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
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 1
to
CONTRACT NO.071B2200063
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
SourceHOV (HOVS, HOV Services) 38120Amrhein Livonia, Mi. 48150	Deborah Guskovict	(734) 632-1558
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(734) 632-1558	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Mark Lawrence	(517) 241-1640	lawrencem1@michigan.gov
BUYER	DTMB	Mark Lawrence	(517) 241-1640	lawrencem1@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: **MICSES Print and Mail Services – MDIT/MDHS**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
November 28, 2011	November 27, 2016	2, one year	November 27, 2016
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:
$0.00	$11,695,025.00

Effective November 28, 2011, two sections of the contract are updated as follows:

1) In Section 1.600 Compensation and Payment, replace this language:
"For the USPS Postage cost, as a workshare partner with the USPS, HOVS offers commingling services that result in presort discounts. HOVS will guarantee a blended rate by affixing the USPS 5-digit postage rate plus $0.0125 per envelope to ensure the lowest possible postage costs available. For that mail that meets the 5-digit requirements, the $0.0125 per envelope cost will not be applied. HOV will apply the 5-digit rates for mail qualifying for the lowest discount rate. For the other mail HOV will not charge more than the 5-digit plus $0.0125 per envelope", with this language:

"USPS postage Cost: as a USPS Workshare partner, HOVS offers commingling services that result in presort discounts. The State of Michigan (SOMI) mail pieces will be commingled in an effort to achieve the very best postage rate for each piece. The following mail presort process will be followed: the 5 digit USPS rate will be affixed to each SOMI mail piece. The mail will be commingled to achieve the best available postage rates. Residual postage will be applied for mail pieces which do not qualify for the affixed 5 digit rate, and will be billed back to SOMI. Residual postage is calculated as follows: the actual qualifying postage rate less the 5 digit rate. In summary, SOMI would pay the actual qualifying postage rate. The $.0125 per envelope charge would not apply."

2) On Attachment 8, Table 2, Ongoing Operations, line item "USPS Postage", delete the language "plus $.0125". The $.0125 per envelope charge would not apply.

Per vendor, agency and DTMB Procurement agreement and approval.

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 9, 2011**
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

NOTICE
OF
CONTRACT NO. 071B2200063
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **SourceHOV (HOVS, HOV Services)** **38120Amrhein** **Livonia, Mi. 48150** **Email: Deborah.Guskovict@hovservices.com**	TELEPHONE Deborah Guskovict **(734) 632-1558** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-1640 **Mark Lawrence**
Contract Compliance Inspector: Mark Lawrence **MICSES Print and Mail Services – MDIT/MDHS**	
CONTRACT PERIOD: 5 yrs. + 2 one-year options From: **November 28, 2011** To: **November 27, 2016**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
ALTERNATE PAYMENT OPTIONS: ☐ P-card ☐ Direct Voucher (DV) ☐ Other	
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

The terms and conditions of this Contract are those of ITB #071I1300205, this Contract Agreement and the vendor's quote dated 7/27/2011. 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.

TOTAL ESTIMATED CONTRACT VALUE: $11,695,025.00

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
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B2200063
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **SourceHOV (HOVS, HOV Services)** **38120Amrhein** **Livonia, Mi. 48150** **Email: Deborah.Guskovict@hovservices.com**	TELEPHONE Deborah Guskovict **(734) 632-1558** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-1640 **Mark Lawrence**
Contract Compliance Inspector: Mark Lawrence **MICSES Print and Mail Services – MDIT/MDHS**	
CONTRACT PERIOD: 5 **yrs. + 2 one-year options** From: **November 28, 2011** To: **November 27, 2016**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
ALTERNATE PAYMENT OPTIONS: ☐ P-card ☐ Direct Voucher (DV) ☐ Other	
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **The terms and conditions of this Contract are those of ITB #071I1300205, this Contract Agreement and the vendor's quote dated 7/27/2011. 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: $11,695,025.00**	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 071I1300205. Orders for delivery will be issued directly by the Department of Technology, Management and Budget through the issuance of a Purchase Order Form.

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

FOR THE CONTRACTOR:	**FOR THE STATE:**
SourceHOV (HOVS, HOV Services) Firm Name	Signature
Authorized Agent Signature	Jeff Brownlee, Chief Procurement Officer Name/Title
Authorized Agent (Print or Type)	DTMB, Procurement Division

Date

Date

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

Contract # 071B2200063
MiCSES Print and Mailing Services

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

Table of Contents

Article 1 – Statement of Work (SOW)		***9***
1.000	**Project Identification**	**9**
1.100	**Scope of Work and Deliverables**	**11**
1.200	**Roles and Responsibilities**	**29**
1.300	**Project Plan**	**31**
1.400	**Project Management**	**34**
1.500	**Acceptance**	**37**
1.600	**Compensation and Payment**	**37**
Article 2, Terms and Conditions		***41***
2.000	**Contract Structure and Term**	**41**
2.010	**Consents and Approvals**	**42**
2.020	**Contract Administration**	**42**
2.030	**General Provisions**	**45**
2.040	**Financial Provisions**	**46**
2.050	**Taxes**	**47**
2.060	**Contract Management**	**47**
2.070	**Subcontracting by Contractor**	**49**
2.080	**State Responsibilities**	**50**
2.090	**Security**	**50**
2.100	**Confidentiality**	**51**
2.110	**Records and Inspections**	**52**
2.120	**Warranties**	**53**
2.130	**Insurance**	**55**
2.140	**Indemnification**	**58**
2.150	**Termination/Cancellation**	**59**
2.160	**Termination by Contractor**	**61**
2.170	**Transition Responsibilities**	**62**
2.180	**Stop Work**	**63**
2.190	**Dispute Resolution**	**63**
2.200	**Federal and State Contract Requirements**	**64**
2.210	**Governing Law**	**65**
2.220	**Limitation of Liability**	**65**
2.230	**Disclosure Responsibilities**	**66**
2.240	**Performance**	**67**
2.250	**Approval of Deliverables**	**69**
2.260	**Ownership**	**72**

2.270	State Standards	73
2.280	Extended Purchasing	73
2.290	Environmental Provision	73
2.300	Deliverables	75
2.310	Software Warranties	75
2.320	Software Licensing	76
2.330	Source Code Escrow	77
Glossary		*79*
Attachment 1 File Naming Conventions		*80*
Attachment 2 File Layout		*80*
Attachment 3a Envelope Specification		*80*
Attachment 3b Envelope Specification		*80*
Attachment 4 Template Frequency and Volumes		*80*
Attachment 5 Counts by Template for 2010		*80*
Attachment 6 Security and Disclosure Forms		*80*
Attachment 7 Resume Template		*80*
Attachment 8 Cost Tables		*80*
Attachment 9 Transition		*80*
Attachment 10 Quality Assurance		*80*
Attachment 11 Statement of Work		*80*
Attachment 12 Reserved		*80*
Attachment 13 Process Reconciliation		*80*
Attachment 14 Preliminary Project Plan		*80*

Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 Project Request

The State of Michigan (State), through the Michigan Department of Technology, Management and Budget (DTMB), has issued this contract to obtain the services of the Contractor to provide centralized document printing and mailing services for the Michigan Child Support Enforcement System (MiCSES).

