; or (c) any use by the State of any Third-party Materials that Contractor has not provided or caused to be provided to the State.

**"State Systems"** means the State's information technology infrastructure, including the State's computers, software, databases, electronic systems (including database management systems) and networks.

**"Support Fees"** has the meaning set forth in **Section 0**.



"**Support Hours**" means Monday-Friday, 8am-8pm Eastern Standard Time (EST) excluding State, Federal and Contractor holidays.

"**Support Period**" means the first day of the month following the passage of thirty (30) days from the date of this Contract and ending on the date the Contract expires or is terminated.

"**Support Request**" has the meaning set forth in **Section 0**.

"**Support Services**" means Contractor's support of the Software but excluding any Out-of-scope Services.

"**Third-party Products**" means all third-party software, computer hardware, network hardware, electrical, telephone, wiring and all related accessories, components, parts and devices that Contractor has not provided or caused to be provided to the State under the Contract.

**Support Services.** Contractor shall perform Support Services during the Support Hours throughout the Support Period in accordance with the terms and conditions of this Appendix and the Contract, including the Service Levels and other Contractor obligations set forth in this **Section 2**.

Support Service Responsibilities. Contractor shall:

respond to and Resolve all Support Requests in accordance with the Service Levels;

provide unlimited Support Services to the State during all Support Hours by means of the telephone number 1-855-334-4457;

provide the State with online access to technical support bulletins and other user support information and forums, to the full extent Contractor makes such resources available to its other customers; and

provide to the State all such other services as may be necessary or useful to correct an Error or otherwise fulfill the Service Level requirements, including defect repair, programming corrections and remedial programming.

Service Levels. Response and Resolution times will be measured from the time Contractor receives a Support Request until the respective times Contractor has (a) responded to that Support Request, in the case of response time and (b) Resolved that Support Request, in the case of Resolution time.

"**Resolve**", "**Resolved**", "**Resolution**" and correlative capitalized terms mean, with respect to any particular Support Request, that Contractor has corrected the Error that prompted that Support Request and that the State has confirmed such correction and its acceptance of it in writing. Contractor shall respond to and Resolve all Support Requests within the following times based on the State's designation of the priority of the associated Error, subject to the parties' written agreement to revise such designation after Contractor's investigation of the reported Error and consultation with the State:



Priority	Description	Support Response and Resolution Targets
P1	The System is down and there is no workaround available	<ul style="list-style-type: none"> <li>• EFI will respond to the issue within 1 business hour.</li> <li>• Resolution: A dedicated engineer assigned to the problem within 1 business day, working until issue resolved.</li> </ul>
P2	Core functionality of the System is behaving in an unstable manner causing significant interruption to Customer's related business operations.	<ul style="list-style-type: none"> <li>• EFI will respond to the issue within 2 business hours.</li> <li>• Resolution: issue resolved or a workaround solution that reasonably resolves the issue delivered within 1 business week.</li> </ul>
P3	The System is not functioning materially per the specifications but there is a workaround which minimizes impact to Customer's related business operations.	<ul style="list-style-type: none"> <li>• EFI will respond to the issue within 1 business day.</li> <li>• Resolution: work-around and/or a reasonable correction included in a future EFI release.</li> </ul>
P4	Minor operational issues that do not impact use of the System in a substantive way.	<ul style="list-style-type: none"> <li>• EFI will respond to the issue within 5 business days.</li> <li>• Resolution: workaround and/or a reasonable correction in a future EFI release, unless EFI determines that it is not commercially reasonable to a fix the issue(s).</li> </ul>

Escalation to Support Manager. First Line Support for any Support Requests will be escalated to the Support Manager as follows:

Contractor shall immediately escalate any P1 Priority Support Requests to provide Support Manager Support if Contractor has not Resolved such Support Request within eight hours after the P1 or P2 Resolution time has elapsed.

Contractor shall immediately escalate any P2 Priority Support Request to provide Support Manager if Contractor has not Resolved such Support Request within three Business Days after the P2 Priority Resolution time has elapsed.

Contractor shall ensure that Support Manager will have the appropriate qualifications, skills and experience to assist the State in achieving the the Resolution time specified for such Support Request in the Service Level Table.

Escalation to Parties' Project Managers. If Contractor does not respond to a Support Request within the relevant Service Level response time, the State may escalate the Support Request to the parties' respective Project Managers and then to their respective Contract Administrators.

Time Extensions. The State may, on a case-by-case basis, agree in writing to a reasonable extension of the Service Level response or Resolution times.



Time of the Essence. Contractor acknowledges and agrees that time is of the essence with respect to its performance under this Appendix and that Contractor's prompt and timely performance hereunder, including its performance of the Service Levels, is strictly required.

