Form No. DTMB-3521 (Rev. 7/2015)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 2

to

CONTRACT NO. 071B1300108

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Genesis Systems Incorporated	Richard Huber	rhuber@genesisinfo.com
3601 N. Progress Avenue, Suite 200	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
Harrisburg, PA 17110	717-909-8500	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Jeff Haskell	517-335-5040	haskellj@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	David Hatch	517-284-7044	hatchd@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: WebEBC Software – Maintenance, Support, & Enhancements

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2010	September 30, 2015	5, 1-year	September 30, 2015

PAYMENT TERMS	DELIVERY TIMEFRAME
N/A	N/A

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
☐ P-card ☐ Direct Voucher (DV) ☐ Other	☐ Yes ☒ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
☒	1-year	☐		September 30, 2016

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$857,223.00	$211,112.00	$1,068,335.00

DESCRIPTION: Effective September 15, 2015, this contract is increased by $211,112.00 to exercise the first option year and fund the maintenance, support, and the requested enhancements for the option year; of this $170,580.00 is for annual maintenance and support and $40,532.00 is for enhancements under vendor quote #60073. Maintenance and support shoall be per the applicable attached Statement of Work. The enhancements shall be done per the applicable attached Statement of Work and vendor quote #60073 (which are integrated into the contract except for terms inconsistent with the original contract). All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement and DTMB Procurement approval.

Michigan Department of Community Health

BRS Export Integration Change Order

Change Order Version 1.1

Project Log Case 60073

March 13, 2015

Date: March 13, 2015
For: Michigan Department of Community Health
Re: BRS Export Integration
Submitted By: Oleg Kozhevnik

Description:

This request was made by the Michigan Department of Community Health. The request is to modify WebEBC that is licensed to the Michigan Department of Community Health as described below. Should Michigan Department of Community Health have a signed Contract or Support Agreement currently in place with Genesis Systems, Inc., then this Change Order quotation constitutes a written modification to that Contract or Support Agreement. Such Contract or Support Agreement is hereby modified to reflect an increase in the amount of Michigan Department of Community Health support obligation under the existing Contract or Support Agreement, and such support obligation shall be increased by zero percent (0%) of the price of this Change Order quotation and such increase shall be effective in the support year the subject of this Change Order quotation is accepted by Michigan Department of Community Health and shall apply to every year of support thereafter. Should it be determined that this section is insufficient to constitute a modification to any existing contract between the parties then Michigan Department of Community Health agrees that this Change Order quotation shall act to create a new, separate support obligation between the parties in the amount of zero percent (0%) of this quotation, and such obligation exists so long as Michigan Department of Community Health continues to receive Genesis provided support for the indicated WebEBC noted above.

Overview:

The changes/additions included in this Change Order involve application changes in the WebEBC. The details provided in the following pages will distinguish between specific additions and/or modifications that will be made to the WebEBC.

Genesis Review of Functional Requirements

General Description

In 2010 per the Michigan Department of Community Health's request, we revised and enhanced BRS extract process starting with data collection and storage in BRS tables to stored procedures to DTS packages and later on moving to SSIS packages with SQL 2005 Server. After the changes were completed and deployed to the test environment in 2010-2011 they were awaiting deployment to production. In the interim, the state made changes over a few years to the old packages and layouts without updating new packages. Stakeholder's extracts have different layouts between old and new packages. This change will align those extracts.

We would review, compare, and update construct of approximately 11 BRS packages to assure that the extracts adhere to expected outputs and are in sync between new and old SSIS packages. We need to review old and new functionality and output vehicles including updating new SSIS packages to use existing output vehicles. These tasks will also require time on-site for faster implementation.

Deliverables Schedule:

Deliverable	Date	Cost
Upon PO Issuance	*To be determined upon signed Acceptance*	15% of Total
Coding Completion and Acceptance of the State	*To be determined upon signed Acceptance*	25% of Total
Deployment to MI Test Environment and Acceptance of the State	*To be determined upon signed Acceptance*	35% of Total
Deployment to MI Production Environment and Acceptance of the State	*To be determined upon signed Acceptance*	25% of Total

Tasks and Price:

The following list outlines the high level tasks and the prices to perform the work / changes noted above:

High Level Tasks:		
☒ On Site Design Session	☐ Acceptance Testing	☐ Remote Implementation
☐ Remote Design Session	☐ Pilot (Beta) Test	☐ Phone Support for Distribution
☐ Revise Functional Specification	☐ Revise Online Help	☒ Coding of Enhancement
☐ Revise Data Dictionary	☐ Revise User Manual	☐ Technical Design
☒ Revise Technical Documents	☐ Revise Training Materials	☒ Code Review
☒ Unit Testing	☐ On-site Training	☐ Applying Scripts
☒ Integration Testing	☐ Remote Training	☒ Develop Scripts
☐ Regression Testing	☒ On-site Implementation	

Price:

BRS Export Integration Change Order - $40,532

License:

It is expressly agreed between the parties that Genesis owns and retains ownership of all copyrights, trademarks, and other intellectual property rights to the software provided pursuant to this Change Order quotation, including derivative works.

Genesis does not claim ownership of any output from Genesis's software, including reports and documentation, resulting from data not input by Genesis.

Genesis grants to Michigan Department of Community Health a non-exclusive, non-commercial, non-transferable, non-assignable, royalty free, perpetual, irrevocable license for Genesis's software.

Michigan Department of Community Health may not sell, transfer, release, disclose, publish, assign, or otherwise distribute any part of Genesis's software without Genesis's prior written permission.

Payment:

Genesis will begin work on the subject of this Change Order upon receipt of a State of Michigan Purchase Order. MICHIGAN DEPARTMENT OF COMMUNITY HEALTH agrees to pay Genesis the sum of $40,532 for the subject of this Change Order per the Deliverable Schedule above, within thirty (30) days. This is additional work under the support contract since the modifications in this Change Order fall outside of the original design specifications provided by the State of Michigan.

Acceptance of Product:

Upon delivery of the completed product, Genesis will submit a Notice of Completion. In the event Michigan Department of Community Health determines the product does not comply with the Description herein, Michigan Department of Community Health shall have 10 calendar days to submit to Genesis a Notice of Non-compliance, via e-mail or other mutually agreed upon method of communication. The Notice of Non-compliance must state with specificity how the product does not comply with the Description, and may not modify the original terms and condition of this Quotation. Genesis will have 30 business days to correct or modify the product so that it meets the requirements set forth in the Notice of Non-compliance and resubmit the product. Once Genesis has met the requirements set forth in the Notice of Non-compliance, Michigan Department of Community Health has 10 calendar days to accept or reject the completed product. If the product is rejected, such rejection must be in writing and must be accompanied by the original product and any and all copies thereof. If a timely rejection is not received by Genesis, the product is deemed to be accepted, and any and all remaining payment will be due within 30 days.

Warranty:

All software development performed by Genesis under this Quotation is warranted for ninety (90) days after the product containing the new development is installed at the users site ("Initial Warranty Period"). The Warranty provided herein is specifically limited to the software developed under this Quotation, and does not apply, in any way, to alter, lengthen, change, or otherwise modify the Warranty of other software previously developed by Genesis. During this time any defect found in the software that requires correction will be corrected at no charge for either the work required to correct the software or the distribution of the resulting update. Once the Initial Warranty Period has expired, Genesis reserves the right to charge for work done to make and distribute corrections unless such work and distribution is covered by a Support Agreement that applies specifically to this product has been continuously in effect since the expiration of the Initial Warranty Period.

Genesis warrants that in the event that no recovery can be affected on a support call, the Customer will not be billed for the time spent attempting recovery. Except as provided immediately above, Genesis does not guarantee that any service/product that it provides to the Customer will be effective and therefore does not warrant any of the services/products provided under this Quotation. Genesis shall have no liability under this Quotation to Customer or any other party for loss or damage including, without limiting the generality of the foregoing, any direct, general, incidental, indirect, special, or consequential damages, resulting from the failure of Genesis to comply with any warranties set forth in this Quotation

GENESIS' WARRANTY IN THIS QUOTATION IS IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL GENESIS BE LIABLE TO CUSTOMER FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF GOODWILL, WORK STOPPAGE, LOST PROFITS, LOST DATA OR COMPUTER HARDWARE OR SOFTWARE DAMAGE, FAILURE OR MALFUNCTION.

Other:

The quoted price will be valid for 90 days from the above date. Once the Change Order Quotation Acceptance Certificate has been returned to Genesis Systems, Inc. specifying the desired revisions, Genesis Systems, Inc. could begin work on the stated items. Returning the certification response within this 90-day period will assure that the work required by this request is completed, allowing time for testing, implementation, distribution and installation.

Within the scope of this quotation changes will be included in WebEBC. If any additional modules / processes need to be included, please notify Genesis immediately, as this may result in a change in the quoted price.

Contact:

Please contact Oleg Kozhevnik at 717-909-8524 if there are any questions regarding this Change Order quotation.

Sincerely,

Oleg Kozhevnik

Genesis Systems, Inc.

3601 N. Progress Ave., Suite 200
Harrisburg, PA 17110
Phone: (717) 909-8500
Fax: (717) 909-8550
E-mail: genesis@genesisinfo.com
Website: www.genesisinfo.com

Change Order Quotation Acceptance Certificate

The Michigan Department of Community Health hereby accepts the "BRS Export Integration" change order dated March 13, 2015 in the amount of $40,532.

I authorize work with regards to this item and upon completion agree to include payment in addition to the current year's Warranty Continuation and Support contract.

I certify that sufficient funds are available and obligated to fully satisfy the obligation created by this Change Order quotation, and provide the following information for billing purposes.

Purchase Order #_____and/or Fund Account Code_____

Please include a copy of the Purchase Order and/or Fund Account Code paperwork along with this Change Order Quotation Acceptance Certificate.

Genesis is not obligated to perform any work under this Change Order quotation until such time as the above requested billing information is provided to Genesis in writing.

My signature hereon constitutes acceptance of any and all conditions set forth in the Change Order quotation provided by Genesis, and such Change Order quotation shall constitute a binding contract between Genesis and Michigan Department of Community Health. I further agree to FAX or email to Genesis, at the contact information listed below, this signed Change Order Quotation Acceptance Certificate.

Please return the Signed Acceptance Certificate to:
Andrea Brindle – FAX-(866) 924-6317 or email to abrindle@genesisinfo.com

_____ _____

Signature Date

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

Project Title: **WebEBC Additional Enhancements CCN**	**Period of Coverage:** **10/01/15 – 09/30/16**
Requesting Department: **Michigan Department of Community Health (MDCH)**	**Date:** **08/01/14**
Agency Project Manager: **Glenn Copeland**	**Phone:** **517-335-8677**
DTMB Project Manager: **Jeff Haskell**	**Phone:** **517-335-5040**

Brief Description of Services to be provided:
Contract Change Notice to add funds and PO to cover Genesis WebEBC enhancement services to provide support to DTMB staff in supporting DCH as they modify the criteria used to identify cases to be pushed to the Oracle bridge table with necessary adjustments to record status flags. . Estimated PO Time frame 10/01/16 - 09/30/15.

BACKGROUND:
Contract 071B1300108 is for ongoing maintenance, support and enhancements for the proprietary Custom-off-the-Shelf (COTS) web-based live birth reporting system named WebEBC™software. The State of Michigan does not have access to maintain the source code.

The State of Michigan supplies Michigan hospitals and other entities with software used to prepare certificates of live birth and to electronically report required information on each live birth. The system is currently being used to report live births each year to the State and hospitals throughout the State of Michigan.

MI WEB EBC system is a critical application. Federal officials are requiring changes to smoking, risk factors, and immunizations questions for the Birth Registration form, Certificates and Reports or the Feds will reduce annual funding.

PROJECT OBJECTIVE:
Genesis services to. modify the criteria used to identify cases to be pushed to the Oracle bridge table with necessary adjustments to record status flags.

SCOPE OF WORK:
To modify the criteria used to identify cases to be pushed to the Oracle bridge table with necessary adjustments to record status flags.

TASKS/DELIVERABLES:
Deliverables will not be considered complete until the DTMB and MDCH Project Manager has formally accepted them. Technical support is required to assist with the following tasks:

- Modify the criteria used to identify cases to be pushed to the Oracle bridge table with necessary adjustments to record status flags.

See attached Change Request Specifications for more details.

ACCEPTANCE CRITERIA:
Project will not be considered complete until DTMB and MDCH Project Managers have formally accepted them.

PROJECT CONTROL AND REPORTS:
Specifications and configuration documents will be provided by the vendor and approved by DTMB and DCH. Vendor will provide a timeline for the enhancement to be approved by DTMB and DCH. Final configuration documents and related support documents will be provided prior to the enhancement completion.

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, if any, in addition to DTMB standards.
Must follow HIPPA guidelines and regulations

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

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

Payment Schedule:

15% - Upon PO Issuance
25% - Coding Completion and Acceptance of the State
35% - Deployment to MI Test Environment and Acceptance of the State
25% - Deployment to MI Production Environment and Acceptance of the State

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

PROJECT CONTACTS:
The designated Agency Project Manager is:

Glenn Copeland
DCH, Vital Records
Lansing, Michigan 48913
517-335-8677
CopelandG@michigan.gov

The designated DTMB Project Manager is:

Jeff Haskell
DTMB Manager
Systems Development
Chandler Plaza
300 East Michigan Ave
Lansing, MI 48933
517-335-5040
HaskellJ@michigan.gov

AGENCY RESPONSIBILITIES:
As described in contract 071B1300108.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:
Consultants will work their work location with contact with DTMB on a regular basis.

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

No overtime will be permitted.

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

Project Title: **Genesis Systems – Web Based Birth System Option Year 1**	**Period of Coverage:** **10/01/15 – 09/30/16**
Requesting Department: **Michigan Department of Health and Human Services (MDHHS)**	**Date:** **05/15/2015**
Agency Project Manager: **Glenn Copeland**	**Phone:** **517-335-8677**
DTMB Project Manager: **Jeff Haskell**	**Phone:** **517-335-5040**

Brief Description of Services to be provided:
Contract Change Notice (CCN) to increase contract 071B1300108 for option year one (1) out of five (5) one year periods permissive under section 2.002 Options to Renew to procure ongoing maintenance, support and enhancements for the proprietary Custom-off-the-Shelf (COTS) web-based live birth reporting system named WebEBC™software supporting the Michigan Department of Health and Human Services (MDHHS) for the time period of 10/01/15 – 09/30/2016.

BACKGROUND:
Contract 071B1300108 is for ongoing maintenance, support and enhancements for the proprietary Custom-off-the-Shelf (COTS) web-based live birth reporting system named WebEBC™software. The State of Michigan does not have access to maintain the source code.

The State of Michigan supplies Michigan hospitals and other entities with software used to prepare certificates of live birth and to electronically report required information on each live birth. The system is currently being used to report live births each year to the State and hospitals throughout the State of Michigan.

PROJECT OBJECTIVE:
The objective of this SOW is to exercise the first option year to procure ongoing maintenance, support and enhancements for the proprietary Custom-off-the-Shelf (COTS) web-based live birth reporting system named WebEBC™software supporting the MDHHS for the time period of 10/01/15 – 09/30/2016.

SCOPE OF WORK:
Contractor must provide the following services for the complete and successful support and maintenance of the proprietary WebEBC™ system providing the functionality required for the State's business operations (see Section 1.104 for a detailed description of the scope). This Contract consists of the following components:

- **Maintenance** - Maintenance is defined as repair or replacement services provided to identify and repair software malfunctions in order to return the system to its original operating condition.
- **Enhancements** – These projects will be determined at time of need and a separate work statement will be developed

TASKS/DELIVERABLES:
Deliverables will not be considered complete until the DTMB and MDHHS Project Manager has formally accepted them. Technical is required to assist with the following tasks:

A. Software Maintenance and Support

Contractor shall supply annual software maintenance and support services that provide systems management. Contractor must fully understand all the functionality provided by the WebEBC™ software. Contractor must be able to explain how each aspect of the software works and be able to document needed corrections for submission WebEBC™ for resolution.