This project consists of the following components:

1. Transition of business operations from the current contractor if applicable
2. Documentation, including process descriptions and quality assurance sampling methodology.
3. Printing services.
4. Mailing & Distribution services.
5. Activity reports.
6. Problem Investigation & Quality Assurance.
7. Special Projects.

The contract is for a maximum term of five (5) years, with two (2) one-year (1) options to renew.

1.002 Background

Child Support Program

In 1975, Congress enacted Title IV-D of the Social Security Act, creating the child support enforcement program and the federal Office of Child Support Enforcement (OCSE). The program's purpose is to establish and enforce court-ordered support for children by non-custodial parents. OCSE oversees and funds child support enforcement programs administered at the state level.

Each state must appoint a single agency to administer its Title IV-D program. The agency receives and distributes funds, establishes and maintains the child support program within federal requirements and regulations. The Michigan Department of Human Services, Office of Child Support (DHS-OCS) is the Michigan IV-D agency.

Michigan's federally mandated and certified Child Support Enforcement System (MiCSES) has been implemented through the cooperative efforts of the Michigan Department of Human Services, Office of Child Support (DHS-OCS) and DTMB. MiCSES is a comprehensive statewide child support enforcement system that meets all federal system requirements and is installed in all components of the Michigan IV-D program: DHS-OCS central office, county Friend of the Court (FOC) offices, and county Prosecuting Attorney (PA) offices. The system also provides necessary locate and enforcement interfaces with both state and federal agencies. DHS-OCS administers the MiCSES project. DTMB oversees systems administration, application maintenance and development, statewide data center operations, network and technical infrastructure services, and technical strategy.

The organizational relationships and multiple agency composition of the child support program are as follows:

Michigan Department of Human Services (DHS)

DHS coordinates and oversees the Michigan IV-D Child Support program. Funding for the Office of Child Support is contained within the DHS appropriation. MiCSES funding is also a line item appropriation in the DHS budget, and flows through to DTMB as an Interdepartmental Grant (IDG).

Office of Child Support (OCS)

As the Michigan IV-D agency that administers the statewide child support program, OCS has a central office division, which performs central enforcement actions, administrative oversight, federal liaison, reporting and policy functions. OCS maintains a field operations division of child support specialists whose primary functions are the delivery of statewide parent locate and case initiation support services. OCS also provides strategic oversight and direction to the MiCSES project.

Michigan Department of Technology, Management and Budget (DTMB)
DTMB coordinates and oversees the MiCSES application and a public facing case information web site – MiCase (www.michigan.gov/micase). DTMB is responsible for the systems administration, application maintenance and development, statewide data center operations, network and technical infrastructure services, and technical strategic oversight of the MiCSES application. Application development priorities are established by the DHS-Office of Child Support in consultation with it's IV-D partners.

Michigan Supreme Court, State Court Administrative Office (SCAO)
The Michigan Supreme Court, State Court Administrative Office has constitutional oversight responsibility for all trial courts throughout the State. The SCAO Friend of the Court Bureau (FOCB) provides management assistance to local Friend of the Court offices. The SCAO Office of Systems Management (OSM) advises and assists trial courts in selecting, acquiring, installing, programming and operating computer systems, which are outside the scope of the MiCSES application.

Michigan Friend of the Court (FOC)
The Friend of the Court (FOC) was created by statute in 1919. The FOC office is part of the Michigan Circuit Court System. The FOC office is the child support and operational division of the Circuit Court. The FOC position is appointed by the chief judge of that circuit. DHS contracts with local county governments for IV-D child support services through Cooperative Reimbursement Program (CRP) contracts. The FOCs are the largest contingent of users of MiCSES. The duties of the FOC include the necessary investigation, reporting, enforcement and case management actions associated with established support orders. The FOC office also schedules hearings, makes recommendations to the court regarding custody, visitation and support issues; provides mediation to settle disagreements, and reviews and modifies support payments ordered by the court.

Prosecuting Attorneys (PA)
Prosecuting Attorneys are the chief law enforcement officers in county government. DHS-OCS contracts with county governments for necessary PA IV-D child support services, including the determination and establishment of paternity, and establishment of support payment orders.

Michigan State Disbursement Unit (MiSDU)

The Michigan State Disbursement Unit (MiSDU) is the central collection and disbursement unit for all child support payments. Employers, financial institutions, insurance companies, individual payors, etc. submit child support payments to the MiSDU, where they are receipted and posted to the appropriate case. The MiSDU houses a separate application and system that includes a daily interface with the MiCSES. Through this two-way interface to the MiCSES application, receipts are allocated and distributed to the appropriate payee(s) and the information is returned to the MiSDU for disbursement.

The MiSDU maintains a web site (www.misdu.com) that provides static information to viewers, and also is the portal for customers who choose to make payments of their child support via credit card or direct debit from their bank account. This site is also used as a portal by employers choosing to make payments over the web, and by Friend of the Court staff seeking access to MiSDU information. FOC staff also use this site to transmit requests to correct disbursement errors created by the MiSDU Contractor, by payors, or by the way cases were set up.

The MiSDU operations and staffing are provided by a Vendor, with DHS-OCS management oversight. Services provided are governed by the terms of the contract.

Included in the MiCSES application are numerous forms, legal notices, letters, occasional mass mailings, and various documents necessary to deliver effective and timely child support services to custodial and noncustodial parents. The vast majority of these documents are generated through automatic MiCSES actions and electronically transmitted to a Vendor for printing and mailing.

Since 2003, the document generation capabilities of the MiCSES application have been refined.

Currently, the MiCSES application generates documents in Adobe Acrobat Portable Document Format (PDF) and transmits files to the printing/mailing Vendor via a secure and dedicated file transmission process. The MiCSES application includes approximately 83 templates and generates approximately 80,000 documents per week. Periodic (e.g. quarterly) and special project mailings could increase the volumes in a particular week or day. MiCSES batch processes run overnight seven (7) nights per week. Although most files are transmitted to the Vendor between midnight and 6:00 a.m. each day, it is possible for files to be transmitted any time during a 24-hour period. Approximately 4.7 million pieces were mailed in FY 2010. Attachment 5 provides a table of counts by templates for 2010. The State anticipates that future volumes will be similar, however programmatic or technology changes could affect the volumes and the State does not guarantee the estimated volumes. Vendors are therefore required to provide tier pricing as identified in the pricing proposal attachment.