## **Fees.**

Support Fees. In consideration of Contractor's performance of the Support Services in accordance with the terms and conditions of this Appendix and the Contract, the State shall pay to Contractor the fees set forth in the Appendix C Cost Tables (the "**Support Fees**"). Payment to Contractor of the Support Fees pursuant to this **Section 3** will constitute payment in full for the performance of the Support Services and the State will not be responsible for paying any other fees, costs, expenses or other charges for or in connection with the Support Services. The Support Fees set forth in this Appendix are firm and will not be modified during the Support Period.

## **Support Requests and State Obligations.**

Support Requests. The State may request Support Services by way of a Support Request. The State shall classify its requests for Error corrections in accordance with the severity level numbers and definitions of the Service Level Table set forth in **Section 0** (each a "**Support Request**"). The State shall notify Contractor of each Support Request by e-mail or telephone or such other means as the parties may agree to in writing. The State shall include in each Support Request a description of the reported Error and the time the State first observed the Error.

State Obligations. The State shall provide the Contractor with each of the following to the extent reasonably necessary to assist Contractor to reproduce operating conditions similar to those present when the State detected the relevant Error and to respond to and Resolve the relevant Support Request:

output and other data, documents and information, each of which is deemed the State's Confidential Information as defined in the Contract; and

such other reasonable cooperation and assistance as Contractor may request.

**Communications.** In addition to the mechanisms for giving notice specified in **Section 2.025** of the Contract, unless expressly specified otherwise in this Appendix or the Contract, the parties may use e-mail for communications on any matter referred to herein.



**EXHIBIT A**

**CONTRACTOR CONTACTS**

**Initial Contact:**

By EFI Customer Care website: <https://customer.efi.com/support>

By Telephone at 855-EFI-4HLP (855-334-4457).

By e-mail: [pace.support@efi.com](mailto:pace.support@efi.com)

**First Escalation:**

Support Manager: Randy Sherrin—1-800-624-5999

**Second Escalation:**

General Manager: Jeff White



Appendix E – EFI Pace Implementation Plan



**EFI Pace/Fiery Central/DSF**  
Software & Implementation Services





## **System Implementation Overview**

### **Introduction**

EFI Pace has developed a comprehensive implementation plan consisting of remote conference calls, online WebEx training, and onsite training visits. This document includes:

- Project Timeline
- Summary of what to expect from EFI
- Summary of what EFI expects from you
- Detailed description of each training/configuration session
- Contact Information for EFI Pace Tech Support
- Acceptance page requiring your signature



**Project Deliverables**

Premium Implementation	Method	Hrs	Days	Implement- ation Hours Table 3	Training Project Manag- ement Hours Table 4	Impleme n-tation Order	Implemen- ation Dependenc e
Implementation Kick-Off Call	Phone	1		1		1	N/A
Discovery and Planning	On-Site		3.5	28		2	N/A
Discovery report and Project Plan creation	Remote	8		8		3	2
Foundation Getting Started (4 days)	On-Site		4	32		4	3
Implementation Gate – Getting Started	Remote	2		2		5	4
Estimating (4 days)	On-Site		4	16	16	6a	4
Estimating Follow-up	Phone	4		4		7a	6a
Implantation Gate - Estimating	Remote	3		3		8a	6a
PaceStation Add-on Charts & Graphs Setup	Remote	4		4		9a	6a
Customization Toolkit Instruction	Remote	32		32		9a	6a
Custom Report Writer Instruction	Remote	19		19		9a	6a
Mailing Setup	Remote	4		4		9a	6a
LDAP Configuration	Remote	2		2		9a	6a
Workflow and Production (4 days)	On-Site		4		32	10a	9a
Fiery Central Setup and Training	Remote /Onsite	4	4	36		11a	10a
Implementation Gate – Workflow and Production	Remote	5		5		12	11a
Additional Pre Go Live Assistance	Remote	8			8	10,11,13	10a
System Go Live Onsite	On-Site		4		32	14	13
Post Go Live Review and Assistance	On-Site		3.5		28	15	14
<b>Implementation Total</b>		<b>96</b>	<b>27</b>	<b>196</b>	<b>116</b>		
<b>Project Management</b>							
Project Management	Phone	48			48		
<b>Project Management Total</b>		<b>48</b>			<b>48</b>		
<b>DSF Services</b>							
DSF Conversion for integration with Pace	Webinar/Phone	30		30		5b	4
DSF and Pace Systems/Business Assessment & Integration Configuration	Webinar/Phone	7		7		6b	5b
Pace Item Templates Instruction for use with DSF Products	Webinar/Phone	2		2		7b	6b
Pace Item Templates Instruction and Setups with DSF Integration	Webinar/Phone	10		10		8b	7b
Pace Variable Options Setups (PLQ) for use with DSF Integration	Webinar/Phone	12		12		9b	8b
Pace to DSF Shipping Methods and Invoicing Processes	Webinar/Phone	3		3		10b	9b
DSF Pace Integration Workflow Training	Webinar/Phone	4			4	11b	10b
<b>DSF Services Total</b>		<b>68</b>		<b>64</b>	<b>4</b>		
<b>Total of all Services</b>		<b>212</b>	<b>27</b>	<b>260</b>	<b>168</b>		