1. **System Maintenance Activities** – Contractor will provide Software maintenance. System Maintenance refers to regular and routine work performed by the Contractor on the WebEBC™ System as the system was defined and implemented including all

approved modifications. This includes any work required to correct defects in the system operation as required to meet Contract requirements. This includes any routine file maintenance to update any information required for operation of the system such as data changes, investigating and repairing Genesis' batch job failures, investigating and correcting application defaults, repairing problems due to system software failures, , rectifying problems due to web page, program, object, class, scripts, control language, or database errors caused by the Genesis application, repairing application security problems, repairing and restoring corrupted files, table structures, and databases caused by application issues, rectifying incorrect documentation, and repairing problems due to Genesis' jobs run with incorrect data.

2. **System Maintenance and Support Services**

Contractor will provide all Maintenance and Support Services remotely from Contractor's place of business, unless in the Contractor's and State's opinion on-site services are required.

B. Application Development for Future Enhancements

Future enhancements may be required based on federal and state requirements. A separate Statement of Work will be written for any required enhancements. Contractor will provide future development services and/or software enhancement meeting the definitions below utilizing a reserved bank of development hours.

Development hours are defined as only those hours that involve active coding of application changes/enhancements/modifications.

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

1. New State policy requirements,
2. New Federal regulations,
3. New technology requested by the State, or
4. Accommodate new or updated interfaces requested by the State.

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

1. Application Adjustments & New Development - Contractor must provide the ability to request changes or new development work of the WebEBC™ software.
2. Interoperability Development with Other Applications - Contractor must provide the ability to request integrations or interoperability with other products or services of the WebEBC™ software.
3. System Interface Adjustments & New Interfaces – Contractor must provide the ability to request changes or customizations to the application user interface of the WebEBC™ software

ACCEPTANCE CRITERIA:
Per approved contract 071B1300108

PROJECT CONTROL AND REPORTS:
Per approved contract 071B1300108

SPECIFIC DEPARTMENT STANDARDS:
Agency standards, if any, in addition to DTMB standards.
Must follow HIPPA guidelines and regulations

PAYMENT SCHEDULE:
This is a fixed price/deliverable based Contract. The rates quoted will be firm for the duration of this Contract. See Attachment 1 for Contract Price List. The State reserves the right to annually purchase a single level of Support for the products covered under this Contract by giving Contractor notice of that election prior to any Support renewal period and by paying the applicable fees for that Support. See Optional Tables 2.

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

EXPENSES:

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

PROJECT CONTACTS:
The designated Agency Project Manager is:

Glenn Copeland
Department of Health and Human Services, Vital Records
Lansing, Michigan 48913
517-335-8677
CopelandG@michigan.gov

The designated DTMB Project Manager is:

Jeff Haskell
Deparment of Technology, Management & Budgeget
Customer Service supporting MDHHS
Chandler Plaza
300 East Michigan Ave.
Lansing, MI 48933
517-335-5040
HaskellJ@michigan.gov

AGENCY RESPONSIBILITIES:
As described in contract 071B1300108.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work their work location with contact with DTMB on a regular basis.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

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

No overtime will be permitted.

Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 1
to
CONTRACT NO. 071B1300108
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Genesis Systems Incorporated	Richard Huber	rhuber@genesisinfo.com
3601 N. Progress Avenue, Suite 200	TELEPHONE	CONTRACTOR #, MAIL CODE
Harrisburg, PA 17110	(717) 909-8500	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB			
BUYER	DTMB	David Hatch	517-284-7044	hatchd@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: **Maintenance, Support & Enhancements of the WebEBC software product**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2010	September 30, 2015	5, one year	September 30, 2015
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
N/A	N/A	N/A	N/A

ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS	
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS:

N/A

DESCRIPTION OF CHANGE NOTICE:

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐		

VALUE/COST OF CHANGE NOTICE:	ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$91,460.00	$765,763.00

Effective June 1, 2015, contract is increased by $91,460.00, per attached SOW and change requests #59706, #60056, #60057, #60058, #60074 and #60075, for the agreed upon work. Please also note that the buyer has been changed to David Hatch. All other terms, conditions, pricing and specifications remain the same. Per contractor and agency agreement and the approval of DTMB Procurement.

Change Notice Number: 1
Contract Number: 071B1300108

FOR THE CONTRACTOR:

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Name & Title

Agency

Date

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

Project Title: **WebEBC Enhancements CCN**	**Period of Coverage:** **10/01/14 – 09/30/15**
Requesting Department: **Michigan Department of Community Health (MDCH)**	**Date:** **08/01/14**
Agency Project Manager: **Glenn Copeland**	**Phone:** **517-335-8677**
DTMB Project Manager: **Jeff Haskell**	**Phone:** **517-335-5040**

Brief Description of Services to be provided:

Contract Change Notice to add funds and PO to cover Genesis WebEBC enhancement services to provide support to DTMB staff in supporting DCH as they migrate the system to MS SQL 2008 from 2005. Estimated PO Time frame 10/01/14 - 09/30/15.

BACKGROUND:

Contract 071B1300108 is for ongoing maintenance, support and enhancements for the proprietary Custom-off-the-Shelf (COTS) web-based live birth reporting system named WebEBC™software. The State of Michigan does not have access to maintain the source code.

The State of Michigan supplies Michigan hospitals and other entities with software used to prepare certificates of live birth and to electronically report required information on each live birth. The system is currently being used to report live births each year to the State and hospitals throughout the State of Michigan.

MI WEB EBC system is a critical application. Federal officials are requiring changes to smoking, risk factors, and immunizations questions for the Birth Registration form, Certificates and Reports or the Feds will reduce annual funding. **Implementation of the Change Order Project Log Case 60075 must be completed no later than July 15, 2015.**

PROJECT OBJECTIVE:

Genesis services to migrate the system to MS SQL 2008 from 2005. Additional enhancements are included to improve the efficiency of record acceptance by the DVRHS staff enabling uploading of data currently hand keyed and cleaning up the data collected with regard to home births, which is a public health concern.

SCOPE OF WORK:

Enhance the system to enable batch uploading of keyed data to improve processing efficiencies. Revise screens to capture additional data on hospital deliveries of planned home births. Develop capability to optionally direct ad hoc functionality to state level rather than hospital level data for query. Establish additional roles that will enable establishing users with read only access to selected tabs. Revise and redevelop existing DTMB developed data extraction routines that deliver data to multiple WebEBC data users..BRS additional release modification.

TASKS/DELIVERABLES:

Deliverables will not be considered complete until the DTMB and MDCH Project Manager has formally accepted them. Technical support is required to assist with the following tasks:

- Migrate the system to MS SQL 2008 from 2005.
- Enhance the system to enable batch uploading of keyed data to improve processing efficiencies.
- Revise screens to capture additional data on hospital deliveries of planned home births.
- Develop capability to optionally direct ad hoc functionality to state level rather than hospital level data for query. Establish additional roles that will enable establishing users with read only access to selected tabs.
- Revise and redevelop existing DTMB developed data extraction routines that deliver data to multiple WebEBC data users.
- BRS additional release modification.

See attached Change Request Specifications for more details.

ACCEPTANCE CRITERIA:
Project will not be considered complete until DTMB and MDCH Project Managers have formally accepted them.

PROJECT CONTROL AND REPORTS:

Specifications and configuration documents will be provided by the vendor and approved by DTMB and DCH. Vendor will provide a timeline for the enhancement to be approved by DTMB and DCH. Final configuration documents and related support documents will be provided prior to the enhancement completion.

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, if any, in addition to DTMB standards.
Must follow HIPPA guidelines and regulations

PAYMENT SCHEDULE:

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

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

Payment Schedule:

15% - Upon PO Issuance
25% - Coding Completion and Acceptance of the State
35% - Deployment to MI Test Environment and Acceptance of the State

25% - Deployment to MI Production Environment and Acceptance of the State

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Glenn Copeland
DCH, Vital Records
Lansing, Michigan 48913
517-335-8677
CopelandG@michigan.gov

The designated DTMB Project Manager is:

Jeff Haskell
DTMB Manager
Systems Development
Chandler Plaza
300 East Michigan Ave
Lansing, MI 48933
517-335-5040
HaskellJ@michigan.gov

AGENCY RESPONSIBILITIES:
As described in contract 071B1300108.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work their work location with contact with DTMB on a regular basis.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

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

No overtime will be permitted.

Michigan Department of Community Health

Delivery at the Hospital Questions Change Order

Change Order Version 1.1

Project Log Case 59706

March 13, 2015

Date: March 13, 2015
For: Michigan Department of Community Health
Re: Delivery at the Hospital Questions
Submitted By: Oleg Kozhevnik

Description:

This request was made by the Michigan Department of Community Health. The request is to modify WebEBC that is licensed to the Michigan Department of Community Health as described below. Should Michigan Department of Community Health have a signed Contract or Support Agreement currently in place with Genesis Systems, Inc., and then this Change Order quotation constitutes a written modification to that Contract or Support Agreement. Such Contract or Support Agreement is hereby modified to reflect an increase in the amount of Michigan Department of Community Health support obligation under the existing Contract or Support Agreement, and such support obligation shall be increased by zero percent (0%) of the price of this Change Order quotation and such increase shall be effective in the support year the subject of this Change Order quotation is accepted by Michigan Department of Community Health and shall apply to every year of support thereafter. Should it be determined that this section is insufficient to constitute a modification to any existing contract between the parties then Michigan Department of Community Health agrees that this Change Order quotation shall act to create a new, separate support obligation between the parties in the amount of zero percent (0%) of this quotation, and such obligation exists so long as Michigan Department of Community Health continues to receive Genesis provided support for the indicated WebEBC noted above.

Overview:

The changes/additions included in this Change Order involve application changes in the WebEBC. The details provided in the following pages will distinguish between specific additions and/or modifications that will be made to the WebEBC.

Genesis Review of Functional Requirements

<u>General Description</u>
If home birth is selected as record type, system works fine.

[If any other record type is selected, a new question needs to be available with "Was the home birth intended?" grayed out].

Under "Was the home birth intended", there would be another drop down that would have the heading: "Did you go into labor planning to deliver at home or a freestanding birthing center?" [this item would be grayed out if the record type is 'home birth']

This question would be asked if any one of these record types is chosen:

Born at this facility
Born en-route
Non-participating facility
Stillbirth

If the user answers "yes", the following will enable:

a) "Where was the planned delivery location?" The following choices will be enabled:

Birthing Center
Home
Physician's Office
Other (would trigger the "Other-specify" to open for the user to complete)
Unknown

b) "Who was planned to be at the delivery?" The following choices will be enabled:

Certified Nurse Midwife
Family/Friend
Husband
Midwife
Partner
Physician
Self
Other (would trigger the "Other-specify" to open for the user to complete)
Unknown

The new question would need to be available to the ad hoc, should be exported to the State table, and should be added to the abstract print/stillbirth/BRS tables.

Note: Including the above changes to the Birth, Stillbirth, Abstracts, and BRS export is subject to the real estate in the export and provided it does not require significant redesign of the Birth, Stillbirth, Abstracts, and BRS export.

Deliverables Schedule:

Deliverable	Date	Cost
Upon PO Issuance	*To be determined upon signed Acceptance*	15% of Total
Coding Completion and Acceptance of the State	*To be determined upon signed Acceptance*	25% of Total
Deployment to MI Test Environment and Acceptance of the State	*To be determined upon signed Acceptance*	35% of Total
Deployment to MI Production Environment and Acceptance of the State	*To be determined upon signed Acceptance*	25% of Total

Tasks and Price:

The following list outlines the high level tasks and the prices to perform the work / changes noted above:

High Level Tasks:		
☐ On Site Design Session	☐ Acceptance Testing	☒ Remote Implementation
☒ Remote Design Session	☒ Pilot (Beta) Test	☐ Phone Support for Distribution
☐ Revise Functional Specification	☐ Revise Online Help	☒ Coding of Enhancement
☐ Revise Data Dictionary	☐ Revise User Manual	☒ Technical Design
☐ Revise Technical Documents	☐ Revise Training Materials	☒ Code Review
☒ Unit Testing	☐ On-site Training	☒ Applying Scripts
☒ Integration Testing	☐ Remote Training	☒ Develop Scripts
☒ Regression Testing	☐ On-site Implementation	

Price:

Delivery at the Hospital Question Change Order - $18,271

License:

It is expressly agreed between the parties that Genesis owns and retains ownership of all copyrights, trademarks, and other intellectual property rights to the software provided pursuant to this Change Order quotation, including derivative works.

Genesis does not claim ownership of any output from Genesis's software, including reports and documentation, resulting from data not input by Genesis.

Genesis grants to Michigan Department of Community Health a non-exclusive, non-commercial, non-transferable, non-assignable, royalty free, perpetual, irrevocable license for Genesis's software.

Michigan Department of Community Health may not sell, transfer, release, disclose, publish, assign, or otherwise distribute any part of Genesis's software without Genesis's prior written permission.

Payment:

Genesis will begin work on the subject of this Change Order upon receipt of a State of Michigan Purchase Order. MICHIGAN DEPARTMENT OF COMMUNITY HEALTH agrees to pay Genesis the sum of $18,271 for the subject of this Change Order per the Deliverable Schedule above, within thirty (30) days. This is additional work under the support contract since the modifications in this Change Order fall outside of the original design specifications provided by the State of Michigan.

Acceptance of Product:

Upon delivery of the completed product, Genesis will submit a Notice of Completion. In the event Michigan Department of Community Health determines the product does not comply with the Description herein, Michigan Department of Community Health shall have 10 calendar days to submit to Genesis a Notice of Non-compliance, via e-mail or other mutually agreed upon method of communication. The Notice of Non-compliance must state with specificity how the product does not comply with the Description, and may not modify the original terms and condition of this Quotation. Genesis will have 30 business days to correct or modify the product so that it meets the requirements set forth in the Notice of Non-compliance and resubmit the product. Once Genesis has met the requirements set forth in the Notice of Non-compliance, Michigan Department of Community Health has 10 calendar days to accept or reject the completed product. If the product is rejected, such rejection must be in writing and must be accompanied by the original product and any and all copies thereof. If a timely rejection is not received by Genesis, the product is deemed to be accepted, and any and all remaining payment will be due within 30 days.

Warranty:

All software development performed by Genesis under this Quotation is warranted for ninety (90) days after the product containing the new development is installed at the users site ("Initial Warranty Period"). The Warranty provided herein is specifically limited to the software developed under this Quotation, and does not apply, in any way, to alter, lengthen, change, or otherwise modify the Warranty of other software previously developed by Genesis. During this time any defect found in the software that requires correction will be corrected at no charge for either the

work required to correct the software or the distribution of the resulting update. Once the Initial Warranty Period has expired, Genesis reserves the right to charge for work done to make and distribute corrections unless such work and distribution is covered by a Support Agreement that applies specifically to this product has been continuously in effect since the expiration of the Initial Warranty Period.

Genesis warrants that in the event that no recovery can be affected on a support call, the Customer will not be billed for the time spent attempting recovery. Except as provided immediately above, Genesis does not guarantee that any service/product that it provides to the Customer will be effective and therefore does not warrant any of the services/products provided under this Quotation. Genesis shall have no liability under this Quotation to Customer or any other party for loss or damage including, without limiting the generality of the foregoing, any direct, general, incidental, indirect, special, or consequential damages, resulting from the failure of Genesis to comply with any warranties set forth in this Quotation

GENESIS' WARRANTY IN THIS QUOTATION IS IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL GENESIS BE LIABLE TO CUSTOMER FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF GOODWILL, WORK STOPPAGE, LOST PROFITS, LOST DATA OR COMPUTER HARDWARE OR SOFTWARE DAMAGE, FAILURE OR MALFUNCTION.