1.100 Scope of Work and Deliverables

1.101 In Scope

The Contractor will provide complete and successful transition, implementation and ongoing operation of document printing and mailing services required for the business operations of the Michigan Child Support Enforcement System. Services will be provided at the Contractor's location. Services include:

1. Transition of business operations from the current contractor to the contracted contractor.
   During the transition period, expected to occur in the month preceding "go live" operations, the new Contractor will demonstrate the ability to produce the desired output and reports, at least the same quality, and the same metrics as the current process provides.
2. Documentation, including detailed process descriptions and quality assurance sampling methodology.
3. Printing services.
   The term "printing services" is used broadly and includes all document fulfillment processes (e.g., printing, folding, insertion into envelopes, pre-sorting according to postal zip code, and identification and extraction of unmailable documents). The State also requires the ability to uniquely identify each document with a barcode or similar identifier.
4. Mailing services.
   Mailing services include sorting and commingling with other customer mailings in order to obtain volume discounts for the lowest possible postage rate. MiCSES documents have legally mandated 24-hour and 48-hour processing time and mailing requirements.
5. Activity reports.
   Reports include both daily and weekly volume and reconciliation reports with varying degrees of detail. Reports and attached detail are distributed to both County representatives and State central staff. Archival of county and State detail reports for a period of at least three (3) months is required for adequate investigative purposes.
6. Problem Investigation and support.
   Prompt problem investigation and resolution is needed to comply with State and Federal requirements. Historically, problems have occurred in two areas: data file transmission or file processing.
7. Special Projects –
   a. Occasionally the DHS-OCS or the MiCSES project requires participation from the printing/mailing services Contractor in special projects. These projects may include activities such as testing new MiCSES documents or templates, ad hoc information requests, high volume mass mailings, or response to County requests. The volume and timing of documents generated by special projects is difficult to predict, and the State will provide as much advance notice as possible.
   b. The Contractor must have the ability to support industry standard print or document formats as they evolve. If the State determines the need to migrate to a different format, the migration would be considered a special project.
8. Disaster Recovery Services
   These services will not be detailed in this contract. The services may be needed in the future.

1.102 Out Of Scope

1.103 Environment

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

The Contractor is advised that the State has methods, policies, standards and procedures that have been developed over the years. The contractor is expected to provide proposals that conform to State IT policies and standards. All services and products provided as a result of this contract must comply with all applicable State IT policies and standards. Contractor is required to comply with all applicable links provided below..

Enterprise IT Policies, Standards and Procedures:
http://www.michigan.gov/dmb/0,1607,7-150-56355---,00.html

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

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

Enterprise IT Security Policy and Procedures:
http://www.michigan.gov/documents/dmb/1310_183772_7.pdf
http://www.michigan.gov/documents/dmb/1310.02_183775_7.pdf
http://www.michigan.gov/documents/dmb/1325_193160_7.pdf
http://www.michigan.gov/documents/dmb/1335_193161_7.pdf
http://www.michigan.gov/documents/dmb/1340_193162_7.pdf
http://www.michigan.gov/documents/dmb/1350.10_184594_7.pdf

The State's security environment includes:

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

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

Any additional Agency specific security requirements above and beyond the enterprise requirements and standard terms and conditions stated in Article 2 must be provided as part of the Agency Specific Technical Environment.

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

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

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

1.104 Work And Deliverable
The Contract is scheduled to start in November, 2011 and the proposed solution to be fully operational by November 27, 2011.

The Vendor shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, meeting the requirements as set forth in this document.

A. Services to be provided

1. Transition of business operations from the current contractor.
   a. During the transition period, expected to occur in the four (4) weeks preceding "go live" operation, the Contractor will demonstrate the ability to produce the required output and reports, at least the same quality, and at least the same metrics as the current operations.
      i. State staff will observe transition operations at the Contractor's site. State staff will compare output and reports between the current process and new process.
      ii. State staff will sample output as they deem necessary.
      iii. Any deficiencies or defects found during the transition must be corrected by the Contractor prior to cutover, unless otherwise accepted in writing by the State.
   b. A transition checklist and acceptance form will be developed, and agreed upon by the State and the Contractor, based upon the requirements and deliverable in this contract.
   c. Successful completion of the transition is defined as one full week (7 days) of parallel operation with the current process in which no deviations from current operations are identified.
      i. The transition must demonstrate and simulate the full production environment.
      ii. State signatories to final sign-off and acceptance of the system as production ready will include designated representatives from DHS-OCS and DTMB/MiCSES.
   d. See Attachment 9 (named in the contractor's proposal, 1.104.A.1. Account Management Transition

Because this contractor is the incumbent, the transition activities may be reduced at the orientation (kickoff) meeting.

2. Documentation, including process descriptions and quality assurance methodology.
   a. Contractor has described and provided documentation of internal processes used to meet the requirements, including quality assurance processes. Contractor is to use narrative descriptions, process diagrams, graphical displays, and sample reports to describe the processes. See Attachment 10 (named in the contractor's proposal, 1.104.A.2 Quality Assurance).
   b. State acceptance of documentation is required before parallel processing may begin in the transition activities.

3. Printing services.
   In conformance with Public Act 153 of 1937 (MCL 24.61) all printing for the State of Michigan, except that which is printed for primary school districts, local government units and legal publications for elective state officers, must be printed in Michigan.

   a. Contractor will receive MiCSES application documents in Adobe Acrobat Portable Document Format (PDF) transmitted via a secure and dedicated file transmission process.
      i. The MiCSES application includes approximately 83 templates and generates approximately 80,000 documents per week. Attachment 4 includes information about MiCSES templates for the period October 1, 2009, through September 30, 2010. The attachment includes Template ID, Template Name, Printing Frequency, Average Number of Pages per Template, and Weekly Volume for each template.
      ii. MiCSES batch processes run overnight seven (7) nights per week.
      iii. PDFs are usually transmitted to the Contractor between midnight and 6:00 a.m., although it is possible to transmit PDFs at any time during a 24-hour period.