*The expected flow of the implementation has been defined for planning purposes. Actual time toward each topic could vary based on many variables.*

*The time in this plan is based on a typical Implementation of the modules listed in the EFI Proposal. Changes to this plan may be necessary during your implementation.*

*Explanation of Implementation Order and Implementation Dependence*

- Implementation Order
  - Multiple items with the same number in a product section (Pace or DSF) with or without a letter after it means that the order of implementation is not critical for those items. The order can change or they can implement concurrently
  - Items in two different product sections (Pace or DSF) with a letter after them can implement concurrently.
- Implementation Dependence
  - The item with the corresponding number in the “Implementation Order” column must be completed before starting the item.



## What You Will Receive From EFI

**Knowledgeable Consultant:** Your implementation will be assigned to an EFI Pace consultant that will be your primary point of contact throughout the implementation. Each consultant has extensive knowledge implementing EFI Pace

**Technical Support:** Your EFI Pace maintenance contract begins the day your software is delivered. EFI Pace's Technical Support team is available by phone and email to assist with technical issues or questions that may arise throughout the life of your agreement, including during the implementation.

**Implementation Kick-Off Call:** Your EFI Pace consultant will conduct an implementation call to discuss the implementation project. The consultant will discuss the schedule, review the dates for the project plan, as well as answer any questions you might have concerning the implementation.

**Software Installation:** Your EFI Pace appliance comes with the software installed. The Appliance Server Package Guide will instruct you on setup, network connection, and how to backup your server.

**On-Site Visits:** An EFI Pace consultant will come to your physical location to provide the implementation services as defined in this document. A start date for your on-site will be determined based on both the customer's desired dates and EFI Pace's current schedule. An 'onsite day' is defined as 8 business hours at the customer's location

**Post Implementation:** As part of the final implementation step, your EFI Pace Consultant will ensure that you have the information you need to contact EFI Pace Tech Support after your implementation is complete.

## What EFI Expects From You

**Completed Implementation Acknowledgement:** When you place an order for EFI Pace, a signed copy of this document must accompany the purchase order and will be required before your implementation can be scheduled.

**Configure Hardware:** The workstations must be on your network with internet access available in order to utilize remote training sessions via WebEx.

**Resource Availability:** There may be many customer resources that need to be involved at various stages of the implementation. It is imperative that each assigned resource be available during the scheduled sessions. Any scheduling changes will impact the project timeline and may result in added customer cost and/or delay the completion of the implementation. Please see our cancellation policy below.

**Data Availability:** EFI Pace Professional Services assumes the client has their standards and pricing information available for any item requiring set-up in the software during on-site implementation visits.

## Cancellation Policy

- Cancellation post booking to 14 or more days notice: \$250 cancellation fee
- Cancellation with less than 14 but at least 7 days notice: lower of 25% of service value or 8 hours service fee
- Cancellation with less than 7 days notice: lower of 50% of service value or 16 hours service fee

## Implementation Scope

EFI Pace Professional Services will provide installation and implementation assistance as well as on-site training of the administrator(s). It is the responsibility of the customer to make use of the services and training in order to successfully complete the necessary tasks to configure, test, and launch EFI Pace. Additional training services for end users can be also provided for an additional charge.

EFI Professional Services will train your designated administrator(s) and Leads on all base objects within the EFI Pace application. Training will involve the set up and configuration of records for many of the base objects within EFI Pace.



## Testing

Testing is a critical phase of any system implementation. Throughout the remote and on-site training provided by EFI Pace, there will be opportunities to enter test data to validate the configuration options selected. Please be prepared to provide and enter test data throughout this process.

## Acceptance

State of Michigan will supply Contractor four (4) use cases for use during the acceptance process. The use cases will represent 80+% of the type of work and workflows used by the State by utilizing 90+% of the State's equipment and outsourcing. These use cases will be identified right after signing of the Contract and agreed to in writing prior to any onsite engagements and before implementation can move forward. The four (4) use cases will be used throughout all phases and stages of the system configuration, acceptance and training. Acceptance will be broken into two categories, Software Acceptance and Implementation\Training Services Delivery Acceptance based on Milestones.