Other:

The quoted price will be valid for 90 days from the above date. Once the Change Order Quotation Acceptance Certificate has been returned to Genesis Systems, Inc. specifying the desired revisions, Genesis Systems, Inc. could begin work on the stated items. Returning the certification response within this 90-day period will assure that the work required by this request is completed, allowing time for testing, implementation, distribution and installation.

Within the scope of this quotation changes will be included in WebEBC. If any additional modules / processes need to be included, please notify Genesis immediately, as this may result in a change in the quoted price.

Contact:

Please contact Oleg Kozhevnik at 717-909-8524 if there are any questions regarding this Change Order quotation.

Sincerely,

Oleg Kozhevnik

Genesis Systems, Inc.

3601 N. Progress Ave., Suite 200
Harrisburg, PA 17110
Phone: (717) 909-8500
Fax: (717) 909-8550
E-mail: genesis@genesisinfo.com
Website: www.genesisinfo.com

Change Order Quotation Acceptance Certificate

The Michigan Department of Community Health hereby accepts the "Delivery at the Hospital Question" change order dated March 13, 2015 in the amount of $18,271.

I authorize work with regards to this item and upon completion agree to include payment in addition to the current year's Warranty Continuation and Support contract.

I certify that sufficient funds are available and obligated to fully satisfy the obligation created by this Change Order quotation, and provide the following information for billing purposes.

Purchase Order #_____and/or Fund Account Code_____

Please include a copy of the Purchase Order and/or Fund Account Code paperwork along with this Change Order Quotation Acceptance Certificate.

Genesis is not obligated to perform any work under this Change Order quotation until such time as the above requested billing information is provided to Genesis in writing.

My signature hereon constitutes acceptance of any and all conditions set forth in the Change Order quotation provided by Genesis, and such Change Order quotation shall constitute a binding contract between Genesis and Michigan Department of Community Health. I further agree to FAX or email to Genesis, at the contact information listed below, this signed Change Order Quotation Acceptance Certificate.

Please return the Signed Acceptance Certificate to:
Andrea Brindle – FAX-(866) 924-6317 or email to abrindle@genesisinfo.com

_____ _____

Signature Date

Michigan Department of Community Health

Adhoc Modifications Change Order

Change Order Version 1.1

Project Log Case 60056

March 13, 2015

Date: March 13, 2015
For: Michigan Department of Community Health
Re: Adhoc Modifications
Submitted By: Oleg Kozhevnik

Description:

This request was made by the Michigan Department of Community Health. The request is to modify WebEBC that is licensed to the Michigan Department of Community Health as described below. Should Michigan Department of Community Health have a signed Contract or Support Agreement currently in place with Genesis Systems, Inc., then this Change Order quotation constitutes a written modification to that Contract or Support Agreement. Such Contract or Support Agreement is hereby modified to reflect an increase in the amount of Michigan Department of Community Health support obligation under the existing Contract or Support Agreement, and such support obligation shall be increased by zero percent (0%) of the price of this Change Order quotation and such increase shall be effective in the support year the subject of this Change Order quotation is accepted by Michigan Department of Community Health and shall apply to every year of support thereafter. Should it be determined that this section is insufficient to constitute a modification to any existing contract between the parties then Michigan Department of Community Health agrees that this Change Order quotation shall act to create a new, separate support obligation between the parties in the amount of zero percent (0%) of this quotation, and such obligation exists so long as Michigan Department of Community Health continues to receive Genesis provided support for the indicated WebEBC noted above.

Overview:

The changes/additions included in this Change Order involve application changes in the WebEBC. The details provided in the following pages will distinguish between specific additions and/or modifications that will be made to the WebEBC.

Genesis Review of Functional Requirements

<u>General Description</u>

This change order will provide for application enhancements in the WebEBC of the existing Adhoc reporting.

Ad Hoc reporting looks at the hospital tables in Web EBC where data in the state tables cannot be accessed. A parallel ad hoc is needed to allow users to have the access to the state tables. This will permit access to records added to the system by state staff (such as out of state and home births/paper filings).

The projected plan is to reroute users to state tables if they logged in under the state. Facilitating the change this way, the state users can see all the facility records, out of state,

home birth, and paper filings. Since we do not have location based security and each facility can only see their facility records, for the facility user to see state tables they would need to have a separate log under the state with only one ad hoc process assigned to them.

Deliverables Schedule:

Deliverable	Date	Cost
Upon PO Issuance	*To be determined upon signed Acceptance*	15% of Total
Coding Completion and Acceptance of the State	*To be determined upon signed Acceptance*	25% of Total
Deployment to MI Test Environment and Acceptance of the State	*To be determined upon signed Acceptance*	35% of Total
Deployment to MI Production Environment and Acceptance of the State	*To be determined upon signed Acceptance*	25% of Total

Tasks and Price:

The following list outlines the high level tasks and the prices to perform the work / changes noted above:

High Level Tasks:		
☐ On Site Design Session	☐ Acceptance Testing	☒ Remote Implementation
☒ Remote Design Session	☐ Pilot (Beta) Test	☒ Phone Support for Distribution
☐ Revise Functional Specification	☐ Revise Online Help	☒ Coding of Enhancement
☐ Revise Data Dictionary	☐ Revise User Manual	☐ Technical Design
☐ Revise Technical Documents	☐ Revise Training Materials	☒ Code Review
☒ Unit Testing	☐ On-site Training	☐ Applying Scripts
☒ Integration Testing	☐ Remote Training	☐ Develop Scripts
☐ Regression Testing	☐ On-site Implementation	

Price:

Adhoc Modifications Change Order - $7,424

License:

It is expressly agreed between the parties that Genesis owns and retains ownership of all copyrights, trademarks, and other intellectual property rights to the software provided pursuant to this Change Order quotation, including derivative works.

Genesis does not claim ownership of any output from Genesis's software, including reports and documentation, resulting from data not input by Genesis.

Genesis grants to Michigan Department of Community Health a non-exclusive, non-commercial, non-transferable, non-assignable, royalty free, perpetual, irrevocable license for Genesis's software.

Michigan Department of Community Health may not sell, transfer, release, disclose, publish, assign, or otherwise distribute any part of Genesis's software without Genesis's prior written permission.

Payment:

Genesis will begin work on the subject of this Change Order upon receipt of a State of Michigan Purchase Order. MICHIGAN DEPARTMENT OF COMMUNITY HEALTH agrees to pay Genesis the sum of $7,424 for the subject of this Change Order per the Deliverable Schedule above, within thirty (30) days. This is additional work under the support contract since the modifications in this Change Order fall outside of the original design specifications provided by the State of Michigan.

Acceptance of Product:

Upon delivery of the completed product, Genesis will submit a Notice of Completion. In the event Michigan Department of Community Health determines the product does not comply with the Description herein, Michigan Department of Community Health shall have 10 calendar days to submit to Genesis a Notice of Non-compliance, via e-mail or other mutually agreed upon method of communication. The Notice of Non-compliance must state with specificity how the product does not comply with the Description, and may not modify the original terms and condition of this Quotation. Genesis will have 30 business days to correct or modify the product so that it meets the requirements set forth in the Notice of Non-compliance and resubmit the product. Once Genesis has met the requirements set forth in the Notice of Non-compliance, Michigan Department of Community Health has 10 calendar days to accept or reject the completed product. If the product is rejected, such rejection must be in writing and must be accompanied by the original product and any and all copies thereof. If a timely rejection is not received by Genesis, the product is deemed to be accepted, and any and all remaining payment will be due within 30 days.

Warranty:

All software development performed by Genesis under this Quotation is warranted for ninety (90) days after the product containing the new development is installed at the users site ("Initial Warranty Period"). The Warranty provided herein is specifically limited to the software developed under this Quotation, and does not apply, in any way, to alter, lengthen, change, or otherwise modify the Warranty of other software previously developed by Genesis. During this time any defect found in the software that requires correction will be corrected at no charge for either the work required to correct the software or the distribution of the resulting update. Once the Initial Warranty Period has expired, Genesis reserves the right to charge for work done to make and distribute corrections unless such work and distribution is covered by a Support Agreement that applies specifically to this product has been continuously in effect since the expiration of the Initial Warranty Period.

Genesis warrants that in the event that no recovery can be affected on a support call, the Customer will not be billed for the time spent attempting recovery. Except as provided immediately above, Genesis does not guarantee that any service/product that it provides to the Customer will be effective and therefore does not warrant any of the services/products provided under this Quotation. Genesis shall have no liability under this Quotation to Customer or any other party for loss or damage including, without limiting the generality of the foregoing, any direct, general, incidental, indirect, special, or consequential damages, resulting from the failure of Genesis to comply with any warranties set forth in this Quotation

GENESIS' WARRANTY IN THIS QUOTATION IS IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL GENESIS BE LIABLE TO CUSTOMER FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF GOODWILL, WORK STOPPAGE, LOST PROFITS, LOST DATA OR COMPUTER HARDWARE OR SOFTWARE DAMAGE, FAILURE OR MALFUNCTION.

Other:

The quoted price will be valid for 90 days from the above date. Once the Change Order Quotation Acceptance Certificate has been returned to Genesis Systems, Inc. specifying the desired revisions, Genesis Systems, Inc. could begin work on the stated items. Returning the certification response within this 90-day period will assure that the work required by this request is completed, allowing time for testing, implementation, distribution and installation.

Within the scope of this quotation changes will be included in WebEBC. If any additional modules / processes need to be included, please notify Genesis immediately, as this may result in a change in the quoted price.

Contact:

Please contact Oleg Kozhevnik at 717-909-8524 if there are any questions regarding this Change Order quotation.

Sincerely,

Oleg Kozhevnik

Genesis Systems, Inc.

3601 N. Progress Ave., Suite 200
Harrisburg, PA 17110
Phone: (717) 909-8500
Fax: (717) 909-8550
E-mail: genesis@genesisinfo.com
Website: www.genesisinfo.com

Change Order Quotation Acceptance Certificate

The Michigan Department of Community Health hereby accepts the "Adhoc Modifications" change order dated March 13, 2015 in the amount of $7,424.

I authorize work with regards to this item and upon completion agree to include payment in addition to the current year's Warranty Continuation and Support contract.

I certify that sufficient funds are available and obligated to fully satisfy the obligation created by this Change Order quotation, and provide the following information for billing purposes.

Purchase Order #_____and/or Fund Account Code_____

Please include a copy of the Purchase Order and/or Fund Account Code paperwork along with this Change Order Quotation Acceptance Certificate.

Genesis is not obligated to perform any work under this Change Order quotation until such time as the above requested billing information is provided to Genesis in writing.

My signature hereon constitutes acceptance of any and all conditions set forth in the Change Order quotation provided by Genesis, and such Change Order quotation shall constitute a binding contract between Genesis and Michigan Department of Community Health. I further agree to FAX or email to Genesis, at the contact information listed below, this signed Change Order Quotation Acceptance Certificate.

Please return the Signed Acceptance Certificate to:
Andrea Brindle – FAX-(866) 924-6317 or email to abrindle@genesisinfo.com

_____ _____

Signature Date

Michigan Department of Community Health

Read Only Access Change Order

Change Order Version 1.1

Project Log Case 60057

March 13, 2015

Date: March 13, 2015
For: Michigan Department of Community Health
Re: Read Only Access
Submitted By: Oleg Kozhevnik

Description:

This request was made by the Michigan Department of Community Health. The request is to modify WebEBC that is licensed to the Michigan Department of Community Health as described below. Should Michigan Department of Community Health have a signed Contract or Support Agreement currently in place with Genesis Systems, Inc., then this Change Order quotation constitutes a written modification to that Contract or Support Agreement. Such Contract or Support Agreement is hereby modified to reflect an increase in the amount of Michigan Department of Community Health support obligation under the existing Contract or Support Agreement, and such support obligation shall be increased by zero percent (0%) of the price of this Change Order quotation and such increase shall be effective in the support year the subject of this Change Order quotation is accepted by Michigan Department of Community Health and shall apply to every year of support thereafter. Should it be determined that this section is insufficient to constitute a modification to any existing contract between the parties then Michigan Department of Community Health agrees that this Change Order quotation shall act to create a new, separate support obligation between the parties in the amount of zero percent (0%) of this quotation, and such obligation exists so long as Michigan Department of Community Health continues to receive Genesis provided support for the indicated WebEBC noted above.

Overview:

The changes/additions included in this Change Order involve application changes in the WebEBC. The details provided in the following pages will distinguish between specific additions and/or modifications that will be made to the WebEBC.

Genesis Review of Functional Requirements

<u>General Description</u>

There is a need for the ability to establish users with read-only rights to statewide data and the ability to view all tabs or be restricted to specific tabs only as well as ability to print abstract and transcript only.

This change will include creating a new registration screen without certain functionality. This screen will display in a read-only mode and will have a print abstract functionality. The screen will be connected to the state tables so it will allow state-wide record view ability. We will create additional processes that will correspond to each tab on this read only screen like “Guest View – Child Tab”, “Guest View – Mother Tab”, etc. The users will see the tabs

as they are added to them. The tabs will be hidden or not accessible if user does not have security rights to them.

Deliverables Schedule:

Deliverable	Date	Cost
Upon PO Issuance	*To be determined upon signed Acceptance*	15% of Total
Coding Completion and Acceptance of the State	*To be determined upon signed Acceptance*	25% of Total
Deployment to MI Test Environment and Acceptance of the State	*To be determined upon signed Acceptance*	35% of Total
Deployment to MI Production Environment and Acceptance of the State	*To be determined upon signed Acceptance*	25% of Total

Tasks and Price:

The following list outlines the high level tasks and the prices to perform the work / changes noted above:

High Level Tasks:		
☐ On Site Design Session	☒ Acceptance Testing	☒ Remote Implementation
☒ Remote Design Session	☐ Pilot (Beta) Test	☒ Phone Support for Distribution
☐ Revise Functional Specification	☐ Revise Online Help	☒ Coding of Enhancement
☐ Revise Data Dictionary	☐ Revise User Manual	☒ Technical Design
☐ Revise Technical Documents	☐ Revise Training Materials	☒ Code Review
☒ Unit Testing	☐ On-site Training	☐ Applying Scripts
☒ Integration Testing	☒ Remote Training	☒ Develop Scripts
☒ Regression Testing	☐ On-site Implementation	

Price:

Read Only Access Change Order - <u>$20,861</u>

License:

It is expressly agreed between the parties that Genesis owns and retains ownership of all copyrights, trademarks, and other intellectual property rights to the software provided pursuant to this Change Order quotation, including derivative works.

Genesis does not claim ownership of any output from Genesis's software, including reports and documentation, resulting from data not input by Genesis.

Genesis grants to Michigan Department of Community Health a non-exclusive, non-commercial, non-transferable, non-assignable, royalty free, perpetual, irrevocable license for Genesis's software.

Michigan Department of Community Health may not sell, transfer, release, disclose, publish, assign, or otherwise distribute any part of Genesis's software without Genesis's prior written permission.

Payment:

Genesis will begin work on the subject of this Change Order upon receipt of a State of Michigan Purchase Order. MICHIGAN DEPARTMENT OF COMMUNITY HEALTH agrees to pay Genesis the sum of $20,861 for the subject of this Change Order per the Deliverable Schedule above, within thirty (30) days. This is additional work under the support contract since the modifications in this Change Order fall outside of the original design specifications provided by the State of Michigan.