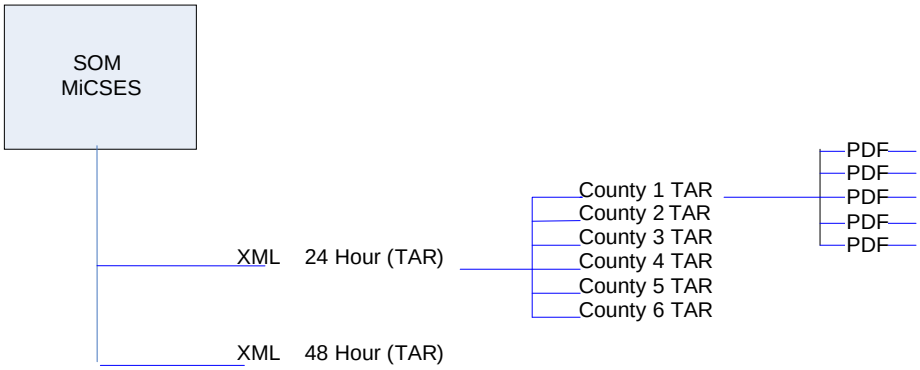
b. All documents are to be duplex printed and are to be inserted in single window envelopes. Attachment 3a and 3b includes detailed specifications for window envelopes.
c. Mailings, when feasible, are to be combined for householding (same addresses) into one envelope to generate cost savings and efficiencies.

The term "printing services" is used broadly and includes all document fulfillment processes described in the following table.

	Printing Service	Comments
1.	Process data files, organize document pages for envelope insertion.	• Files contain PDFs. • Documents have 24-hour and 48-hour processing time/mailing requirements.
2.	Print documents.	• Central print facility print segments are organized by document page count.
3.	Combine documents addressed to same recipient so that they may be inserted in one envelope.	• Efficiencies for document recipients such as large employers.
4.	Insert documents into single-window envelopes.	• Standard #10 envelope for 1-5 sheets of paper. • Standard 6" x 9" envelope for 6-11 sheets of paper. • Custom die-cut window.
5.	Pre-sort according to postal (i.e., zip) code.	• Preparation for item #6.
6.	Extract unmailable pieces due to missing return address or missing/invalid mailing address.	• Unmailable pieces are returned to DHS-OCS. • Occurs before and after pre-sort.
7.	Commingle sealed envelopes mailings for other customers.	• Provides postage discounts.

d. Contractor shall allow for additional address lines, post net barcodes and future enhancements, such as intelligent mail bar code, planet code etc., for cost efficiencies. Attachment 3a and 3b includes envelope specifications and address placement specifications.

e. File Transmission Specifications and File Specifications
   i. File Transmission Specifications
      1. The MiCSES batch process runs overnight. MiCSES generates PDF files through XML, and transmits a compressed file to the Contractor.
      2. Secure and dedicated FTP transmission
      3. File transmit time between midnight and 6:00am EST
      4. Additional files can be transmitted at any time throughout the day
   ii. File Specifications
      1. Current MiCSES work can be sent in a varied number of files throughout the day. MiCSES files are categorized into two segments - XML 24 and XML 48 Hour files. Each XML file is comprised of requests from multiple counties, and therefore can include as little as one county or as many as eighty-three (83) counties plus DHS-OCS. Each County TAR file includes one or multiple requests for notices. Each request is transferred in PDF format, as illustrated below.

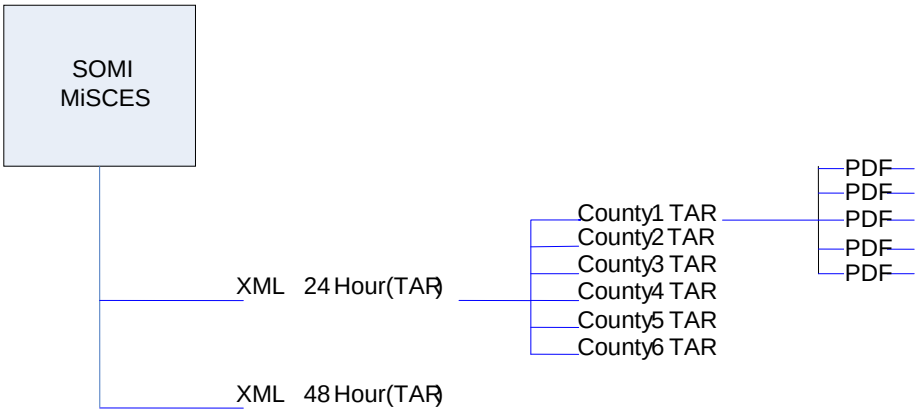


iii. Files include one PDF per mailpiece. A mailpiece is defined as the total components inserted into an envelope.

iv. A control file is also sent to contractor to accommodate reconciliation. Contractor uses the control file to reconcile 1) the number of PDFs in the file; and 2) the total number of envelopes to output.

v. The contractor will be required to work with the State to implement a secure Gateway-to-Gateway VPN internet connection to FTP files to the Contractor each night. Multiple files are transmitted each night. The Contractor is required to use the network environment and file transfer protocol that is currently in place.

vi. The Contractor is required to send an acknowledgement file to the State's Data Exchange Gateway (DEG) for each file received. Attachment 1 includes file naming conventions for files sent by the State to the Contractor and for the acknowledgement file sent by the Contractor to the State. The Contractor is also required to confirm data file record counts by sending an automatic email notification to the State and local offices. The email should include a comma delimited text file attachment listing consolidated statewide counts by Template ID. A sample file layout is available as Attachment 2.



See Attachment 12 (named in the contractor's proposal, 1.104.A.3 Statement of Work)

4. Distribution/Mailing services.

a. The State of Michigan MiCSES system files are categorized as "Mail" or "No Mail". Mail files are inserted and mailed via the USPS mailstream. No Mail files are packaged and mailed via overnight courier delivery service.

b. The file naming convention determines whether the file is a "mail" or "no mail" file. "Mail" files are printed, inserted into envelopes, presorted and mailed out within the Service Level Agreement (SLA). "No Mail" files are electronically grouped together on a County level and include a banner page with the most current County address and contact information (updates provided by the State), and are printed and sent for packaging and distribution per County.

c. Defective Mail Handling: Defective mail is defined as the incomplete or improper mailing and/or return address on a mailpiece. The defective mail is sorted and batched by form type and sent to the State. A report follows with the document code, document description, number of affected pieces and the defect.

NO-MAIL DOCUMENTS Process:
In the XML architecture PDF file names, if the character positions 23 and 24 has a " 99 " indicator then these PDF files will be treated as No-Mail documents and separate print segment will be created. This print segment will have banner pages having the County name and address information based on the County code in the TAR file name. The County name and address has been provided by SOMI. These documents will be shipped to corresponding Counties.