### Software Acceptance

Software Acceptance will be performed as part of a proof of concept session using one of the State's EFI Pace servers that will then be running on the State of Michigan's network. The same proof of concept setup will also be used after Software Acceptance as the model for implementation. The parties agree to use best efforts to conduct the Software Acceptance proof of concept session within sixty (60) days of the signing of the Contract.

At the end of each proof of concept session, the State will inform Subcontractor as to whether Subcontractor has successfully fulfilled the applicable acceptance criteria for that specific session. If the State confirms that the Subcontractor has successfully fulfilled the applicable acceptance criteria it agrees it will provide written notice of its acceptance of the relevant proof of concept session within 2 business days of the completion of the session. If the State declines to confirm that Subcontractor has successfully fulfilled the applicable acceptance criteria it agrees that, within 5 business days of the end of the session, it will provide written notice to Subcontractor listing in reasonable detail the specific reasons for its refusal to provide acceptance for the relevant deliverables. Subcontractor agrees that unless the parties agree otherwise, it will re-perform the previously rejected proof of concept session within 20 days of the receipt of notice of non-acceptance from the State. The process set forth above will repeat itself for each proof of concept session required under this SOW.

### Software Acceptance Criteria

The successful completion of the following items will constitute Software Acceptance:

- 1.) Estimating: Creation of an estimate with all standard elements needed for estimating and production. The estimate will not include any errors that impact the State's pre-defined use cases but may not generate an exact price.
- 2.) Job Creation: Based on the State's pre-defined use cases EFI, along with staff from the State, will achieve the following tasks:
  - o Creation of a job based on an order in EFI Digital StoreFront
  - o Creation of a job based on an estimate
  - o Manual creation a job
  - o Creation of a job based on a previously submitted job
  - o Creation of purchase orders and reservation of needed inventory
- 3.) Production: EFI, along with staff from with the State, will achieve the following tasks:
  - o Demonstration of bi-directional communication between EFI Pace solution and the State's Xerox IGen 150 and Xerox Nuvera 288 print machines. Successful communication will be defined as:
    - Sending image location, quantity, stock, stock size, and color.
    - Reception of print start time, print complete time, number of images, and stock size
  - o Ability to manually collect shop floor data



- Ability to ship completed jobs
- Ability to invoice completed jobs

### **Implementation\Training Services Acceptance**

The Implementation \Training Acceptance will be done at specific milestones in the implementation\training process and tied to the successful completion of the Implementation Gate processes as set forth below. Subcontractor will rely on the proof of concept process set forth above to demonstrate successful fulfillment of the applicable acceptance criteria.

### **Acceptance Milestones, Services, and Criteria**

The successful completion of the following milestones will constitute acceptance for each Services Milestone set forth below:

#### Milestone 1

- Implementation Gate: Getting Started
- Services:
  - Implementation Kick-Off Call
  - Discovery and Planning Session (Onsite and Remote)
  - Foundation Getting Started Session
  - Getting Started Gate
  - Project Management time to date.
- Acceptance Criteria:
  - The Project Plan contains all EFI deliverables with EFI resources and dates defined.
  - The estimating workbook is 90 -100% complete
  - The following tables are 80 -100% complete
    - Department
    - Cost Centers
    - Activity
    - Shipping
    - Foundation (Salesperson, CSR, Terms, Vendors, Employees, Customer Contact)
    - Inventory
    - Data Collection

#### Milestone 2

- Implementation Gate: Estimating
- Services:
  - Estimating Configuration and Usage (Onsite and Remote)
  - Estimating Gate
  - Project Management time to date.
- Acceptance Criteria:
  - The ability to generate an Estimates in Pace for the Use Cases. The estimates cannot return any errors associated with the use case, but the estimated value does not have to be accurate.

#### Milestone 3

- Implementation Gate: DSF
- Services:
  - DSF Implementation and Training
  - Project Management time to date.
- Acceptance Criteria:
  - The ability to accept jobs from DSF into Pace and return job status information from Pace to DSF as it pertain to the use cases defined.