Acceptance of Product:

Upon delivery of the completed product, Genesis will submit a Notice of Completion. In the event Michigan Department of Community Health determines the product does not comply with the Description herein, Michigan Department of Community Health shall have 10 calendar days to submit to Genesis a Notice of Non-compliance, via e-mail or other mutually agreed upon method of communication. The Notice of Non-compliance must state with specificity how the product does not comply with the Description, and may not modify the original terms and condition of this Quotation. Genesis will have 30 business days to correct or modify the product so that it meets the requirements set forth in the Notice of Non-compliance and resubmit the product. Once Genesis has met the requirements set forth in the Notice of Non-compliance, Michigan Department of Community Health has 10 calendar days to accept or reject the completed product. If the product is rejected, such rejection must be in writing and must be accompanied by the original product and any and all copies thereof. If a timely rejection is not received by Genesis, the product is deemed to be accepted, and any and all remaining payment will be due within 30 days.

Warranty:

All software development performed by Genesis under this Quotation is warranted for ninety (90) days after the product containing the new development is installed at the users site ("Initial Warranty Period"). The Warranty provided herein is specifically limited to the software developed under this Quotation, and does not apply, in any way, to alter, lengthen, change, or otherwise modify the Warranty of other software previously developed by Genesis. During this time any defect found in the software that requires correction will be corrected at no charge for either the work required to correct the software or the distribution of the resulting update. Once the Initial Warranty Period has expired, Genesis reserves the right to charge for work done to make and distribute corrections unless such work and distribution is covered by a Support Agreement that applies specifically to this product has been continuously in effect since the expiration of the Initial Warranty Period.

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GENESIS' WARRANTY IN THIS QUOTATION IS IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL GENESIS BE LIABLE TO CUSTOMER FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF GOODWILL, WORK STOPPAGE, LOST PROFITS, LOST DATA OR COMPUTER HARDWARE OR SOFTWARE DAMAGE, FAILURE OR MALFUNCTION.

Other:

The quoted price will be valid for 90 days from the above date. Once the Change Order Quotation Acceptance Certificate has been returned to Genesis Systems, Inc. specifying the desired revisions, Genesis Systems, Inc. could begin work on the stated items. Returning the certification response within this 90-day period will assure that the work required by this request is completed, allowing time for testing, implementation, distribution and installation.

Within the scope of this quotation changes will be included in WebEBC. If any additional modules / processes need to be included, please notify Genesis immediately, as this may result in a change in the quoted price.

Contact:

Please contact Oleg Kozhevnik at 717-909-8524 if there are any questions regarding this Change Order quotation.

Sincerely,

Oleg Kozhevnik

Genesis Systems, Inc.

3601 N. Progress Ave., Suite 200
Harrisburg, PA 17110
Phone: (717) 909-8500
Fax: (717) 909-8550
E-mail: genesis@genesisinfo.com
Website: www.genesisinfo.com

Change Order Quotation Acceptance Certificate

The Michigan Department of Community Health hereby accepts the "Read Only Access" change order dated March 13, 2015 in the amount of $20,861.

I authorize work with regards to this item and upon completion agree to include payment in addition to the current year's Warranty Continuation and Support contract.

I certify that sufficient funds are available and obligated to fully satisfy the obligation created by this Change Order quotation, and provide the following information for billing purposes.

Purchase Order #_____and/or Fund Account Code_____

Please include a copy of the Purchase Order and/or Fund Account Code paperwork along with this Change Order Quotation Acceptance Certificate.

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My signature hereon constitutes acceptance of any and all conditions set forth in the Change Order quotation provided by Genesis, and such Change Order quotation shall constitute a binding contract between Genesis and Michigan Department of Community Health. I further agree to FAX or email to Genesis, at the contact information listed below, this signed Change Order Quotation Acceptance Certificate.

Please return the Signed Acceptance Certificate to:
Andrea Brindle – FAX-(866) 924-6317 or email to abrindle@genesisinfo.com

_____ _____

Signature Date

Michigan Department of Community Health

State Acceptance Change Order

Change Order Version 1.1

Project Log Case 60058

March 13, 2015

Date: March 13, 2015
For: Michigan Department of Community Health
Re: State Acceptance
Submitted By: Oleg Kozhevnik

Description:

This request was made by the Michigan Department of Community Health. The request is to modify WebEBC that is licensed to the Michigan Department of Community Health as described below. Should Michigan Department of Community Health have a signed Contract or Support Agreement currently in place with Genesis Systems, Inc., then this Change Order quotation constitutes a written modification to that Contract or Support Agreement. Such Contract or Support Agreement is hereby modified to reflect an increase in the amount of Michigan Department of Community Health support obligation under the existing Contract or Support Agreement, and such support obligation shall be increased by zero percent (0%) of the price of this Change Order quotation and such increase shall be effective in the support year the subject of this Change Order quotation is accepted by Michigan Department of Community Health and shall apply to every year of support thereafter. Should it be determined that this section is insufficient to constitute a modification to any existing contract between the parties then Michigan Department of Community Health agrees that this Change Order quotation shall act to create a new, separate support obligation between the parties in the amount of zero percent (0%) of this quotation, and such obligation exists so long as Michigan Department of Community Health continues to receive Genesis provided support for the indicated WebEBC noted above.

Overview:

The changes/additions included in this Change Order involve application changes in the WebEBC. The details provided in the following pages will distinguish between specific additions and/or modifications that will be made to the WebEBC.

Genesis Review of Functional Requirements

<u>General Description</u>

Currently Michigan state staff must key enter local file number, local file date, whether the document is signed, whether the SSA box is checked and the number assigned to the paper document. A method to batch upload this data, link on a combination of fields and then upload/stuff these manual items into the record and also trigger an update record to BRS.

Genesis will be receiving a data file from third party for upload; the file will be put on specified network drive for the system to pull down.

Per provided specifications: We would receive the "index" data from the vendor, upload to our network and can either place in a specific folder or begin the import and browse to the location.

Deliverables Schedule:

Deliverable	Date	Cost
Upon PO Issuance	*To be determined upon signed Acceptance*	15% of Total
Coding Completion and Acceptance of the State	*To be determined upon signed Acceptance*	25% of Total
Deployment to MI Test Environment and Acceptance of the State	*To be determined upon signed Acceptance*	35% of Total
Deployment to MI Production Environment and Acceptance of the State	*To be determined upon signed Acceptance*	25% of Total

Tasks and Price:

The following list outlines the high level tasks and the prices to perform the work / changes noted above:

High Level Tasks:		
☐ On Site Design Session	☒ Acceptance Testing	☒ Remote Implementation
☒ Remote Design Session	☐ Pilot (Beta) Test	☒ Phone Support for Distribution
☐ Revise Functional Specification	☐ Revise Online Help	☒ Coding of Enhancement
☐ Revise Data Dictionary	☐ Revise User Manual	☐ Technical Design
☐ Revise Technical Documents	☐ Revise Training Materials	☒ Code Review
☒ Unit Testing	☐ On-site Training	☒ Applying Scripts
☒ Integration Testing	☐ Remote Training	☒ Develop Scripts
☒ Regression Testing	☐ On-site Implementation	

Price:

State Acceptance Change Order - <u>$22,630</u>

License:

It is expressly agreed between the parties that Genesis owns and retains ownership of all copyrights, trademarks, and other intellectual property rights to the software provided pursuant to this Change Order quotation, including derivative works.

Genesis does not claim ownership of any output from Genesis's software, including reports and documentation, resulting from data not input by Genesis.

Genesis grants to Michigan Department of Community Health a non-exclusive, non-commercial, non-transferable, non-assignable, royalty free, perpetual, irrevocable license for Genesis's software.

Michigan Department of Community Health may not sell, transfer, release, disclose, publish, assign, or otherwise distribute any part of Genesis's software without Genesis's prior written permission.

Payment:

Genesis will begin work on the subject of this Change Order upon receipt of a State of Michigan Purchase Order. MICHIGAN DEPARTMENT OF COMMUNITY HEALTH agrees to pay Genesis the sum of $22,630 for the subject of this Change Order per the Deliverable Schedule above, within thirty (30) days. This is additional work under the support contract since the modifications in this Change Order fall outside of the original design specifications provided by the State of Michigan.

Acceptance of Product:

Upon delivery of the completed product, Genesis will submit a Notice of Completion. In the event Michigan Department of Community Health determines the product does not comply with the Description herein, Michigan Department of Community Health shall have 10 calendar days to submit to Genesis a Notice of Non-compliance, via e-mail or other mutually agreed upon method of communication. The Notice of Non-compliance must state with specificity how the product does not comply with the Description, and may not modify the original terms and condition of this Quotation. Genesis will have 30 business days to correct or modify the product so that it meets the requirements set forth in the Notice of Non-compliance and resubmit the product. Once Genesis has met the requirements set forth in the Notice of Non-compliance, Michigan Department of Community Health has 10 calendar days to accept or reject the completed product. If the product is rejected, such rejection must be in writing and must be accompanied by the original product and any and all copies thereof. If a timely rejection is not received by Genesis, the product is deemed to be accepted, and any and all remaining payment will be due within 30 days.

Warranty:

All software development performed by Genesis under this Quotation is warranted for ninety (90) days after the product containing the new development is installed at the users site ("Initial Warranty Period"). The Warranty provided herein is specifically limited to the software developed under this Quotation, and does not apply, in any way, to alter, lengthen, change, or otherwise modify the Warranty of other software previously developed by Genesis. During this time any defect found in the software that requires correction will be corrected at no charge for either the work required to correct the software or the distribution of the resulting update. Once the Initial Warranty Period has expired, Genesis reserves the right to charge for work done to make and distribute corrections unless such work and distribution is covered by a Support Agreement that applies specifically to this product has been continuously in effect since the expiration of the Initial Warranty Period.

Genesis warrants that in the event that no recovery can be affected on a support call, the Customer will not be billed for the time spent attempting recovery. Except as provided immediately above, Genesis does not guarantee that any service/product that it provides to the Customer will be effective and therefore does not warrant any of the services/products provided under this Quotation. Genesis shall have no liability under this Quotation to Customer or any other party for loss or damage including, without limiting the generality of the foregoing, any direct, general, incidental, indirect, special, or consequential damages, resulting from the failure of Genesis to comply with any warranties set forth in this Quotation

GENESIS' WARRANTY IN THIS QUOTATION IS IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL GENESIS BE LIABLE TO CUSTOMER FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF GOODWILL, WORK STOPPAGE, LOST PROFITS, LOST DATA OR COMPUTER HARDWARE OR SOFTWARE DAMAGE, FAILURE OR MALFUNCTION.

Other:

The quoted price will be valid for 90 days from the above date. Once the Change Order Quotation Acceptance Certificate has been returned to Genesis Systems, Inc. specifying the desired revisions, Genesis Systems, Inc. could begin work on the stated items. Returning the certification response within this 90-day period will assure that the work required by this request is completed, allowing time for testing, implementation, distribution and installation.

Within the scope of this quotation changes will be included in WebEBC. If any additional modules / processes need to be included, please notify Genesis immediately, as this may result in a change in the quoted price.

Contact:

Please contact Oleg Kozhevnik at 717-909-8524 if there are any questions regarding this Change Order quotation.

Sincerely,

Oleg Kozhevnik

Genesis Systems, Inc.

3601 N. Progress Ave., Suite 200
Harrisburg, PA 17110
Phone: (717) 909-8500
Fax: (717) 909-8550
E-mail: genesis@genesisinfo.com
Website: www.genesisinfo.com

Change Order Quotation Acceptance Certificate

The Michigan Department of Community Health hereby accepts the "State Acceptance" change order dated March 13, 2015 in the amount of $22,630.

I authorize work with regards to this item and upon completion agree to include payment in addition to the current year's Warranty Continuation and Support contract.

I certify that sufficient funds are available and obligated to fully satisfy the obligation created by this Change Order quotation, and provide the following information for billing purposes.

Purchase Order #_____and/or Fund Account Code_____

Please include a copy of the Purchase Order and/or Fund Account Code paperwork along with this Change Order Quotation Acceptance Certificate.

Genesis is not obligated to perform any work under this Change Order quotation until such time as the above requested billing information is provided to Genesis in writing.

My signature hereon constitutes acceptance of any and all conditions set forth in the Change Order quotation provided by Genesis, and such Change Order quotation shall constitute a binding contract between Genesis and Michigan Department of Community Health. I further agree to FAX or email to Genesis, at the contact information listed below, this signed Change Order Quotation Acceptance Certificate.

Please return the Signed Acceptance Certificate to:
Andrea Brindle – FAX-(866) 924-6317 or email to abrindle@genesisinfo.com

_____ _____

Signature Date

Michigan Department of Community Health

BRS Additional Release Change Order

Change Order Version 1.1

Project Log Case 60074

March 13, 2015

Date: March 13, 2015
For: Michigan Department of Community Health
Re: BRS Additional Release
Submitted By: Oleg Kozhevnik

Description:

This request was made by the Michigan Department of Community Health. The request is to modify WebEBC that is licensed to the Michigan Department of Community Health as described below. Should Michigan Department of Community Health have a signed Contract or Support Agreement currently in place with Genesis Systems, Inc., then this Change Order quotation constitutes a written modification to that Contract or Support Agreement. Such Contract or Support Agreement is hereby modified to reflect an increase in the amount of Michigan Department of Community Health support obligation under the existing Contract or Support Agreement, and such support obligation shall be increased by zero percent (0%) of the price of this Change Order quotation and such increase shall be effective in the support year the subject of this Change Order quotation is accepted by Michigan Department of Community Health and shall apply to every year of support thereafter. Should it be determined that this section is insufficient to constitute a modification to any existing contract between the parties then Michigan Department of Community Health agrees that this Change Order quotation shall act to create a new, separate support obligation between the parties in the amount of zero percent (0%) of this quotation, and such obligation exists so long as Michigan Department of Community Health continues to receive Genesis provided support for the indicated WebEBC noted above.

Overview:

The changes/additions included in this Change Order involve application changes in the WebEBC. The details provided in the following pages will distinguish between specific additions and/or modifications that will be made to the WebEBC.

Genesis Review of Functional Requirements

<u>General Description</u>

This enhancement will include coding and implementing the request to revise and add one more BRS release to the BRS release process. It will also include the BRS stakeholder extract criteria update if needed for up to 5 stakeholders extracts.

Client Request -- "Revise the conditions where a record is pushed to BRS. Currently records must first be released by the hospital. Push a record 1st when a birth certificate has been printed. Follow with a release for any subsequent updates including when released. Revise export status fields to in indicate when the status is printed but not released."

Deliverables Schedule:

Deliverable	Date	Cost
Upon PO Issuance	*To be determined upon signed Acceptance*	15% of Total
Coding Completion and Acceptance of the State	*To be determined upon signed Acceptance*	25% of Total
Deployment to MI Test Environment and Acceptance of the State	*To be determined upon signed Acceptance*	35% of Total
Deployment to MI Production Environment and Acceptance of the State	*To be determined upon signed Acceptance*	25% of Total

Tasks and Price:

The following list outlines the high level tasks and the prices to perform the work / changes noted above:

High Level Tasks:		
☐ On Site Design Session	☐ Acceptance Testing	☒ Remote Implementation
☒ Remote Design Session	☐ Pilot (Beta) Test	☐ Phone Support for Distribution
☐ Revise Functional Specification	☐ Revise Online Help	☒ Coding of Enhancement
☐ Revise Data Dictionary	☐ Revise User Manual	☐ Technical Design
☐ Revise Technical Documents	☐ Revise Training Materials	☒ Code Review
☒ Unit Testing	☐ On-site Training	☐ Applying Scripts
☒ Integration Testing	☐ Remote Training	☒ Develop Scripts
☐ Regression Testing	☒ On-site Implementation	

Price:

BRS Additional Release Change Order - $7,779

License:

It is expressly agreed between the parties that Genesis owns and retains ownership of all copyrights, trademarks, and other intellectual property rights to the software provided pursuant to this Change Order quotation, including derivative works.