Mail	No Mail
1) Sequence Numbers are placed on each notice	1) Sequence Numbers are placed on each notice
2) All Counties are processed at one time	2) HOVS maintains the banner pages for all 83 Counties, and electronically pulls the appropriate banner page to ensure distribution accuracy
3) Upon file reconciliation, file(s) are batched to print	3) Banner pages are updated by HOVS upon request from the State. Banner pages include a header and trailer page.
4) The piece level ID and 2D barcode are applied to the document for operational controls *(HOVS worked with SOMI in providing a template as a guide for the 2D barcode space requirements)*	4) Operational 3 of 9 barcode is applied to generate a label on the first page (cover) and last page (trailer) of the package going to the County which is scanned during the Clippership process to ensure the integrity of the entire document.
5) Forms in which the State could not accommodate the 2D template *(which is a small volume)* are considered an exception product and are manually fulfilled.	5) HOVS electronically groups the files per County so that multiple documents to the same county can be shipped in one package (householding) thus saving shipping costs.
6) Files are printed, inserted and mailed within the respective 48hr SLA	6) No Mail files are commingled with other no-mail files to expedite print processing
7) Counties' mailpieces are commingled to allow for presort savings and to expedite delivery	7) Upon print, file is released to Fulfillment
8) HOVS generates a segment report for Quality Control and Operations to reconcile the total print and mail counts per batch level	8) HOVS generates a segment report for Quality Control, Operations and Fulfillment with the count breakdown per County

Distribution/Mailing Services
The State of Michigan MiCSES system files are categorized as "Mail" or "No Mail". Mail files are inserted and mailed via the USPS mailstream. No Mail files are packaged and mailed via FedEx overnight service.

	Mail Specification	Deliverable
1.	"Mail" documents. Mail at lowest possible postal rate	• USPS First Class U.S. mail • Presort for postage savings • Expedite mail through USPS PostalOne airline reservation system
2.	"No Mail" documents. Ship FEN14L (local copy of Show Cause Hearing Notice for Judge's records) to originating county.	• Report generated for Quality Assurance and reconciliation • FedEx expedited delivery method via Clippership
3.	Locate and ship un-mailable FEN140 documents to designated county contact	• Overnight via FedEx • Quality Assurance • Generate reconciliation report to County/State of un-mailable documents

NO-MAIL DOCUMENTS Report:

No Mail Documents

Seq.No	County #	County Name	#Images	#Sheets
1	13	Calhoun	10	5
2	14	Cass	16	8
3	23	Eaton	20	10
4	30	Hillsdale	4	2
5	33	Ingham	90	45
6	38	Jackson	8	4
7	41	Kent	8	4
8	50	Macomb	70	35
9	58	Monroe	22	11
10	61	Muskegon	32	16
11	67	Osceola	76	38
12	70	Ottawa	4	2
13	72	Roscommon	24	12
14	82	Wayne	174	87
	TOTAL		558	279

Defective Mail Handling

Defective mail is defined as the incomplete or improper mailing and return address on a mailpiece. Defective mail comes from the State system files and/or operational reprints. HOVS developed and implemented this method of handling the undeliverable documents for the State to reconcile each Case. HOVS's Quality Control process catches defective mail before and after presort. The defective mail is sorted and batched by form type and sent to the State. A report follows with the document code, document description, number of affected pieces and the defect.

5. Activity reports.
   Contractor is required to have sufficient reporting capabilities to successfully track and measure the file receipt, print, and mail process. From beginning to end, reports are to be generated for contractor Operational, State and County review. The following table outlines the reports that the State is requiring. Attachment 2 includes file layouts for reports

	Report	Deliverable
1.	County Detail (daily)	• Automatic email notification to designated county FOC & PA representative (DHS-OCS for documents assigned to County 00 & 88). • Microsoft Excel spreadsheet attachment containing case number, and Template ID.
2.	County Summary/Accounting (daily)	• Central print facility internal file level reconciliation. • Automatic email notification to designated DTMB-MiCSES representatives • Report data to reconcile the TAR file size, PDF file count, number of rejects and envelopes
3.	County Reject (daily)	• Automatic email sent to MiCSES Help Desk asking for ticket to be opened and assigned to Development-Docgen. • Automatic email notification to designated county FOC & PA representative (DHS-OCS for documents assigned to County 00 & 88). • Text file attachment containing case number, Case ID, etc. • Error Conditions: a) PDF file name is not equal to 36 characters, or b) PDF file size is less than 1KB (empty file). • Report data details the sequence number, invalid mailpiece, number of envelopes, Form ID

4.	Statewide Consolidated Reject (daily)	• Automatic email notification to designated DTMB-MiCSES representatives. • Text file attachment containing county number, case number, Case ID, etc. • Error Conditions: a) PDF file name is not equal to 36 characters, or b) PDF file size is less than 1KB (empty file).
5.	Weekly Production and Unmailable Statistics	• Report details the number of images, sheets and envelopes
6.	Error messages providing notification of file issues (i.e. inability to decompress a file)	• Automatic email notification to the State Help Desk
7.	Confirmation of Receipt of File	• Auto-generated email to confirm receipt of file to the State
8.	Weekly Defective Mail Report	• Excel spreadsheet with counts and Form IDs for Defective Mail (incomplete/improper mailing and return address) collected during the week
9.	County Contact List	• Updated by the State and maintained by contractor • Used by contractor to create banner pages for the FEN14L Judge Copy Show Cause Notices • Used to mail back the Show Cause Notices that are considered un-mailable documents

b. The Contractor is responsible for maintaining an accurate county contact list to facilitate delivery of reports via email and bulk shipment of documents to local offices. The MiCSES project manager is available to validate contact lists and provide information as changes occur.

HOVS shall provide file, data and production reports including on-time performance metrics. HOVS shall provide the reporting necessary to fully track and measure the PDF file process. From beginning to end, reports are generated for State and County review. HOVS has implemented and currently generates the reports as listed in the contract.

Upon receipt of the TAR file(s), HOVS reads the file name to determine whether the file is 24 hour or 48 hour, and whether it is a mail or no-mail file. The files are then validated for file size and file name length. Notification of file receipt success or failure is immediately sent to the State. Summary and Reject reports are automatically generated and transferred to each County and the State. A detailed report is generated containing the Sequence number, Case number, Form ID, page count and sheet count for each notice. Once the PDF files are validated, the file is sent to production for print, insert, and distribution. Production reports are sent to the State with the number of images, envelopes and on-time performance. The following embedded file Attachment I.A.4. SOMI Reports illustrates the report data that is sent to State and Counties.