#### Milestone 4

- Implementation Gate: Pace Customization [account code sets used for billing]
- Services:



- Pace Customization [account code sets used for billing]
- Acceptance Criteria:
  - Delivery of Pace Customization [account code sets used for billing]

#### Milestone 5

- Implementation Gate: Production and Workflow
- Services:
  - PaceStation Add-on Charts & Graphs Setup
  - Customization Toolkit Instruction
  - Custom Report Writer Instruction
  - Mailing Setup
  - LDAP Configuration
  - Workflow and Production
  - Fiery Central Configuration and Usage (Onsite and Remote)
  - Production and Workflow Gate
  - Project Management time to date.
- Acceptance Criteria:
  - The ability to complete all use cases through the entire EFI solution including bi-directionally communicates between EFI solution with Xerox IGen 150 and Xerox Nuvera 288. Successful communication will be defined as:
    - Sending image location, quantity, stock, stock size, and color
    - Receive print start time, print complete time, number of images, and stock size

#### Milestone 6

- Implementation Gate: System Launch and Project Completion
- Services:
  - Pre Go Live Assistance
  - Go Live Assistance
  - Post Go Live Assistance
- Acceptance Criteria:
  - The migration of all work from the EFI Logic solution to the EFI Pace solution.



## How to contact EFI Pace Tech Support

EFI Tech Support will be your first point of contact following your EFI Pace implementation. They can be contacted either via phone at 800-624-5999 extension 3 or email at [PaceSupport@efi.com](mailto:PaceSupport@efi.com). Their hours of operation are Monday thru Friday 8AM to 8PM EST.

## EFI Pace Implementation – Training Sessions

This section details each implementation session conducted remotely or within the on-site visit and identifies the primary topics, who should be involved, and what prerequisites are required for completion. Please note that the purpose of your implementation is to provide your resources with the training and tools that they will need in order to utilize and manage your EFI Pace system.

### **Project Management (48 Hours)**

State of Michigan will supply the Project Manager who will be the overall Project Manager and will own the Project, Change, Risk and Issues Management requirements as outlined in the RFP. The EFI Project Manager will work with the State of Michigan Project Manager to secure the correct EFI resources, advice on best implementation practices, and support the State of Michigan Project Manager.

### **Implementation Kick-Off Call (1 Hour)**

The EFI Pace Implementation Call is an introductory call that will allow your EFI Professional Services consultant to confirm schedules as well as confirm hardware installation has been verified.

## Required Resources

- EFI Pace Project Manager
- Customer Project Manager
- EFI Implementation Consults
- Customer Leads
- EFI Executive Sponsor
- Customer Executive Sponsor

## Tasks

- Review the Contract
- Meet the EFI and customer team
- Answer Questions Regarding the Implementation
- Schedule the discovery and orientation session (required by RFP)

### **EFI Pace Software Install Verification**

## Prerequisites

The following hardware prerequisites must be met by the customer/dealer before EFI begins the software installation:

- Complete the Technical Questionnaire
- Follow the Appliance Server Package

## Required Resources

- EFI Pace System Administrator
- Customer Information Technology Representative



## Tasks

- Verify EFI Pace software has internet access

### **Implementation Discovery and Planning (3.5 days)**

This series of sessions will concentrate on gather information on current states and usage of Logic. Identify implementation goals, validating workflows, process and resources requirement.

## Required Resources

- EFI Pace Consultant
- Customer Project Manager
- Department Leads

## Tasks

- Collect information about the company – goals for the system, process concerns, etc.
- Provide information about EFI software, implementation process, training and support
- Review current processes and information flow
- Identify potential gaps between current processes and EFI workflows
- Review information requirements for setup of System
- Identify three customer jobs that will be used throughout the implementation to verify setup, workflow and usability of the EFI system.
- Document next steps

## Customer Work: Data Gathering (10-80 Hours)

This section is included to show the amount of time it may take your resources to gather all the data and validate it for loading into Pace.

### **Discovery Report and Final Project Plan Creation (8 hours)**

After the on-site discovery EFI will remote document the findings from the discovery and create the final project plan. During this remote time the EFI Project Manager will work remotely with the Customers Project Manager and department leads as needed.

### **Pace Foundation Getting Started (4 days)**

In this seminar we will build the core EFI Pace Foundation system with you using the data gathering spreadsheets.

## Required Resources

- EFI Pace Consultant
- Customer Leads that can represent Accounting, Customer Services, Job Planning, Inventory Management, Production and Shipping/Receiving duties in your organization

## Tasks

- Demonstration of EFI Pace MIS
- Define your company
  - *Creation of your*
    - *Departments*
    - *Cost Centers*
    - *Activity Codes*
- System Settings & Defaults
  - *Global settings*



- *Changing legacy settings*
- *Data collection setup*
- *Shipping setup*
- System Security Setup
- Format & Import Data
- System Customization
- System Review
- Estimating Workbook Review
- Question & Answer

### **Customer Work: Estimating Prep (4-20 Hours)**

This section is included to show the amount of time it may take your resources to fill-out the Estimating Workbook in preparation for the Estimating Onsite.