Genesis does not claim ownership of any output from Genesis's software, including reports and documentation, resulting from data not input by Genesis.

Genesis grants to Michigan Department of Community Health a non-exclusive, non-commercial, non-transferable, non-assignable, royalty free, perpetual, irrevocable license for Genesis's software.

Michigan Department of Community Health may not sell, transfer, release, disclose, publish, assign, or otherwise distribute any part of Genesis's software without Genesis's prior written permission.

Payment:

Genesis will begin work on the subject of this Change Order upon receipt of a State of Michigan Purchase Order. MICHIGAN DEPARTMENT OF COMMUNITY HEALTH agrees to pay Genesis the sum of $7,779 for the subject of this Change Order per the Deliverable Schedule above, within thirty (30) days. This is additional work under the support contract since the modifications in this Change Order fall outside of the original design specifications provided by the State of Michigan.

Acceptance of Product:

Upon delivery of the completed product, Genesis will submit a Notice of Completion. In the event Michigan Department of Community Health determines the product does not comply with the Description herein, Michigan Department of Community Health shall have 10 calendar days to submit to Genesis a Notice of Non-compliance, via e-mail or other mutually agreed upon method of communication. The Notice of Non-compliance must state with specificity how the product does not comply with the Description, and may not modify the original terms and condition of this Quotation. Genesis will have 30 business days to correct or modify the product so that it meets the requirements set forth in the Notice of Non-compliance and resubmit the product. Once Genesis has met the requirements set forth in the Notice of Non-compliance, Michigan Department of Community Health has 10 calendar days to accept or reject the completed product. If the product is rejected, such rejection must be in writing and must be accompanied by the original product and any and all copies thereof. If a timely rejection is not received by Genesis, the product is deemed to be accepted, and any and all remaining payment will be due within 30 days.

Warranty:

All software development performed by Genesis under this Quotation is warranted for ninety (90) days after the product containing the new development is installed at the users site ("Initial Warranty Period"). The Warranty provided herein is specifically limited to the software developed under this Quotation, and does not apply, in any way, to alter, lengthen, change, or otherwise modify the Warranty of other software previously developed by Genesis. During this time any defect found in the software that requires correction will be corrected at no charge for either the work required to correct the software or the distribution of the resulting update. Once the Initial

Warranty Period has expired, Genesis reserves the right to charge for work done to make and distribute corrections unless such work and distribution is covered by a Support Agreement that applies specifically to this product has been continuously in effect since the expiration of the Initial Warranty Period.

Genesis warrants that in the event that no recovery can be affected on a support call, the Customer will not be billed for the time spent attempting recovery. Except as provided immediately above, Genesis does not guarantee that any service/product that it provides to the Customer will be effective and therefore does not warrant any of the services/products provided under this Quotation. Genesis shall have no liability under this Quotation to Customer or any other party for loss or damage including, without limiting the generality of the foregoing, any direct, general, incidental, indirect, special, or consequential damages, resulting from the failure of Genesis to comply with any warranties set forth in this Quotation

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Other:

The quoted price will be valid for 90 days from the above date. Once the Change Order Quotation Acceptance Certificate has been returned to Genesis Systems, Inc. specifying the desired revisions, Genesis Systems, Inc. could begin work on the stated items. Returning the certification response within this 90-day period will assure that the work required by this request is completed, allowing time for testing, implementation, distribution and installation.

Within the scope of this quotation changes will be included in WebEBC. If any additional modules / processes need to be included, please notify Genesis immediately, as this may result in a change in the quoted price.

Contact:

Please contact Oleg Kozhevnik at 717-909-8524 if there are any questions regarding this Change Order quotation.

Sincerely,

Oleg Kozhevnik

Genesis Systems, Inc.

3601 N. Progress Ave., Suite 200
Harrisburg, PA 17110
Phone: (717) 909-8500
Fax: (717) 909-8550
E-mail: genesis@genesisinfo.com
Website: www.genesisinfo.com

Change Order Quotation Acceptance Certificate

The Michigan Department of Community Health hereby accepts the "BRS Additional Release" change order dated March 13, 2015 in the amount of $7,779.

I authorize work with regards to this item and upon completion agree to include payment in addition to the current year's Warranty Continuation and Support contract.

I certify that sufficient funds are available and obligated to fully satisfy the obligation created by this Change Order quotation, and provide the following information for billing purposes.

Purchase Order #_____and/or Fund Account Code_____

Please include a copy of the Purchase Order and/or Fund Account Code paperwork along with this Change Order Quotation Acceptance Certificate.

Genesis is not obligated to perform any work under this Change Order quotation until such time as the above requested billing information is provided to Genesis in writing.

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Please return the Signed Acceptance Certificate to:
Andrea Brindle – FAX-(866) 924-6317 or email to abrindle@genesisinfo.com

_____ _____

Signature Date

Michigan Department of Community Health

Migrating MI WebEBC from SQL 2005 to SQL 2008 Database Change Order

Change Order Version 1.1

Project Log Case 60075

March 13, 2015

Date: March 13, 2015
For: Michigan Department of Community Health
Re: Migrating MI WebEBC from SQL 2005 to SQL 2008 Database
Submitted By: Oleg Kozhevnik

Description:

This request was made by the Michigan Department of Community Health. The request is to modify WebEBC that is licensed to the Michigan Department of Community Health as described below. Should Michigan Department of Community Health have a signed Contract or Support Agreement currently in place with Genesis Systems, Inc., then this Change Order quotation constitutes a written modification to that Contract or Support Agreement. Such Contract or Support Agreement is hereby modified to reflect an increase in the amount of Michigan Department of Community Health support obligation under the existing Contract or Support Agreement, and such support obligation shall be increased by zero percent (0%) of the price of this Change Order quotation and such increase shall be effective in the support year the subject of this Change Order quotation is accepted by Michigan Department of Community Health and shall apply to every year of support thereafter. Should it be determined that this section is insufficient to constitute a modification to any existing contract between the parties then Michigan Department of Community Health agrees that this Change Order quotation shall act to create a new, separate support obligation between the parties in the amount of zero percent (0%) of this quotation, and such obligation exists so long as Michigan Department of Community Health continues to receive Genesis provided support for the indicated WebEBC noted above.

Overview:

The changes/additions included in this Change Order involve application changes in the WebEBC. The details provided in the following pages will distinguish between specific additions and/or modifications that will be made to the WebEBC.

Genesis Review of Functional Requirements

<u>General Description</u>

This enhancement will include 5 business days of remote assistance (standard 8 hour working days) with migrating the MI WebEBC database from SQL server 2005 to SQL server 2008 and making sure that the MI WebEBC system works exactly as it is currently working in the SQL 2005 environment.

Deliverables Schedule:

Deliverable	Date	Cost
Upon PO Issuance	*To be determined upon signed Acceptance*	15% of Total
Coding Completion and Acceptance of the State	*To be determined upon signed Acceptance*	25% of Total
Deployment to MI Test Environment and Acceptance of the State	*To be determined upon signed Acceptance*	35% of Total
Deployment to MI Production Environment and Acceptance of the State	*To be determined upon signed Acceptance*	25% of Total

Tasks and Price:

The following list outlines the high level tasks and the prices to perform the work / changes noted above:

High Level Tasks:

☐ On Site Design Session	☐ Acceptance Testing	☒ Remote Implementation
☒ Remote Design Session	☐ Pilot (Beta) Test	☐ Phone Support for Distribution
☐ Revise Functional Specification	☐ Revise Online Help	☒ Coding of Enhancement
☐ Revise Data Dictionary	☐ Revise User Manual	☐ Technical Design
☐ Revise Technical Documents	☐ Revise Training Materials	☐ Code Review
☐ Unit Testing	☐ On-site Training	☐ Applying Scripts
☒ Integration Testing	☐ Remote Training	☐ Develop Scripts
☐ Regression Testing	☐ On-site Implementation	

Price:

Migrating MI WebEBC from SQL 2005 to SQL 2008 Database Change Order - $14,495

License:

It is expressly agreed between the parties that Genesis owns and retains ownership of all copyrights, trademarks, and other intellectual property rights to the software provided pursuant to this Change Order quotation, including derivative works.

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Payment:

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Acceptance of Product:

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Warranty:

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Other:

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Within the scope of this quotation changes will be included in WebEBC. If any additional modules / processes need to be included, please notify Genesis immediately, as this may result in a change in the quoted price.

Contact:

Please contact Oleg Kozhevnik at 717-909-8524 if there are any questions regarding this Change Order quotation.

Sincerely,

Oleg Kozhevnik

Genesis Systems, Inc.

3601 N. Progress Ave., Suite 200
Harrisburg, PA 17110
Phone: (717) 909-8500
Fax: (717) 909-8550
E-mail: genesis@genesisinfo.com
Website: www.genesisinfo.com

Change Order Quotation Acceptance Certificate

The Michigan Department of Community Health hereby accepts the "Migrating MI WebEBC from SQL 2005 to SQL 2008 Database" change order dated March 13, 2015 in the amount of $14,495.

I authorize work with regards to this item and upon completion agree to include payment in addition to the current year's Warranty Continuation and Support contract.

I certify that sufficient funds are available and obligated to fully satisfy the obligation created by this Change Order quotation, and provide the following information for billing purposes.

Purchase Order #_____and/or Fund Account Code_____

Please include a copy of the Purchase Order and/or Fund Account Code paperwork along with this Change Order Quotation Acceptance Certificate.

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My signature hereon constitutes acceptance of any and all conditions set forth in the Change Order quotation provided by Genesis, and such Change Order quotation shall constitute a binding contract between Genesis and Michigan Department of Community Health. I further agree to FAX or email to Genesis, at the contact information listed below, this signed Change Order Quotation Acceptance Certificate.

Please return the Signed Acceptance Certificate to:
Andrea Brindle – FAX-(866) 924-6317 or email to abrindle@genesisinfo.com

_____ _____

Signature Date

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET **December 7, 2010**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

NOTICE
OF
CONTRACT NO. 071B1300108
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Genesis Systems Incorporated** **3601 N Progress Avenue Suite 200** **Harrisburg, PA17110** **Email: rhuber@genesisinfo.com**	TELEPHONE Richard Huber **(717) 909-8500** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 373-3993 **Dale Reif**
Contract Compliance Inspector: Sara Williams **Maintenance, Support & Enhancements of the WebEBC software product**	
CONTRACT PERIOD: **5 yrs. + 5 one-year options** From: **October 1, 2010** To: **September 30, 2015**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

TOTAL ESTIMATED CONTRACT VALUE: $765,763.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

CONTRACT NO. 071B1300108
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Genesis Systems Incorporated** **3601 N Progress Avenue Suite 200** **Harrisburg, PA17110** **Email: rhuber@genesisinfo.com**	TELEPHONE Richard Huber **(717) 909-8500** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 373-3993 **Dale Reif**
Contract Compliance Inspector: Sara Williams **Maintenance, Support & Enhancements of the WebEBC software product**	
CONTRACT PERIOD: **5 yrs. + 5 one-year options** From: **October 1, 2010** To: **September 30, 2015**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **The terms and conditions of this Contract are those of RFP# 084R0200085, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.** **Estimated Contract Value: $765,763.00**	

FOR THE CONTRACTOR:	**FOR THE STATE:**
Genesis Systems Incorporated Firm Name	Signature
Authorized Agent Signature	Dale N. Reif, Buyer Name/Title
Authorized Agent (Print or Type)	IT Division Division
Date	Date

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

Buyer Name: Dale N. Reif
Telephone Number: (517) 373-3993
e-mail Address: reifd@michigan.gov

Contract Number: 071B1300108

WebEBC Software
Maintenance, Support & Enhancements

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Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 PROJECT REQUEST

The purpose of this Request for Proposal (RFP) is for ongoing maintenance, support and enhancements for the proprietary Custom-off-the-Shelf (COTS) web-based live birth reporting system named WebEBC™software. The State of Michigan does not have access to maintain the source code. The contract will be for term of five (5) years, with five 1-year extensions possible.

1.002 BACKGROUND

The State of Michigan has been supplying Michigan hospitals and other entities with software used to prepare certificates of live birth and to electronically report required information on each live birth. The system is currently being used to report live births each year to the State and is installed in 96 hospitals throughout the State of Michigan. A listing of the facilities currently using this software is attached as Appendix 1. The WebEBC™ system is a proprietary product for which the State has purchased a site license from the vendor, Genesis Systems Incorporated of Lewistown, Pennsylvania. The Electronic Birth Certificate software (WebEBC™) has come to be used throughout Michigan by obstetric hospitals and has resulted in significant annual data processing cost savings, improved data quality, and dramatically improved data timeliness.
The software, which is named the Electronic Birth Certificate or EBC™, was first modified by the vendor under The software, which is named the Electronic Birth Certificate or EBC™, was first modified by the vendor under the terms of a contract with the State of Michigan to meet Michigan requirements in 1988. It was initially installed in 4 hospitals during 1988 and 1989. The introduction of EBC™ to Michigan coincided with a significant revision in 1989 of the Michigan live birth reporting requirements. The initiative was intended to mitigate the burden of reporting by improving the efficiency of information collection and certificate preparation. Over the years since 1988, and under contract with the State of Michigan, the EBC™ system software has undergone a series of revisions and upgrades to expand the functionality and the efficiency of the system. In 2007, a major upgrade of the system to a Web based application was accomplished with the installation of WebEBC™. This package now permits reporting of fetal death, birth defects, immunizations to newborns and most recently newborn hearing screen results. Features to increase the software's value and functionality to hospital personnel have also been added. These include important features such as user friendly development of facility specific forms, enhanced report generation features, the ability to log events, and the ability to preload birth information using data from other hospital data systems.

This approach has proven extremely successful. Though used on a voluntary basis, all of Michigan's obstetric hospitals use this software. The WebEBC™ saves time and effort within the hospital, results in a database of value to the hospital and available for their unique use while drastically cutting the follow back to hospitals on data quality issues. The State has experienced a significant reduction in data entry costs and has been able to expand the amount of information automated. This has lead to the ability to certify live births electronically rather than by using paper records. The largest single impact of WebEBC™ has been the improved timeliness of the birth reports which has lead to significant administrative cost savings in various program areas, particularly Medicaid, Protective Services and the Office of Child Support.

1.100 Scope of Work and Deliverables

1.101 IN SCOPE

Contractor must provide the following services for the complete and successful support and maintenance of the proprietary WebEBC™ system providing the functionality required for the State's business operations (see Section 1.104 for a detailed description of the scope). This Contract consists of the following components:

- **Maintenance** - Maintenance is defined as repair or replacement services provided to identify and repair software malfunctions in order to return the system to its original operating condition.
- **Enhancements** – These projects will be determined at time of need and a separate work statement will be developed

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

1.102 OUT OF SCOPE

The following are out of the scope of this Request for Proposals:

- Business process re-engineering services
- Licenses for any product other than the existing WebEBC™
- Maintenance or enhancements other than what is required for the WebEBC™

1.103 ENVIRONMENT

The WebEBC is a pre-existing product that was previously customized to meet the State of Michigan's requirements at that time and that all maintenance services shall comply with the requirements to which WebEBC complies.