HOVS provides the reporting necessary to successfully track and measure the PDF file process. From beginning to end, reports are generated for State and County review. The County Contact list is updated by the State and maintained by HOVS. HOVS uses this list to create banner pages for Judges' Show Cause Notices.

Report Names:
HOVS generates the following reports for each county:
a) Detail Report (File name T##mmddyyyy_24_DETAIL.csv) where ## is the County #, T is the Architecture type, 24 processing time window)
b) Reject Report (File name T##mmddyyyy_24_REJECT.txt)
Summary Report (File name T##mmddyyyy_24_SUMMARY.txt)

6. Problem Investigation and Quality Assurance
If a problem occurs during any aspect of the printing and mailing operation, the contractor will provide prompt identification, diagnosis, and resolution..

a. A problem is defined as any event that could compromise the quality and timeliness of printing and mailing MiCSES documents.
b. Contractor shall track issues and problems. The contractor process shall provide status on all issues including those that are open, closed, and on hold. Examples of problems could include:

	Problem	Comments
	Data file transmission issues.	• Contractor generates an automatic email to MiCSES Help Desk.
	File level validation (i.e., processing) issues.	• Contractor generates an automatic email to MiCSES Help Desk.
	Archive County Detail Reports.	• 3-month retention at central print facility

c. Contractor shall provide a documented and robust process for when contractor internal problems or issues are identified. The process shall include: issue documentation; issue follow-up & resolution; issue reporting; issue escalation; root-cause analysis & determination; and implementation of corrective action for non-recurrence in a timely manner.
d. Problem investigation efforts shall be overseen by independent teams who ensure root cause determination, correction, and permanent solution implementation.

HOV controls are monitored with HOV's IDMF (Integrated Document Manufacturing Facility) workflow process. The IDMF process begins before a file is even sent to us. Upon job set up, the file receipt time is given an expected time range. The time range is input into IDMF for the "expected time to receive a file". IDMF "looks" for the file at the beginning of the time range. If the file is received within the time range, an electronic notice is sent to our Customers to acknowledge file receipt. The "receipt of file" is the first check of many during the IDMF process. The transmission elements of the process facilitate the file receipt and processing of data.

The basic IDMF steps include data validation, householding, and sort/segmentation. Piece level tracking in IDMF allows individual document tracking and production reporting.

The IDMF process provides notification of success and/or failure. IDMF tracks each step until completion. At completion, the step is given a "success" status and moves on to the next step. If not completed successfully, the step is given a "failure" status and automatically halts the process until the failure is acknowledged. The HOVS IDMF process automatically generates email to MiCSES Help Desk for transmission failures and file validation errors.

Operational issues are documented and tracked via HOVS' ReTABS Help Desk Management Tool. ReTABS is used to track communications, issues, and Customer inquiries. The system provides status on all issues including those that are open, closed, and in process. ReTABS logs a number, a call for help on the issue, the date, and the department assigned to work the call. Progress of the issue is also logged in the call.

When issues are identified a help desk call is opened in the ReTABS system. The call is then escalated to the appropriate team and if necessary, on-call staff. Updates are provided every four (4) hours until the problem is resolved. If necessary, a corrective action is issued to document the problem, to conduct a root cause analysis, and to implement corrective action thus preventing re-occurrence. Upon resolution the ReTABS case is updated.

Problems are investigated by the Quality Assurance Team, Production Control, and Account Management.

Issue tracking for Project Management is further communicated with our Customers via an Issue Log, Issue Reporting and Issue Resolution:

Issues Log

Any issues or problems arising during performance of the services will be recorded and tracked by the Project Managers in an issues log, which will be maintained by the Project Team.

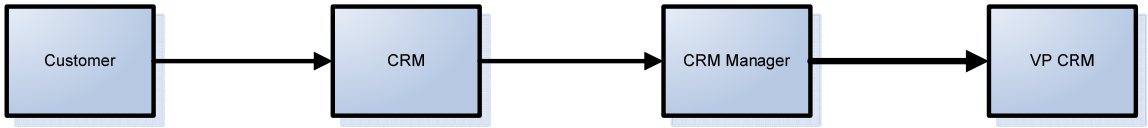
Issue Reporting

Weekly reports will be created showing all outstanding issues organized by severity code. Total counts by severity code and status (open, closed) will be included in this weekly report.

Issue Resolution

The Project Managers will be responsible for resolving all open issues promptly. If they are unable to come to mutual agreement on the resolution of a specific issue within a reasonable period of time, that issue will be handled in accordance with the dispute resolution terms of the Master Agreement.

Issues whether operational or during the project phase, follow three levels of HOV escalation.



First Level of Escalation: Includes any issues that arise from day to day operations, including the following: (i) questions related to business rules and procedures, (ii) quality feedback, (ii) production capacity and (iii) daily deliverables. At this point, the issue has been logged in ReTABS.

Second Level of Escalation: Any issue that could potentially affect compliance with service level requirements and other agreements provided for in the Statement of Work (SOW) as well as any non-resolved issue from the First Level of Escalation.

Third Level of Escalation: Any issues from the first or second level of escalation that is not resolved within a pre-agreed upon timeframe as well as any issue that will require participation of a Senior Executive of HOVS.

7. Special Projects
   a. The contractor shall support special projects including, but not limited to:

      i. Test new templates and add them into production
      ii. Support and implement special high volume mailings (other than identified)
      iii. Respond to ad-hoc information and county requests in a timely manner
      iv. Provide expertise and assistance in appropriate template design for readability, usability, and consideration of mailing formats that could be more cost efficient.
      v. Assist the State in the migration to evolving industry standard practices as requested.

   The State provides as much notice as possible for the volume and timing of new projects.

   b. For certain templates and special mailings, where applicable, the contractor shall recommend for State approval, the use of postcard, pressure seal self-mailers, or other USPS approved mail documents, to achieve cost savings.

Special Projects include activities such as testing new MiCSES documents (adding new templates), ad hoc information requests, high volume mass mailings, or response to County requests. HOVS takes pride in continuous improvement and special project initiatives and as such, we consistently bring new initiatives to MiCSES such as double pressure seal postcards for postage savings, pressure seal mailers for envelope savings, and web site hosting for notices that go to Employers, Lawyers, and Judges.