### **Implementation Gate – Getting Started (2 hours)**

During this gate the Customer Leads will demonstrate that they have completed the core data imports/setup in the Pace system and have completed the Estimating work book to allow the implementation to move forward to the session.

#### **Required Resources**

- EFI Project Manager
- Customer Project Manager
- Customer Lead (Getting Started Lead(s))

#### **Tasks**

- Review and verify that:
  - Estimating workbook 100% complete
  - 14 data sheets 100% complete and imported into Pace

### **Estimating Seminar (4 days)**

In this seminar we will build the EFI Pace Estimating system with you using the Estimating workbook and data gathering spreadsheets.

#### **Prerequisites**

The following prerequisites must be met by the customer/dealer before EFI comes on-site:

- Complete the Estimating Workbook
- Complete and import the Data Gathering Spreadsheets

#### **Required Resources**

- EFI Pace Consultant
- Customer Estimating Lead

#### **Tasks**

- Setup one example under each of the following Estimating items:
  - Machine Setup
  - Material Setup
  - Operation Setup
  - Workflows
  - Misc. Setup
- Create Estimates and Compare to your current system



### **Customer Work: Estimating (20-40 Hours)**

- This section is included to show the amount of time it may take your resources to complete the setup of Standards and test your Estimating system.

### **Implementation Gate - Estimating (3 hours)**

During this gate the customer estimating lead(s) will demonstrate that they understand and have completed the estimating setup to allow the implementation to move forward to the session.

### **Required Resources**

- EFI Project Manager
- Customer Project Manager
- Customer Estimating Lead

### **Tasks**

- Review and verify that:
  - Standards 90 -100% complete
  - 3 job/product types can be estimated without error

### **Charts & Graphs Setup (4 Hours)**

The Charts & Graphs series of sessions concentrates on the setup of the EFI Pace Charts & Graphs Module necessary for your system launch.

### **Required Resources**

- EFI Pace Consultant
- Customer Administrator
- Customer Lead

### **Tasks**

- Evaluate information reporting requirement
- Adding Charts/Graphs to a PaceStation Inquiry
  - Setup
  - Parameters
  - Properties

### **Customer Work: Charts & Graphs (4-8 Hours)**

- This section is included to show the amount of time it may take your resources to create and test your charts and graphs.

### **Pace Custom Reporting Module (19 hours)**

The Custom Reporting Instruction session will teach you how to utilize the module to create and modify report to meet your company's specific requirements. Once the training is complete the EFI consultant will work remotely with the report writer to assist with report creation and questions, 16 hours.

### **Required Resources**

- EFI Pace Consultant
- Customer Administrator
- Report Writer (Crystal Clear)



### **Customer Work: Create Custom Report (30 - 40 Hours)**

- This section is included to show the amount of time it may take your resources to create your custom reports.

### **Customization Toolkit (39 Hours)**

*\*This series of sessions are required if the Customization Toolkit Module(s) are purchased. These sessions are conducted remotely via WebEx.*

In this series of Sessions we will review setup and usage of the customization modules in EFI Pace. These modules (Email Notifications, User Defined Translations, User Defined Defaults, User Defined Fields/Lists, User Defined Forms/Object Context, and User Defined Objects) allow your company to customize the system to meet your needs. In addition to the training on the module there will be 16 hours of additional assistance with specific customizations.

### **Prerequisites**

The following prerequisites must be met by the customer/dealer before scheduling this training session:

- Understanding of Pace Object

### **Required Resources**

- EFI Pace Consultant
- Customer Project Manager
- Customer Programming Expert

### **Tasks**

- Discussion of the Object Model Browser
- Creation and Use of User Defined Email Notifications
- Creation and Use of User Defined Translations
- Creation and Use of User Defined Defaults
- Creation and Use of User Defined Fields/Lists
- Creation and Use of User Defined Forms/Object Context
- Creation and Use of User Defined Objects
- Creation and Use of User Defined Menus

### **Customer Work: Create Customizations (24 - 32 Hours)**

This section is included to show the amount of time it may take your resources to customize your system.

### **Mailing Setup (4 Hours)**

The Mailing sessions concentrates on the setup of the EFI Pace Mailing Module necessary for your system launch.

### **Required Resources**

- EFI Pace Consultant
- Customer Lead

### **Tasks**

- Evaluate information reporting requirement
- Review Mailing workflow and requirements
  - Setup
  - Testing



### **LDAP Setup (2 Hours)**

The LDAP sessions concentrates on the setup of the EFI LDAP Module necessary for your system launch.

### **Workflow and Production Onsite (4 days Onsite or 4 Days at EFI Location)**

The workflow and production On-site is conducted to provide setup and user level training on the production modules in EFI Pace.