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

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and products provided as a result of this 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://www.michigan.gov/dit/0,1607,7-139-34305---,00.html

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

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

Enterprise IT Security Policy and Procedures:
http://www.michigan.gov/dit/0,1607,7-139-34305-108216--,00.html

The State's security environment includes:

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

IT Strategic Plan:
http://www.michigan.gov/dit/0,1607,7-139-30637-135173--,00.html

IT eMichigan Web Development Standard Tools:
http://www.michigan.gov/documents/Look_and_Feel_Standards_2006_v3_166408_7.pdf

The State Unified Information Technology Environment (SUITE):
Includes standards for project management, systems engineering, and associated forms and templates – must be followed: http://www.michigan.gov/suite

Current Agency WebEBC™ Software/Hardware environment:
Contractor must be able to maintain the WebEBC™ application using the current software/hardware environment as shown below:

- Database: MS Sql Server
- Development Language: VB.Net, C
- Development Framework: .NET Framework
- Web Server: Microsoft IIS
- Application Server: MS SQL Server
- Operating System: Microsoft Windows 2000
- Reporting Tools: Crystal Reports 11

1.104 WORK AND DELIVERABLE

A. Software Maintenance and Support

Contractor shall supply annual software maintenance and support services that provide systems management. Contractor must fully understand all the functionality provided by the WebEBC™ software. Contractor must be able to explain how each aspect of the software works and be able to document needed corrections for submission WebEBC™ for resolution.

2. **System Maintenance Activities** – Contractor will provide Software maintenance. System Maintenance refers to regular and routine work performed by the Contractor on the WebEBC™ System as the system was defined and implemented including all approved modifications. This includes any work required to correct defects in the system operation as required to meet Contract requirements. This includes any routine file maintenance to update any information required for operation of the system such as data changes, investigating batch job failures, investigating and correcting application defaults, repairing jobs run incorrectly, repairing problems due to system software failures, repairing problems due to operator or schedule error, rectifying problems due to web page, program, object, class, scripts, control language, or database errors, repairing security problems, repairing and restoring corrupted files, table structures, and databases, rectifying incorrect documentation, and repairing problems due to jobs run with incorrect data.

3. **System Maintenance and Support Services**
   Contractor will provide all Maintenance and Support Services remotely from Contractor's place of business, unless in the Contractor's and State's opinion on-site services are required.

B. Application Development for Future Enhancements

Future enhancements may be required based on federal and state requirements. A separate Statement of Work will be written for any required enhancements. Contractor will provide future development services and/or software enhancement meeting the definitions below utilizing a reserved bank of development hours.

Development hours are defined as only those hours that involve active coding of application changes/enhancements/modifications.

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

5. New State policy requirements,
6. New Federal regulations,
7. New technology requested by the State, or
8. Accommodate new or updated interfaces requested by the State.

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

4. Application Adjustments & New Development - Contractor must provide the ability to request changes or new development work of the WebEBC™ software.
5. Interoperability Development with Other Applications - Contractor must provide the ability to request integrations or interoperability with other products or services of the WebEBC™ software.
6. System Interface Adjustments & New Interfaces – Contractor must provide the ability to request changes or customizations to the application user interface of the WebEBC™ software.

Future Enhancement Process - The Contractor will bid each enhancement request as a fixed price proposal. The Contractor will not begin work until authorized by the Agency/DTMB Project Managers. The order of completion will be determined by the Agency/DTMB Project Managers. All approvals will be in writing and signed by Agency/DTMB Project Managers.

Acceptance Criteria
Specific acceptance criteria for software enhancements will be included in each Statement of Work. The following criteria apply to software enhancement deliverables*:*

- Beta software is not accepted as final deliverable.
- DTMB will review the software enhancements for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery and operation. Approvals will be written and signed by Agency/DTMB Project Manager. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit software for approval.
- Software enhancements are installed and configured in appropriate environment (e.g. development, test, pre-live, live). Contingency plans and de-installation procedures and software are provided by Contractor and approved by the Agency/DTMB Project Managers.
- Contractor will successfully test software enhancements in the development environment before moving the enhancement to the test and pre-live environments for final software testing by DTMB. Approvals will be written and signed by Agency/DTMB Project Managers.
- Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval. Only after successful State testing in the test and pre-live area will the enhancement be implemented in the production environment*.* This implementation should occur at an agreed upon time during non business hours, such as late evenings or weekends.

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 the Statement of Work. Professional support staff must be trained on the WebEBC™ product. Support personnel must be English-speaking and be available via telephone. Due to sensitivities of the system, it is preferable for all support activities to occur in the continental United States of America.

B. On Site Work Requirements

1. Location of Work:
The work is to be performed, completed, and managed at the Contractor's work site. If the Contractor and State determines the Contractor has a need to work on site, the contractor's work location will be at the Bureau of Labs, 3350 N Martin Luther King, Jr. Blvd., Lansing, Michigan 48909.

2. Hours of Operation:

a. Contractor may set it's own hours of operation at the Contractor's work site. Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

b. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid. 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.

3. **Travel:**
   No travel, travel time or expenses will be reimbursed. This includes travel costs related to training provided to the State by Contractor.

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

The State will provide the following resources for the Contractor's use on this project if working on-site.

- Work space
- Minimal clerical support
- Desk
- Telephone
- PC workstation
- Printer
- Access to copiers and fax machine
- The ability to connect remotely via VPN with Contractor's servers

State Project Manager

DTMB will provide a Project Manager responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration. The State's Project Manager will provide the following services:

- Provide State facilities, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of 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
Randall Rothfuss	DTMB/Agency Services	Project Manager

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

Name	Agency/Division	Title
Sara Williams	DTMB/Agency Services	Contract Administrator

1.300 Project Plan

1.301 PROJECT PLAN MANAGEMENT

Section 1.300 may be required for each subsequent Statement of Work that requests enhancement services through this Contract. At a minimum, the Project Plan must contain the following items, or reasonable substitutions:

1. A work breakdown structure of the major phases of the project, accounting for all tasks, deliverables and milestones.
2. A timetable for each task, deliverable, and milestone.
3. A summary of total Contractor and State staff hours by phase. The Work Plan, as described above, must cover the entire project and each phase, and must reflect State staff, tasks, and schedules.
4. Any assumptions or constraints identified by the Contractor should be clearly identified.
5. An explanation of how the schedule provides for the handling of potential and actual problems, this must also include general plans for dealing with the slippage of critical dates.

1.302 REPORTS

A monthly progress report must be submitted to the Agency Project Managers as requested by the State. Monthly reports will include a narrative to explain problems experienced in the period, recommendations for change to the project plan, and any comments the Contractor may have. The report may be submitted with the billing invoice. Each progress report must also contain the following:

1. **Hours**: Indicate the number of development hours expended during the past month, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
2. **Accomplishments**: Indicate what was worked on and what was completed during the current reporting period.
3. **Funds**: Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

1.400 Project Management

Section 1.400 may be required for each subsequent Statement of Work that requests enhancement services through this Contract.

1.401 ISSUE MANAGEMENT

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

The Contractor shall maintain an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the 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 shall be escalated for resolution from level 1 through level 3, as defined below:

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

1.402 RISK MANAGEMENT

For any Statement of Work, a risk is an unknown circumstance or event that, if it occurs, may have a positive or negative impact on the project.

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

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

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

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

1.403 CHANGE MANAGEMENT

Change management is defined as the process to communicate, assess, monitor, and control all changes to system resources and processes. The State also employs change management in its administration of the Contract (See Section 2.024).

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

Acceptance criteria for deliverables will be identified in each individual project SOW.

1.502 FINAL ACCEPTANCE

Final acceptance criteria for deliverables will be identified in each individual project SOW.

1.600 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

This is a fixed price/deliverable based Contract. The rates quoted will be firm for the duration of this Contract. See **Attachment 1** for Contract Price List. The State reserves the right to annually purchase a single level of Support for the products covered under this Contract by giving Contractor notice of that election prior to any Support renewal period and by paying the applicable fees for that Support. See Optional Tables 2.

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

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 Statements of Work or Purchase Orders (PO) executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this Contract. Contractor shall

perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.

Invoicing

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

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

Article 2 - Terms and Conditions

2.000 Contract Structure and Term

2.001 CONTRACT TERM
This Contract is for a period of five (5) years beginning November 1, 2010 through October 31, 2015. All outstanding Purchase Orders must also expire upon the termination for any of the reasons listed in **Section 2.150** of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, shall remain in effect for the balance of the fiscal year for which they were issued.

2.002 OPTIONS TO RENEW
This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to five (5) additional one-year periods.

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

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

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

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

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

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

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

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

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

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

2.011 NO WAIVER OF DEFAULT
If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

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

2.020 Contract Administration

2.021 ISSUING OFFICE
This Contract is issued by the Department of Technology, Management and Budget, Purchasing Operations and the Michigan Department of Community Health (MDCH), Bureau of Local Health and Administrative Services, Division for Vital Records and Health Statics (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The Purchasing Operations Contract Administrator for this Contract is:

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

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

Sara Williams
Department of Technology, Management and Budget
Chandler Plaza
300 E. Michigan Ave
Lansing, MI 48913
Williamss11@michigan.gov
(517) 335-1277

2.023 PROJECT MANAGER

The following individual will oversee the project:

Randall Rothfuss
Department of Technology, Management and Budget
Chandler Plaza
300 E. Michigan Ave
Lansing, MI 48913
rothfussr@michigan.gov

2.024 CHANGE REQUESTS

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

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

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

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

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

(2) Contractor Recommendation for Change Requests:
Contractor shall be entitled to propose a Change to the State, on its own initiative, should Contractor believe the proposed Change would benefit the Contract.

(3) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal shall include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

(4) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").

(5) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Technology, Management and Budget, Purchasing Operations.

(6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 NOTICES

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

State:

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

Contractor:
Genesis Systems Incorporated
14 E Third St
Lewistown, PA 17110

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

2.026 BINDING COMMITMENTS

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

2.027 RELATIONSHIP OF THE PARTIES

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

2.028 COVENANT OF GOOD FAITH

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

2.029 ASSIGNMENTS

Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department,

division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

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

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

2.030 General Provisions

2.031 MEDIA RELEASES

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

2.032 CONTRACT DISTRIBUTION

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

2.033 PERMITS

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

2.034 WEBSITE INCORPORATION

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

2.035 FUTURE BIDDING PRECLUSION

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

2.036 FREEDOM OF INFORMATION

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

2.037 DISASTER RECOVERY

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

2.040 Financial Provisions

2.041 FIXED PRICES FOR SERVICES/DELIVERABLES

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

2.042 ADJUSTMENTS FOR REDUCTIONS IN SCOPE OF SERVICES/DELIVERABLES

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

2.043 SERVICES/DELIVERABLES COVERED

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

2.044 INVOICING AND PAYMENT – IN GENERAL

(a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(b) Each Contractor invoice shall show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis shall show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.600**.

(c) Correct invoices shall be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.

(d) All invoices should reflect actual work done. Specific details of invoices and payments shall be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity shall occur only upon the specific written direction from Purchasing Operations.

2.045 PRO-RATION

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

2.046 ANTITRUST ASSIGNMENT

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

2.047 FINAL PAYMENT

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

2.048 ELECTRONIC PAYMENT REQUIREMENT

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

2.050 Taxes

2.051 EMPLOYMENT TAXES

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

2.052 SALES AND USE TAXES

Reserved

2.060 Contract Management

2.061 CONTRACTOR PERSONNEL QUALIFICATIONS

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

2.062 CONTRACTOR KEY PERSONNEL

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

(b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

(c) The State shall have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor shall notify the State of the proposed assignment, shall introduce the individual to the appropriate State representatives, and shall provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State shall provide a written explanation including reasonable detail outlining the reasons for the rejection.

(d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.

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

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

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

2.064 CONTRACTOR PERSONNEL LOCATION

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

2.065 CONTRACTOR IDENTIFICATION

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

2.066 COOPERATION WITH THIRD PARTIES

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

2.067 CONTRACT MANAGEMENT RESPONSIBILITIES

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

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

2.068 CONTRACTOR RETURN OF STATE EQUIPMENT/RESOURCES

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

2.070 Subcontracting by Contractor

2.071 CONTRACTOR FULL RESPONSIBILITY

Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State shall consider Contractor to be the sole point of contact with regard to all

contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

2.072 STATE CONSENT TO DELEGATION

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

2.073 SUBCONTRACTOR BOUND TO CONTRACT

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

2.074 FLOW DOWN

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

2.075 COMPETITIVE SELECTION

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

2.080 State Responsibilities

2.081 EQUIPMENT

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

2.082 FACILITIES

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

2.090 Security

2.091 BACKGROUND CHECKS

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

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

2.092 SECURITY BREACH NOTIFICATION

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

2.093 PCI DATA SECURITY REQUIREMENTS

Contractors with access to credit/debit card cardholder data must adhere to the Payment Card Industry (PCI) Data Security requirements. Contractor agrees that they are responsible for security of cardholder data in their possession. Contractor agrees that data can ONLY be used for assisting the State in completing a transaction, supporting a loyalty program, supporting the State, providing fraud control services, or for other uses specifically required by law.

Contractor agrees to provide business continuity in the event of a major disruption, disaster or failure.

The Contractor shall contact the Department of Technology, Management and Budget, Financial Services immediately to advise them of any breaches in security where card data has been compromised. In the event of a security intrusion, the Contractor agrees the Payment Card Industry representative, or a Payment Card Industry approved third party, shall be provided with full cooperation and access to conduct a thorough security review. The review will validate compliance with the Payment Card Industry Data Security Standard for protecting cardholder data.
Contractor agrees to properly dispose sensitive cardholder data when no longer needed. The Contractor shall continue to treat cardholder data as confidential upon contract termination.

The Contractor shall provide the Department of Technology, Management and Budget, Financial Services documentation showing PCI Data Security certification has been achieved. The Contractor shall advise the Department of Technology, Management and Budget, Financial Services of all failures to comply with the PCI Data Security Requirements. Failures include, but are not limited to system scans and self-assessment questionnaires. The Contractor shall provide a time line for corrective action.

2.100 Confidentiality

2.101 CONFIDENTIALITY

Contractor and the State each acknowledge that the other possesses and shall continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than

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

2.102 PROTECTION AND DESTRUCTION OF CONFIDENTIAL INFORMATION

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

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

2.103 EXCLUSIONS

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

2.104 NO IMPLIED RIGHTS

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

2.105 RESPECTIVE OBLIGATIONS

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

2.110 Records and Inspections

2.111 INSPECTION OF WORK PERFORMED

The State's authorized representatives shall at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and shall have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives shall be allowed to inspect,

monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor shall provide all reasonable facilities and assistance for the State's representatives.

2.112 EXAMINATION OF RECORDS

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

2.113 RETENTION OF RECORDS

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

2.114 AUDIT RESOLUTION

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

2.115 ERRORS

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

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

2.120 Warranties

2.121 WARRANTIES AND REPRESENTATIONS

The Contractor represents and warrants:

(a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.

(b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.

(c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under neither this Contract, nor their use by the State shall infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

(d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.

(e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.

(f) It is qualified and registered to transact business in all locations where required.

(g) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.

(h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.

(i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.

(j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.

(k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.

(l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.

(m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.

(n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Technology, Management and Budget, Purchasing Operations.

2.122 WARRANTY OF MERCHANTABILITY

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

2.123 WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE

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

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

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

Within forty-five (45) business days of notification from the State, the Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

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

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

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

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

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

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

2.130 Insurance

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.132 SUBCONTRACTOR INSURANCE COVERAGE

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

2.133 CERTIFICATES OF INSURANCE AND OTHER REQUIREMENTS

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

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

2.140 Indemnification

2.141 GENERAL INDEMNIFICATION

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

2.142 CODE INDEMNIFICATION

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

2.143 EMPLOYEE INDEMNIFICATION

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

specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

2.144 PATENT/COPYRIGHT INFRINGEMENT INDEMNIFICATION

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

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

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

2.145 CONTINUATION OF INDEMNIFICATION OBLIGATIONS

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

2.146 INDEMNIFICATION PROCEDURES

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

(a) After the State receives notice of the action or proceeding involving a claim for which it shall seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be

involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation

2.151 NOTICE AND RIGHT TO CURE

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

2.152 TERMINATION FOR CAUSE

(a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State

(b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.