HOVS is pleased to continue to support special projects. HOVS' success in special projects includes:

1. HOVS provides a testing site for MiCSES to test new templates and add them into production; we also run a test on the templates to accommodate the 2D barcode
2. HOVS has been successful in the support, project management and implement special mailings
3. HOVS is proud to have been an integral part of the Address Workgroup by conducting NCOA research on MiCSES production files. HOVS has proven our response to ad-hoc information in a timely manner
4. Provide a solution to scrape address information for the ability to run addresses through CASS and implement a sort function that will separate foreign vs. domestic mailings thereby decreasing exception mail
5. Continue to assist the State in the migration to industry standard practices such as NCOA and web site hosting

Special Mailing Example - YEARLY ESCHEATMENT (FEN804) PROCESS
DATA TRANSMISSION FROM State Of MI to HOVS:
State Of Michigan is going to send files to HOVS via FTP.

File Names: TMMDDYYYYHHMMSS.tar.gz

Data Process:
This file is going to be processed manually in the test environment. Since it is processed in the test environment, 00 - County (OCS) email along with reports and Central-Print-Daily-Statistics reports are going to be sent manually. After the data process the print segments are spooled to printers.

Printing & Mailing Process:
The print segments are printed as a separate job from the regular production and inserted in the envelopes with the additional insert.

B. Quality Assurance

1. Contractor shall have an effective Quality Assurance process that follows industry accepted guidelines, such as Total Quality Management (TQM), Lean, 6-Sigma, etc. The QA process shall include independently monitored activities to address problem identification, root cause analysis, and solution implementation. Standard Quality Control and reconciliation processes shall include:
    a. Acknowledgement of file receipt, size and or counts immediately upon receipt and validation of file
    b. Operational reconciliation through all stages of file receipt through mailing.
    c. Reconciliation through print, insert, fulfillment and mail
    d. Production Control reconciliation of operational reports for each process
    e. Quality checks of physical piece throughout production
    f. Quality checks of counts throughout production
    g. Quality control of processes throughout production
    h. Random samplings for Quality Assurance of each job
    i. Quality Control process to ensure each job meets or exceeds the SLA

Contractor may use available space on the templates to imprint bar code or other technology to accomplish the above. The contractor shall provide real time reporting and control over the tracking the pieces being processed, including providing the current No-Mail process for shipping and reporting the packages to Counties with the shipment tracking number along and the Form ID, Case#, Sheet Count, Envelope Count

HOVS consistently monitors processes within ISO standards and regulations. HOVS adheres to the Total Quality Management Process (TQM), Lean Sigma, and Six Sigma guidelines. All Managers/Supervisors are trained in Lean Sigma Techniques. HOVS Managers have also been trained in Six Sigma Awareness achieving one Black Belt and two Green Belt statuses. TQM, Lean Sigma, and Six Sigma focuses on improving Customer satisfaction, developing quality strategies, and optimizing processes.

In addition, HOVS is SAS 70 Type 2 certified and compliant with HIPAA, Sarbanes Oxley, and SOX regulations.

HOV controls are monitored with HOV's IDMF (Integrated Document Manufacturing Facility) workflow process. The IDMF process begins before a file is even sent to us. Upon job set up, the file receipt time is given an expected time range. The time range is input into IDMF for the "expected time to receive a file". IDMF "looks" for the file at the beginning of the time range. If the file is received within the time range, an electronic notice is sent to our Customers to acknowledge file receipt. The "receipt of file" is the first check of many during the IDMF process. The transmission elements of the process facilitate the file receipt and processing of data.

The basic IDMF steps include data validation, householding, and sort/segmentation. Piece level tracking in IDMF allows individual document tracking and production reporting.

The IDMF process provides notification of success and/or failure. IDMF tracks each step until completion. At completion, the step is given a "success" status and moves on to the next step. If not completed successfully, the step is given a "failure" status and automatically halts the process until the failure is acknowledged. The HOVS IDMF process automatically generates email to MiCSES Help Desk for transmission failures and file validation errors.

Please see the embedded documents below for our quality process, workflow and narratives. Hard copies can be found under the Attachments tab.

See Attachment 10 (named in the contractor's proposal, 1.104*.A.2 Quality Assurance).*

See Attachment 13 (named in the contractor's proposal 1.104.B. *HOVS Process Reconciliation)*

C. Business Continuity/Facility/Security Requirements

1. The printing and mailing services described in this contract are critical to the ongoing business operations of the Child Support program in Michigan. Contractor is required to have a Business Continuity plan and capabilities to ensure that Contract requirements and SLAs are met. Delays and/or interruptions due to State's document generation processes are exempt from the events covered by the Business Continuity plan.
2. At a time to be mutually agreed upon by the Contractor and the State, at the State's discretion (no more than once annually), an exercise to test the Business Continuity plan may be jointly conducted.
3. Contractor is required to have a Service Organization Control Type 2 (formerly SAS 70) report performed annually by qualified independent audit function in accordance with established audit professional standards. Service Organizations Control (SOC2) report provides assurance on the existence and operations of controls at a service organization relevant to security, availability, processing integrity, confidentiality and privacy. A copy of the report shall be made available to the State Project manager upon request. Costs associated with the report are to be borne by the Contractor.
4. The contractor must maintain a secure facility for receiving and processing files. Files must be stored on secured servers with access controls in place to ensure that files are not accessed by unauthorized individuals. Work in progress must be controlled a by 'chain of custody' documentation process. All waste, errors or re-prints must be securely destroyed after being recorded for audit purposes.

Contractors are required to have sufficient policies and practices to ensure that any conflict-of-interest situations (e.g. staff having a Child Support case) are appropriately monitored. Annual inspections of the contractor's facilities and practices may be required, at the State's discretion, to ensure compliance with the above requirements.

HOVS adheres to security reviews such as SAS 70 annually. The most recent SAS 70 Type 2 review was successfully completed in December 2010.

HOV's Security Policy and Procedures explain most aspects of HOV Services' internal security monitoring programs. To summarize our monitoring program, we comply with the following measures:

1. All centers perform a monthly security self-assessment and present evidence to a Security Team member who scores the survey.
2. Members of the Security Team conduct on-site assessments at our major locations twice annually.
3. External network access points are scanned by a certified security scanner quarterly to maintain compliance with Payment Card Industry certification requirements.
4. As mentioned, SAS-70 audits and independent assessments have been performed annually.

In order to validate the continued level of security of our facilities and systems HOVS conducts external and internal vulnerability assessments. Externally, vulnerability scans are performed on firewalls on a quarterly basis by Ambrion Trustwave. Results must be "clean" in order to maintain PCI compliance. Internally, all domestic devices are scanned and assessed monthly. HOVS maintains a program of assessing, mitigating and reporting results.

Additionally, HOVS performs PCI compliancy self-audits.

Disaster Recovery

The Print/Mail services for this application will be managed at MPC Center located at 38120 Amrhein Road, Livonia, Michigan 48150. The backup site for MPC is our Houston facility located at 11850 Hempstead Highway, Houston, TX 77092. Each center includes Print Operations, Mail Processing and our integrated inventory management process.