#### **Required Resources**

- EFI Pace Consultant
- Customer Administrator
- Customer Operators

#### **Tasks**

- Setup and Configuration of the Job Control Center
- Setup and Configuration of Data Collection
- Setup and Configuration of Job Costing
- Setup and Configuration of Inventory
- Setup and Configuration of Purchasing
- Setup and Configuration of Job Shipments
- Setup and Configuration of Mailing Module
- Detailed demonstration of customer entry process

### **Customer Work: System Testing (80 Hours)**

The System Testing section is critical to verifying system settings and configurations.

#### **Required Resources**

- Customer Administrator

#### **Tasks**

- Create multiple estimates samples across all types currently requested
- Create multiple job samples across all types currently processed
- Create multiple data collection entries across various types of job samples
- Create multiple purchase order samples
- Create multiple invoice samples across various types of invoices produced currently
- Verify and adjust standards based on testing results

### **Fiery Central Setup and Training (4 hours and 4 days)**

During these sessions we will remote verify that you're Pace setup is JDF compliant and that you have Communication to the network that Fiery Central is on. We will then come onsite to install, configure, train and test the Fiery Central workflow.

This series of sessions is designed to understand the connection, setup of the in the EFI Pace system.

#### **Required Resources**

- EFI Consultant
- Customer Fiery Experts
- Customer Integration Expert



## Tasks

- Review your Pace Configuration for JDF Compliance
- Setup and Configure Fiery Central on Customer network
- Setup and Configure Fiery Central for media, output devices, and supported inline device finishing options
- Fiery Central User training
- Workflow verification and testing

### **Implementation Gate – Workflow and Production (5 hours)**

During this gate the customer lead(s) will demonstrate that they have the system setup to process the three customer representative jobs accurately estimate jobs, process jobs through production and shipping, capturing costing information throughout the process. They must also show all required reports, Quote letter, Job Ticket, PO, Invoice, etc.

## Required Resources

- EFI Project Manager
- Customer Project Manager
- Customer Executive Sponsor
- EFI Executive Sponsor
- EFI Consultant leads
- Customer Lead(s)

## Tasks

- Review and verify that:
  - 3 job/product types generate correct pricing and can be run through all the Pace Foundation modules
  - All reports are available and complete

### **Pre Go Live Additional Assistance (8 hours)**

This time is reserved to assist with an additional refresher training or assistance to prepare for the onsite system go live.

### **System Go Live (4 days onsite)**

Following completion of all testing of your EFI Pace configurations, this final on-site will be conducted to assist your company as you switch over to EFI Pace full time. The EFI Pace Consultant will be available to assist with questions and needs during this visit.

## Required Resources

- EFI Pace Consultant
- Customer Administrator
- Customer Operators

## Tasks

- Assist with questions and needs that arise during the launch of EFI Pace.

### **Post Go Live Review (3.5 days onsite)**

This session is a follow-up post go live onsite to review the workflows and assist with refining any areas that have been identified during volume production use of the system.



## Required Resources

- EFI Pace Consultant
- Customer Administrator
- Customer Leads

## Tasks

- Assist with questions and additional refinement of the system.

### **DSF Conversion for integration with Pace (30 hours)**

These sessions are designed to move the current DSF integrated with Logic over to DSF integrated with Pace.

## Required Resources

- EFI Professional Services Consultant
- Customer Team Leader
- Customer PACE Administrator
- Customer Site Administrator(s) and customer IT
- Customer Print Shop/Production Manager
- Customer Accounting Manager

## Tasks

- DSF Systems Assessment and Planning Meeting for migration
- System upgrade and migration to new server (if required, DSF 7 requires 64 bit OS)
- Remapping and rework of existing DSF configuration required for Pace integration.
- DSF new features training and deployment

### **DSF and Pace Systems/Business Assessment & Integration Configuration: (7 Hours)**

The goal if this phase is to gather any data and document any requirements specific to your implementation setup, as well as to inform and present an overview of the way the systems will work together in order to set the best implementation order. This is particularly important for customers already live on DSF and adding Pace. The DSF to Pace systems integration is also made during this time.