(c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract shall be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

2.153 TERMINATION FOR CONVENIENCE

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for

its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for convenience must cease on the effective date of the termination.

2.154 TERMINATION FOR NON-APPROPRIATION

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

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract shall be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

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

2.155 TERMINATION FOR CRIMINAL CONVICTION

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

2.156 TERMINATION FOR APPROVALS RESCINDED

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

2.157 RIGHTS AND OBLIGATIONS UPON TERMINATION

(a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables

prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 RESERVATION OF RIGHTS

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

2.160 Termination by Contractor

2.161 TERMINATION BY CONTRACTOR

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

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

2.170 Transition Responsibilities

2.171 CONTRACTOR TRANSITION RESPONSIBILITIES

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor shall comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed fort-five (45) days. These efforts must include, but are not limited to, those listed in **Section 2.150.**

2.172 CONTRACTOR PERSONNEL TRANSITION

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

2.173 CONTRACTOR INFORMATION TRANSITION

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

2.174 CONTRACTOR SOFTWARE TRANSITION

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

2.175 TRANSITION PAYMENTS

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

2.176 STATE TRANSITION RESPONSIBILITIES

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

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

2.180 Stop Work

2.181 STOP WORK ORDERS

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

2.182 CANCELLATION OR EXPIRATION OF STOP WORK ORDER

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

2.183 ALLOWANCE OF CONTRACTOR COSTS

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

2.190 Dispute Resolution

2.191 IN GENERAL

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or

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

2.192 INFORMAL DISPUTE RESOLUTION

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

(1) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter at issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

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

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

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

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

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

2.193 INJUNCTIVE RELIEF

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

2.194 CONTINUED PERFORMANCE

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

2.200 Federal and State Contract Requirements

2.201 NONDISCRIMINATION

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

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

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

2.204 PREVAILING WAGE - RESERVE

2.210 Governing Law

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

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

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

2.220 Limitation of Liability

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

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

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

2.230 Disclosure Responsibilities

2.231 DISCLOSURE OF LITIGATION

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

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

(a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or

(b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:

(1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and

(2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.

(c) Contractor shall make the following notifications in writing:

(1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify MDTMB Purchasing Operations.

(2) Contractor shall also notify MDTMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

(3) Contractor shall also notify MDTMB Purchase Operations within 30 days whenever changes to company affiliations occur.

2.232 CALL CENTER DISCLOSURE

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

2.233 BANKRUPTCY

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

(a) the Contractor files for protection under the bankruptcy laws;

(b) an involuntary petition is filed against the Contractor and not removed within 30 days;

(c the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;

(d) the Contractor makes a general assignment for the benefit of creditors; or

(e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

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

2.240 Performance

2.241 TIME OF PERFORMANCE

(a) Contractor shall use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.

(b) Without limiting the generality of **Section 2.241,** Contractor shall notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.

(c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 SERVICE LEVEL AGREEMENT (SLA)

(a) SLAs will be completed with the following operational considerations:

(1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.

(2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.

(3) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.

(4) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:

(i) Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.

(ii) Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.

(b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.

(c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.

(d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

2.243 LIQUIDATED DAMAGES

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and the State does not elect to exercise its rights under **Section 2.152**, the State is entitled to collect liquidated

damages in the amount of $5,000.00 and an additional $100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

Unauthorized Removal of any Key Personnel - **Reserve**

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

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

2.244 EXCUSABLE FAILURE

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

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

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

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

2.250 Approval of Deliverables

2.251 DELIVERY OF DELIVERABLES

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

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

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

2.252 CONTRACTOR SYSTEM TESTING

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

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

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

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

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

2.253 APPROVAL OF DELIVERABLES, IN GENERAL

All Deliverables (Written Deliverables and Custom Software Deliverables) require formal written approval by the State, in accordance with the following procedures. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications, which, in the case of Custom Software Deliverables, will include the successful completion of State User Acceptance Testing, to be led by the State with the support and assistance of Contractor. The parties acknowledge that the approval process

set forth herein will be facilitated by ongoing consultation between the parties, visibility of interim and intermediate Deliverables and collaboration on key decisions.

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

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

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

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

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

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

2.254 PROCESS FOR APPROVAL OF WRITTEN DELIVERABLES

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Written Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that shall be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written

Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Written Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.

2.255 PROCESS FOR APPROVAL OF CUSTOM SOFTWARE DELIVERABLES

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

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

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

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

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

2.256 FINAL ACCEPTANCE

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

2.260 Ownership

2.261 OWNERSHIP OF WORK PRODUCT BY STATE – DELETED N/A

2.262 VESTING OF RIGHTS – DELETED N/A

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 SEE ARTICLE 1 SECTION 1.103 ENVIRONMENT

2.272 ACCEPTABLE USE POLICY

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

2.273 SYSTEMS CHANGES

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

2.280 Extended Purchasing

2.281 MIDEAL (MICHIGAN DELIVERY EXTENDED AGREEMENTS LOCALLY

2.282 STATE EMPLOYEE PURCHASES

2.290 Environmental Provision

2.291 ENVIRONMENTAL PROVISION

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

Environmental Purchasing Policy: The State of Michigan is committed to encouraging the use of products and services that impact the environment less than competing products. The State is accomplishing this by including environmental considerations in purchasing decisions, while remaining fiscally responsible, to promote practices that improve worker health, conserve natural resources, and prevent pollution. Environmental components that are to be considered include: recycled content and recyclables; energy efficiency; and the presence of undesirable materials in the products, especially those toxic chemicals which

are persistent and bioaccumulative. The Contractor should be able to supply products containing recycled and environmentally preferable materials that meet performance requirements and is encouraged to offer such products throughout the duration of this Contract. Information on any relevant third party certification (such as Green Seal, Energy Star, etc.) should also be provided.

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

(a) The Contractor shall use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State shall provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State shall advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor shall immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.

(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State shall order a suspension of Work in writing. The State shall proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State shall terminate the affected Work for the State's convenience.

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor shall resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in a time as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor shall bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

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

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

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

2.300 Deliverables

2.301 SOFTWARE –
Reserved

2.302 HARDWARE –
Reserved

2.310 Software Warranties

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

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

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

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

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

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

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

2.314 THIRD-PARTY SOFTWARE WARRANTY
The Contractor represents and warrants that it will disclose the use or incorporation of any third-party software into the Deliverables. At the time of Delivery, the Contractor shall provide in writing the name and use of any

Third-party Software, including information regarding the Contractor's authorization to include and utilize such software. The notice shall include a copy of any ownership agreement or license that authorizes the Contractor to use the Third-party Software.

2.315 PHYSICAL MEDIA WARRANTY

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

2.320 Software Licensing

2.321 CROSS-LICENSE, DELIVERABLES ONLY, LICENSE TO CONTRACTOR

Reserved

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

Reserved

2.323 LICENSE BACK TO THE STATE –

Reserved

2.324 LICENSE RETAINED BY CONTRACTOR

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

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

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

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

2.325 PRE-EXISTING MATERIALS FOR CUSTOM SOFTWARE DELIVERABLES

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

2.330 Source Code Escrow

(a) Definition. "Source Code Escrow Package" as shall mean:

(i) 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;

(ii) A complete copy of any existing design documentation and user documentation, including any updates or revisions; and/or

(iii) Complete instructions for compiling and linking every part of the source code into executable code for purposes of enabling verification of the completeness of the source code as provided below. Such instructions shall include precise identification of all compilers, library packages, and linkers used to generate executable code.

(a) Delivery of Source Code into Escrow. Escrow as defined by this contract shall mean establishment of a safe deposit box at a mutually agreed upon local bank. State access is guaranteed by having been named on the signature card and also by holding a key to the box. Contractor shall deliver a Source Code Escrow Package into Escrow.

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

(d) 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.

(e) Escrow Fees. All fees and expenses charged to establish and maintain the safe deposit box will be paid by the Contractor.

(f) 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:

(i) The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;
(ii) 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;
(iii) The Contractor discontinues support of the provided product other than in accord with the provisions of the Support Agreement in effect between the Contractor and State after Final Acceptance of the product by the State

(g) Release Event Procedures. If the State desires to obtain the Source Code Escrow Package from Escrow upon the occurrence of an Event in **Section 2.330(f)**, then:

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

(h) License. The State shall have the right to use the Source Code Escrow Package in order to maintain and support the Licensed Software so that it can be used by the State as set forth in this Contract.

Glossary

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

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

Attachment 1 - COST TABLE

Summary of the Project Cost*

Project Cost(s)	Total Cost ($)	Comments
Maintenance and Support * Give breakdown in Table 1	$ 635,794.00	
Labor Rates for Reserve Bank of Hours (for future enhancements and scope change) Give breakdown in Table 2	$ 129,969.00	Due to the extreme variables in the request for changes to the product and the staff skill-sets necessary to complete each enhancement or scope item, one fixed amount for labor is virtually impossible to calculate.
Total Project Cost	**$765,763.00**	

* Represents costs for Bronze Level Support, Tier 2

Table 1: Bronze Level Support – Tier 2 - Maintenance and Support Pricing*

	Cost Categories	Total Cost ($)	Comments
	Maintenance and Support cost *(must include helpdesk)**		.
	First Year	$119,755.00	
	Second Year	$123,347.00	
	Third Year	$127,048.00	
	Fourth Year	$130,859.00	
	Fifth Year	$134,785.00	
	Combined Total	**$635,794.00**	

- Represents costs for Bronze Level Support, Tier 2

Table 2: Labor Rates

Resource Type	Estimated hours	Hourly Rate	Extended Price
Project management		$250.00	
Business analysts		$220.00	
System analysts		$250.00	
Programmer/developers		$230.00	
System administrators		$225.00	
Database administrators		$220.00	
Q/A Manager		$175.00	
Security specialist		$275.00	
Testers		$132.00	
Technical writers		$193.00	
CM specialists		$220.00	
System Architects		$300.00	
Network engineer/administrator		$225.00	
Software Architects		$230.00	
CM specialists		$220.00	
Project assistants		$237.00	
Web developers		$220.00	
Application trainers		$193.00	
Others: (List) below):			
CM Manager		$250.00	
Documentation Manager		$225.00	
Documentation Specialist		$175.00	
Total Cost of Optional "Reserve Bank of 613 Hours "	**613**	**Avg Hourly Rate $212.00**	**$129,969.00**

Notes:

1. The State intends to establish funding for a reserved bank of hours for the contract, 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.
2. 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. Vendors shall complete the Estimated Hours column based on prior experience performing product enhancements. 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.

Optional Table 1: Silver Level Support-Tier 1 - Maintenance and Support*

	Cost Categories	Total Cost ($)	Comments
	Maintenance and Support cost *(must include helpdesk)**		
	First Year	$ 144,200.00	
	Second Year	$ 148,526.00	
	Third Year	$ 152,982.00	
	Fourth Year	$ 157,571.00	
	Fifth Year	$ 162,484.00	
	Combined Total	**$ 765,763.00**	

* Represents costs for Silver Level Support, Tier 1

Optional Table 1: Silver Level – Tier 2 - Maintenance and Support Pricing*

	Cost Categories	Total Cost ($)	Comments
	Maintenance and Support cost *(must include helpdesk)**		.
	First Year	$128,967.00	
	Second Year	$132,836.00	
	Third Year	$136,821.00	
	Fourth Year	$140,925.00	
	Fifth Year	$145,153.00	
	Combined Total	**$684,702.00**	

* Represents costs for Silver Level Support, Tier 2

Optional Table 1: Bronze Level – Tier 1 - Maintenance and Support Pricing*

	Cost Categories	Total Cost ($)	Comments
	Maintenance and Support cost *(must include helpdesk)**		.
	First Year	$138,178.00	
	Second Year	$142,323.00	
	Third Year	$146,593.00	
	Fourth Year	$150,990.00	
	Fifth Year	$155,520.00	
	Combined Total	**$733,604.00**	

* Represents costs for Bronze Level Support, Tier 1

Attachment 2

Genesis Systems, Inc.
Warranty Continuation And Support Agreement

This software Warranty Continuation and Support Agreement (the "Agreement") is between Genesis Systems, Inc. ("GENESIS"), 3601 N. Progress Ave. Harrisburg, PA 17110, and [Click here and type name] ("CUSTOMER"), [Click here and type address], effective as of [Click here and type date]. GENESIS and Customer agree as follows:

1. **Support Services/Definitions**:

a. For the fees listed herein, Genesis shall provide Telephone Support, Functional Corrections, Performance Corrections, and Software Updates.

b. *Software*: Software supplied by GENESIS includes but is not limited to: WebLE™, WebVRS™, WebEBC™, WebEDC™, WebEFDC™, WebITOPS™, WebMAR™, WebDIV™, WebFEE™, WinEBC™, WinVRS™, WinRECEIVE™, WinMAR™, EBC™ for DOS, ECODE™ for DOS, RECEIVE™ for DOS, ELC™ for DOS, Town Clerk™, DataFlex™ and DragIt™; which are all trademarks owned by Genesis Systems, Inc..

c. *Telephone Support*: Calls received during normal support hours (Monday through Friday, 9:00 AM to 7:00 PM, EST) are answered directly by a support technician. The support technician will assign an event number. If a support technician is not immediately available, the call will be placed in a callback queue, with a priority rating as determined by the Technical Support Manager. The priority rating will be highest for issues causing non-operability of the software with the lowest priority given to aesthetic issues. Every effort will be made to have the support issue addressed within two hours of the original call. Calls received after normal support hours are received by an automated answering system, which pages a support technician. The support technician will return the call as soon as possible.

d. *Technical Support*: Operator error (i.e., turning off the computer at the wrong time) or hardware failure under some circumstances can cause physical damage to the data stored by the program. In these cases, the data file must be physically repaired so that as much data as possible can be recovered. This work or any other work that requires one of our technicians to use a keyboard to make changes to the GENESIS software files on a customer's or client's system is defined as technical support. Technical support also includes telecommunications support where GENESIS technicians connect with the facility via Virtual Private Network (VPN) connections, GoToMyPC, or any other remote connection to transfer files, free up hard drive space, etc. All assistance provided, regarding the configuring of reports and screens, with respect to DragIt and DataFlex is categorized as technical support. Technical Support will be billed at Genesis' current hourly rates as set forth herein at Appendix B.

* The diagnosis of a problem(s) will be determined to be either Telephone Support or Technical Support depending on the type of effort required by a support technician to diagnosis the problem(s). Such determination shall be made solely by Genesis Systems, Inc.

e. *Basic Function:* The basic function of the software is specified in the design documents.

f. *Functional Correction*: A functional correction is a modification to the software implemented to make the software perform its basic function in accordance with the design specifications. Functional corrections relate to corrections of the software, which are necessary to provide accurate data entry, accurate printing, and accurate data transfer.

g. *Performance Correction*: A performance correction is a modification to the software implemented to correct a feature of the software that is not directly related to impairment of basic function. A performance correction is indicated if the software is not operating as intended by GENESIS or as detailed in the design specifications but the variance does not have direct impact on the basic function of the software (i.e., data capture, certificate printing and data transfer). These corrections are distinct from functional corrections in that a performance correction is not required in order for the software to fulfill its basic function of data capture, accurate printing of the certificate and accurate transmission of the data function.

h. *Functional Change*: A functional change involves modifications to the software made necessary by changes required by Laws, Regulations, Internal Procedures etc., changes in the state's mainframe database, or changes in other destination databases. Functional changes are required in order to permit the software to continue to fulfill its basic function in the light of other external changes. Functional changes require additional design specifications that detail the necessary modifications and which in combination with existing specifications become the new design document.

i. *Performance Change*: A performance change is a modification to the software implemented to improve an existing feature of the software that is not directly related to basic function. Performance changes are primarily made to satisfy preferences, improve efficiency, or to improve the ease of use of the software. Performance changes affect how the software operates but are not required in order for the software to continue to fulfill its basic function.

j. *Enhancement:* An enhancement to the program is the addition of a feature beyond the original design. Enhancements are usually added from time to time as suggestions are received from existing installations. Enhancements add to the usefulness of the program but are not required to allow the program to fulfill its basic function. Enhancements add features to the software that were not already there. Enhancements are limited to changes in the existing product operation on the same computer and accessed from the same main menu as the existing software.

k. *Software Update*: A software update is a new version of the software containing functional corrections or performance corrections. An update either corrects an existing defect (functional or performance) or provides a change needed to allow the software to continue to fulfill its basic function.

l. *Software Upgrade*: A software upgrade is a new version of the software containing functional changes, enhancements and/or performance changes. An upgrade is not necessary for the software to continue to fulfill its basic function. Upgrades are not provided as part of this Support Agreement, and will be accomplished only through a separate quote and acceptance process.

m. Distribution of functional corrections and performance corrections will be at the expense of GENESIS.

n. Distribution of functional changes, performance changes, and enhancements is $40.00 per copy. Telephone follow-up of a distribution is $40.00 per copy. As an alternative, the Customer may choose to perform the distribution on its own after receiving an updated master set, or the Customer may choose to have GENESIS hold and coordinate performance changes to coincide with GENESIS' distribution with an update containing performance or functional corrections at no additional cost to the Customer.

2. **Support Level.** GENESIS shall provide **telephone support** based on the Plan and Level selected by the Customer:

Plan Options

<u>GOLD PLAN</u> – Unlimited 24/7-telephone support of GENESIS supplied software as described herein. Incoming calls between 9:00 AM and 7:00 PM Eastern Standard Time during the business day period are answered directly by a technical support specialist. After hours, our on call support specialist responds to calls within 2 hours of the original call. Technical support, or programmers or systems analyst or database administrator's time to perform development and/or coding to resolve reported issues not included in paragraph 1 a., will be billed at GENESIS current hourly rate. If prepaid hours are available they will be reduced by the actual hours used.

<u>SILVER PLAN</u> – Unlimited 24/5-business day telephone support of GENESIS supplied software as described herein including functional corrections and performance corrections. Incoming calls between 9:00 AM and 7:00 PM Eastern Standard Time during the business day period are answered directly by a technical support specialist. After hours, our on call support specialist responds to calls within 2 hours of the original call. Technical support, or programmers or systems analyst or database administrator's time to perform development and/or coding to resolve reported issues not included in paragraph 1 a., will be billed

at GENESIS current hourly rate. If prepaid hours are available they will be reduced by the actual hours used.

BRONZE PLAN – Limited business day telephone support between 9:00 AM and 7:00 PM Eastern Standard Time of GENESIS supplied software as described herein. Technical support, or programmers or systems analyst or database administrator's time to perform development and/or coding to resolve reported issues not included in paragraph 1 a., will be billed at GENESIS current hourly rate. If prepaid hours are available they will be reduced by the actual hours used.

Level Options

TIER 1 – This level of support is defined as direct calls originating from an End User of the GENESIS software product identified in item 4. In this capacity GENESIS will offer the corresponding support as stated in the customers selected Support Plan Option to the end user of the software product who directly contacts GENESIS technical support.

TIER 2 – This level of support is defined as direct calls originating from the customer as defined by this Agreement. In this capacity, the customer will take direct calls from the end user of the GENESIS software product identified in item 4. GENESIS will offer the corresponding support as stated in the customers' selected Support Plan Option only to the Customer and not directly to the End User.

Telephone support will be provided to locations as outlined in Appendix A.

3. The Customer may select from the following Option:

A. Option A - hours of development and/or technical support time at the Staff Title(s) selected from Appendix B (attached hereto). If prepaid, such hours shall be billed at a five percent (5%) discount to the rates listed in Appendix B.

UNUSED PREPAID HOURS SHALL NOT SURVIVE THE TERM OF THIS AGREEMENT.

4. **The Customer has selected the [Click here and type plan] Plan, Tier [Click here and type tier] Level support for the GENESIS supplied [Click here and type software] software with Option:**
Option **A.** (if selected) **____ hours per Staff Title of** _____ (see Appendix B)
____ **hours per Staff Title of** _____ (see Appendix B)

5. **Notification and Cooperation**. Customer shall promptly notify GENESIS of all circumstances requiring support. Such notice shall detail the name of person requesting support, the installation name, serial number of the Software, the circumstance, the conditions under which it occurred and, if known, its source. Customer shall cooperate in all reasonable ways with GENESIS, including by providing such access, computer time information, equipment, staff and facilities as may be reasonably necessary to identify, reproduce and remedy the circumstances.

6. **Taxes.** Deleted NA

7. **Termination.** GENESIS may terminate this Agreement, and renewal, for any of the following:
(a) Failure to pay the support fee; (b) Failure to pay any outstanding debt owed by the Customer to GENESIS under this, or any other agreement with GENESIS; or (c) Upon ninety days prior notice GENESIS may at any time discontinue support.

8. **Warranty**.
a. All new software development performed by GENESIS is warranted for ninety (90) days after the new development is installed at the End User site ("Initial Warranty Period"). During this time any defect found in the software that requires correction (either functional or performance as defined above and whether related to the new development or not) will be corrected at no charge for either the work required to correct the software or the distribution of the resulting update. Once the Initial Warranty Period has expired, GENESIS reserves the right to charge for work done to make and distribute functional or performance corrections unless such work and distribution is covered by a Support Agreement that has been continuously in effect since the expiration of the Initial Warranty Period.

b. GENESIS warrants that in the event that no recovery can be affected on a support call, the Customer will not be billed for the time spent attempting recovery. Except as provided in paragraph 8a of this agreement, GENESIS does not guarantee that any service/product that it provides to the Customer will be effective and therefore does not warrant any of the services/products provided under this Agreement. GENESIS shall have no liability under this Agreement to Customer or any other party for any loss or damage including, without limiting the generality of the foregoing, any direct, general, incidental, indirect, special, or consequential damages, resulting from the failure of GENESIS to comply with any warranties set forth in this Agreement.

c. **GENESIS' WARRANTY IN THIS AGREEMENT IS IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANITES OF MECHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL GENESIS BE LIABLE TO CUSTOMER FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF GOODWILL, WORK STOPAGE, LOST PROFITS, LOST DATA OR COMPUTER HARDWARE OR SOFTWARE DAMAGE, FAILURE OR MALFUNCTION.**

d. Customer agrees that all data transmissions, searches, requests or queries to or from the database shall be through Genesis' proprietary software only. Genesis shall have the right to audit, at its own expense, all inputs and outputs of the database. Any transmission of data or any searches, requests or queries to or from the database by means other than Genesis' proprietary software or other means approved by Genesis in writing shall immediately void the warranty granted hereunder and relieve Genesis of any liability if support services can not be successfully provided.

e. Neither this Section 8, nor this Agreement as a whole, shall result in any limitation of liability for personal injury or death resulting from the fault of GENESIS, its employees or agents. Additionally, GENESIS shall be responsible for physical hardware damage caused by the fault of GENESIS, its employees, or its agents in making repairs to data files or software, except in the limited circumstances where GENESIS has explained there is reasonable risk of such damage and obtained the Department's or facility's written permission to proceed relative to the location of the equipment (Customer or facility) in the specific instance.

9. **Waivers.** The failure or delay of any party to exercise any right or option arising out of a breach of this Agreement shall not be deemed a waiver of any right or option with respect to any subsequent or different breach, or the continuance of any existing breach, after demand for strict performance.

10. **Entire Agreement.** This Agreement constitutes the entire Agreement between the parties and supersedes all previous Agreements and understanding relating to the work. The Agreement may not be altered, amended, or modified except by a written instrument signed by the duly authorized representatives of both parties.

11. **Interpretation.** To the fullest extent possible each provision of this Agreement shall be interpreted in such fashion as to be effective and valid under applicable law. If any provision of this Agreement is declared void or unenforceable for particular facts or circumstance, such provision shall remain in full force and effect for all other facts and circumstances. If any provision of this Agreement is declared entirely void or unenforceable, such provision shall be deemed severed from this Agreement, which shall otherwise remain in full force and effect.

12. **Applicable Law.** The validity, construction and performance of this Agreement shall be governed by and construed in accordance to the laws of the Commonwealth of Pennsylvania. The parties consent and submit to the jurisdiction and venue of the state and federal courts located in Dauphin County of the Commonwealth of Pennsylvania.

13. **Fee.** Upon payment of the following fee, sites listed in Appendix A and any additional facilities installing the GENESIS supplied software during the term of the Agreement will be serviced for the remainder of this Agreement.

Fee: $[Click here and type fee] for facilities described in Appendix A.

14. **Term.** The Term of this Agreement is [Click **here** and type date] through [Click **here** and type date].

The parties hereby agree to be legally bound by the terms and conditions set forth herein:

Authorized Signatures:

For the Contractor:

_____
Name

Treasurer
Title

_____
Date

For the Department:

_____
(Name)
(Title)

_____
Date

For the Division:

_____
(Name)
(Title)

_____
Date

APPENDIX A

LISTING OF FACILITIES/LOCATIONS TO BE SERVED

Listing of Active WEBEBC™ Installations in Michigan

	Facility Name	Location
01	Allegan General Hospital	Allegan
02	Alpena General Hospital	Alpena
03	Battle Creek Health Systems	Battle Creek
04	Bay Regional Medical Center	Bay City
05	Bell Memorial Hospital	Ishpeming
06	Bixby Medical Center	Adrian
07	Bon Secours Hospital	Grosse Pointe
08	Borgess Medical Center	Kalamazoo
09	Botsford General Hospital	Farmington Hills
10	Bronson Methodist Hosp.	Kalamazoo
11	Carson City Hospital	Carson City
12	Central Mich Community	Mt Pleasant
13	Charlevoix Area Hospital	Charlevoix
14	Clinton Memorial Hospital	St Johns
15	Community Health Center	Coldwater
16	Community Hospital	Watervliet
17	Community Mem. Hospital	Cheboygan
18	Covenant HealthCare	Saginaw
19	Crittenton Hospital	Rochester
20	Dickinson Co Mem Hospital	Iron Mountain
21	Foote Memorial	Jackson
22	Garden City Osteo Hospital	Garden City
23	Genesys Health Park	Grand Blanc Twp
24	Gerber Memorial Hospital	Fremont
25	Grand View Hospital	Ironwood
26	Gratiot Community Hospital	Alma
27	Hackley Hospital	Muskegon
28	Hackley Lakeshore Hospital	Shelby
29	Hayes Green Beach Hosp	Charlotte
30	Henry Ford Hospital	Detroit
31	Henry Ford Wyandotte	Wyandotte
32	Herrick Memorial	Tecumseh
33	Hillsdale Comm Health Ctr	Hillsdale
34	Holland Community Hosp	Holland
35	Hurley Medical Center	Flint
36	Huron Memorial Hospital	Bad Axe
37	Huron Valley Sinai	Commerce Twp
38	Hutzel Hospital	Detroit
39	Ingham Regional Med Cntr	Lansing
40	Ionia County Mem Hospital	Ionia
41	Keweenaw Memorial Medical Center	Larium
42	Lakeland Medical Ctr Niles	Niles
43	Lakeland Medical Ctr St Joseph	St Joseph
44	Lapeer Regional Hospital	Lapeer
45	Marquette General Hosp.	Marquette

	Facility Name	Location
46	McKenzie Memorial Hospital	Sandusky
47	McLaren Regional Med Ctr.	Flint
48	Mecosta County General Hosp	Big Rapids
49	Memorial Healthcare Center	Owosso
50	Memorial Medical Center	Ludington
51	Mercy General Health Partners	Muskegon
52	Mercy Hlth Serv-North Cadillac	Cadillac
53	Mercy Hlth Serv-Grayling	Grayling
54	Mercy Memorial Hospital	Monroe
55	Metropolitan Hospital	Grand Rapids
56	MidMichigan Med Ctr-Clare	Clare
57	MidMichigan Med Ctr-Midland	Midland
58	Mt. Clemens General Hosp.	Mt Clemens
59	Munson Medical Center	Traverse City
60	North Oakland Med Centers	Pontiac
61	North Ottawa Comm Hosp	Grand Haven
62	Northern Mich. Hospital	Petoskey
63	Oaklawn Hospital	Marshall
64	Oakwood Hospital-Annapolis	Wayne
65	Oakwood Hospital-Dearborn	Dearborn
66	Oakwood South Shore Med Ctr	Trenton
67	Otsego Memorial Hospital	Gaylord
68	Pennock Hospital	Hastings
69	Port Huron Hospital	Port Huron
70	Portage Hospital	Hancock
71	Providence Hospital	Southfield
72	River District Hospital	East China
73	Sanilac County Clerk	Sandusky
74	Sinai-Grace Hospital	Detroit
75	South Haven Comm Hospital	South Haven
76	Sparrow Hospital	Lansing
77	Spectrum Health United Memorial	Greenville
78	Spectrum-Butterworth	Grand Rapids
79	St. Francis Hospital	Escanaba
80	St. John Detroit Riverview	Detroit
81	St. John Hospital	Detroit
82	St. John Macomb Hospital	Warren
83	St Joseph Mercy Livingston Hosp	Howell
84	St. Joseph Mercy Hospital-Ann Arbor	Ann Arbor
85	St. Joseph Mercy-Clinton Twp	Clinton Twp
86	St. Joseph Mercy Hospital-Pontiac	Pontiac
87	St. Mary’s Hospital-Livonia	Livonia
88	St. Mary's Mercy Med Ctr	Grand Rapids
89	Sturgis Hospital	Sturgis
90	Tawas St. Joseph Hospital	Tawas City
91	Three Rivers Area Hosp	Three Rivers
92	Univ. of Michigan Hosp.	Ann Arbor
93	War Memorial Hospital	Sault Ste Marie
94	West Branch Reg Med Cntr	West Branch
95	West Shore Med Ctr	Manistee
96	Zeeland Comm. Hospital	Zeeland

APPENDIX B
Staff Pricing Schedule as of 01/01/09

Staff Title	Location	Hourly Rate (US Dollars)
Subject Matter Specialist	Genesis	$330.00
Project Director	Genesis	$225.00
Project Manager	Genesis	$215.00
Business Analyst	Genesis	$200.00
SQL Database Administrator	Genesis	$200.00
Oracle Database Administrator	Genesis	$260.00
Sr. Web Programmer	Genesis	$210.00
Jr. Web Programmer	Genesis	$200.00
Sr. Citrix Technicians	Genesis	$215.00
Jr. Citrix Technicians	Genesis	$200.00
Sr. Programmer	Genesis	$190.00
Jr. Programmer	Genesis	$180.00
Operator	Genesis	$175.00
Testing Technician	Genesis	$120.00
Help Desk Analyst	Genesis	$120.00
Documentation Specialist	Genesis	$175.00
Assistant Documentation Analyst	Genesis	$120.00
Project Trainer	Genesis	$175.00
Assistant Trainer	Genesis	$120.00
Data Entry Specialist	Genesis	$105.00
NON-CUSTOMER TECHNICAL SUPPORT	1ST HOUR OF TECHNICAL SUPPORT-2 HOUR MINIMUM	$330.00
All additional Technical Support Services		Billable at the above hourly rates for the technicians involved

On-site travel and subsistence costs are in addition to the above referenced rates.