## Required Resources

- EFI Professional Services Consultant
- Customer Team Leader
- Customer PACE Administrator
- Customer Site Administrator(s) and customer IT
- Customer Print Shop/Production Manager
- Customer Accounting Manager

## Tasks

- DSF and Pace Systems Assessment and Planning Meeting
- DSF Communication Channel, Pace Connect and MIS Configurations
  - Includes Test Company and one PrintShop configuration (may desire a second PrintShop if integrating to Pace after DSF implementation)
  - Print Shop setups/changes
  - Sharing of Test Company from Pace to DSF
  - Payment Methods and Ship/Delivery Methods discussion and setups



- Users/Groups/Company Associations checks or edits (necessary if integrating to Pace after DSF implementation)
- Site registrations and systems communication verifications
- Pace Connect setup
  - Setup Pace Job Types
  - Setup Pace Ship Types
  - Setup Finished Goods Inventory Type
  - Configure Pace Connect
  - Setup and Share Pace Customers to become or match current DSF Companies
  - Setup and Share Pace Ship Methods to become DSF Delivery Methods
  - Configure Pace Job Statuses and Ship Types and relate to DSF Order Statuses
- DSF Integration configuration
  - Associate new Companies to Storefronts
  - Associate/add Users to companies
  - Associate or edit Groups and PrintShop relationships

### **Pace Item Templates Instruction for use with DSF Products (2 Hours)**

This session is designed to discuss the structure and use of Pace Item Templates engaged with DSF Products.

#### **Required Resources**

- EFI Professional Services Consultant
- Customer Site Administrator
- EFI Pace Administrator

#### **Tasks**

- Instruct on Item Template Creation and Use with DSF Integration
- Survey Products in DSF, compare and edit

### **Customer Work: DSF Products and Ticket Edits (4 - 6 Hours)**

This section is included to show the amount of time it may take your resources to continue to develop Products develop Ticket Edits for the integration. Ranges are estimates, and are dependent upon product and ticket quantities in scope.

### **Pace Item Templates Setup and DSF Product and Tickets Work (10 Hours)**

In this series of sessions we will build Item Templates with you and relate to DSF Products.

#### **Required Resources**

- EFI Professional Services Consultant
- Customer DSF Site Administrator
- Customer Pace Administrator
- Customer Pace Estimator/Production Content Person
- Customer Pace Creative/Production Content Person

#### **Tasks**

- Setup one example under each of the following Item Template items:
- Create Item Templates for Standard Item Templates
- Create Item Templates for Variable Item Templates (variable options)



- Setup Item Template Lines
- Prepare and Reference Pace Estimates or Quotes for Production Values only
- Prepare, edit and relate DSF Products, DSF Tickets and Product IDs as needed
- Begin setups for Variable Options if needed
- Fulfillment products will also be setup during this time from Pace to DSF (if using)

#### **Customer Work: DSF Products and Ticket Edits (20 - 40 Hours)**

This section is included to show the amount of time it may take your resources to continue to develop Item Templates for the integration. Ranges are estimates, and are dependent upon Item Template quantities in scope.

#### **EFI DSF Pace Integration Variable Options Setups (12 Hours)**

The EFI DSF Pace Integration for use with Variable DSF Ticket Options involves setup components of Pace in the areas of Item Templates, Price List Quoting (for product options and information) and relationships mapping for use with DSF products and ticketing components.

#### **Required Resources**

- EFI Professional Services Consultant
- Customer Team Leader
- Customer DSF Site Administrator(s)
- Customer Pace Print Shop/Production Manager

#### **Tasks**

- Complete Media and Print Services Options, Tickets and Products in DSF
- Setup Pace PLQ Components for use with DSF integration only
- Map Pace variable options to variable template(s)
- Coordinate with DSF Products and ticketing relationships
- Review workflow
- Further mapping can be done for other production values as needed

#### **Customer Work: DSF Products and Ticket Edits (12 - 24 Hours)**

This section is included to show the amount of time it may take your resources to continue to develop Item Templates for the integration. Ranges are estimates, and are dependent upon product and ticketing component quantities in scope.

#### **EFI DSF Pace Integration Workflow Training (7 Hours)**

The EFI DSF Pace Integration Workflow Training sessions will focus on defining and refining the integrated workflow utilizing DSF and Pace, including configurations for Shipping and Invoicing.

#### **Required Resources**

- EFI Professional Services Consultant
- Customer Team Leader
- Customer DSF Site Administrator(s)
- Customer Pace Print Shop Operator(s)/Production/Business Manager
- Customer Accounting Manager

#### **Tasks**

- Discuss and create setups in Pace for Shipping and Invoicing
- Discuss and complete setups in DSF for Delivery Methods coordination/configurations
- Configure and complete setups for status workflows in Pace and DSF in coordination
- Instruct on usage of Quote Editor, Order View and Operator View



- Practice checkout methods of various combinations, test and validate/edit settings
- Setup/Edit and verify credit card processing methods in DSF when using Pace integration
- Continue to Practice/Test and check information
- Setup and configure ePace station queries/reports for use with the integration procedures
- Instruct and Inform others who work in Pace or DSF of the new methods/daily operations processes and procedures