Continuity of operations plans for HOVS' print facilities involve diverting workload to a sister print center as the immediate recovery strategy. Should a print center go offline for an extended period, workload will shift to the sister center. The only difference from daily workload balancing operations is (1) additional shifts or staff augmentation may be needed at the sister center and (2) computing operations would cutover to our backup site. The sister center is, therefore, a "hot site" able to come up immediately.

Source HOV's network, data processing and communication backup center is in Antioch CA and contains multiple T3 connections to the public internet as well as connections to SourceHOV's private network. SourceHOV recommends VPN connections over the public internet to both our primary facility in Livonia as well as our communications backup center in Antioch.

SourceHOV will back up all critical data on a daily, weekly and monthly cycle storing information both onsite and offsite. In the event of a declared disaster, SourceHOV will switch affected processes to our backup facility. This backup facility will include hardware platforms, software systems and intellectual assets that will quickly and effectively restore your business process.

An Uninterruptible Power Supply (UPS) System is installed at the both of our primary and backup facilities. The UPS system supplies filtered power to ensure protection against momentary power surges or short term outages of 120 minutes or less. This is imperative to assure against system corruption during unscheduled extended outages.

Additionally, a complete facility generator is onsite at the primary processing facility and the backup data processing center which supplies power to the entire facility. The system is periodically tested to maintain the generator and ensure reliability. In a total power loss, SourceHOV is fully operational under generator power within minutes.

The Business Contingency Plan is also developed and drilled at the print centers to accommodate the scenario exercised as the plan to relocate, re-provision and re-constitute the center that went down at a new location, close to the original site. This is the long term recovery strategy. That recovery will not impact ongoing operations for customer's jobs.

D. Vendor Capabilities & Solutions

1. The vendor shall describe their capabilities to timely respond to changes in requirements or specifications

2. The vendor shall describe their capabilities and approach to provide the following services:
   a. Package Level Reconciliation
   b. Piece Level Tracking
   c. Production Barcoding and planet code
   d. end-to-end Reporting
   e. Clippership Distribution Services
   f. Foreign Mail Sort & fulfillment

SourceHOV's strength is in offering highly-skilled and trained professionals who bring the best technological solutions to the information industry. SourceHOV maintains a core team of developers for project analysis, design, development and implementation as well as software modification and enhancement.

SourceHOV follows an Agile Software Development Methodology which emphasizes Customer collaboration and responding to change. Our Agile Methodology delivers tested software solutions early and continuously through-out the development process by breaking up the development process into smaller components. Functionality is built on top of each deliverable to quickly identify problem areas or refactoring opportunities. This coupled with Customer interaction and participation allows SourceHOV to quickly deliver high quality solutions that can accommodate change even late in the development cycle. The methodology provides flexibility and speed in changes and modifications.

SourceHOV's Agile Methodology quickly identifies schedule and cost concerns so that they can be brought to the attention of the Project Manager and the Client.

SourceHOV IT shall provide the analysis and research necessary to determine a solid, acceptable solution. SourceHOV IT shall provide project planning, testing and dress rehearsal runs prior to implementation. SourceHOV IT shall offer new solutions as they become available.

Capabilities and Approach:

a) <u>Package Level Reconciliation</u>. HOVS generates a segment report with the total count per file plus the banner page count for each county within a file. The report lists the County number, County name, the number of images, and the number of sheets per county. Quality Control and Distribution personnel reconcile the counts on the report for each county with the physical counts in the output. An additional reconciliation step takes place in the match of the total count on the segment report to the total physical count of the output. If there is not a match, the entire job will be held, inspected and resolved by Quality Control.

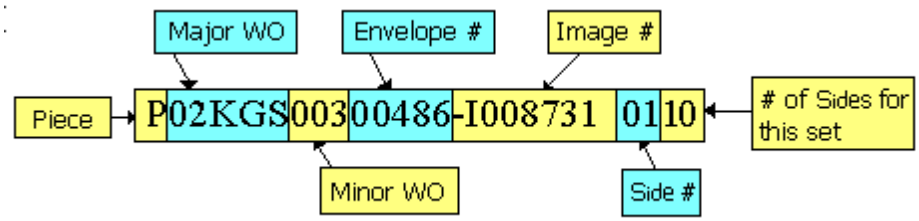
   The sales order illustrates each process step for the "pack" instructions. HOV applies 3 of 9 barcode technology to result in a more dynamic and robust manual fulfillment service. The 3 of 9 barcodes are applied on the header and trailer pages of the packages to ensure the integrity of the package is intact. Operators are halted from mixing addresses together. The barcode technology looks for a first page (header) and last page (trailer) before letting the operator move on.

It is HOV's standard procedure to apply automation for the control of sorting, matching and assembly of documents. When manual fulfillment is the preferred option, HOV applies like quality procedures with barcodes and piece level identifiers visible to the fulfillment staff.

Quality is further defined with manual inspections by both operator and supervisor. Upon completion of the job, the sales order tracker is signed off by both Operator and Supervisor for verification of accuracy and completeness.

b) Piece Level Tracking. Order tracking begins with the sales order and the IDMF workflow process. Upon receipt of the file, a sales order is electronically generated and with that, a unique number is generated for each survey. The unique number is our Piece Level ID which is reconciled and tracked with each step of the production process.

The piece level identifier is above the address and on the bottom of each sheet of the printed documents. It is the first level of inspection for all operators. Below is an example of the piece level identifier and its meaning.



The piece level ID is different for each job, for each day, for each file. If there is a question or jam on a certain piece or range of pieces, reprints are generated with the piece level ID numbers.

c) Production Barcoding and Planet Code.
Along with the packaging barcode, HOVS brought the 2D barcode to the MiCSES documents. HOVS introduced the barcode as a means of operational efficiency. Automated insertion of documents is accomplished by using equipment that performs intelligent inserting using OMR, 3 of 9 and 2D barcode technology. The software provided with the inserters allows HOV Services to accomplish piece level tracking insuring integrity of the mail piece. Barcode technology allows reconciliation of sheet count into an envelope as well as the ability to pull a specific insert for a related statement.

The pre-composition step allows the full circle reconciliation of input to output. During this step, HOV Services counts the number of records/accounts, reconciles the total number against the header/trailer record, and creates the *3 of 9*, OMR or 2D barcode for automated tracking throughout the production process. The barcode is read via camera technology on our insert equipment. The barcode is also tracked with scanning capability in manual fulfillment. In addition, the piece level identifier (previously addressed) allows for visual reconciliation.

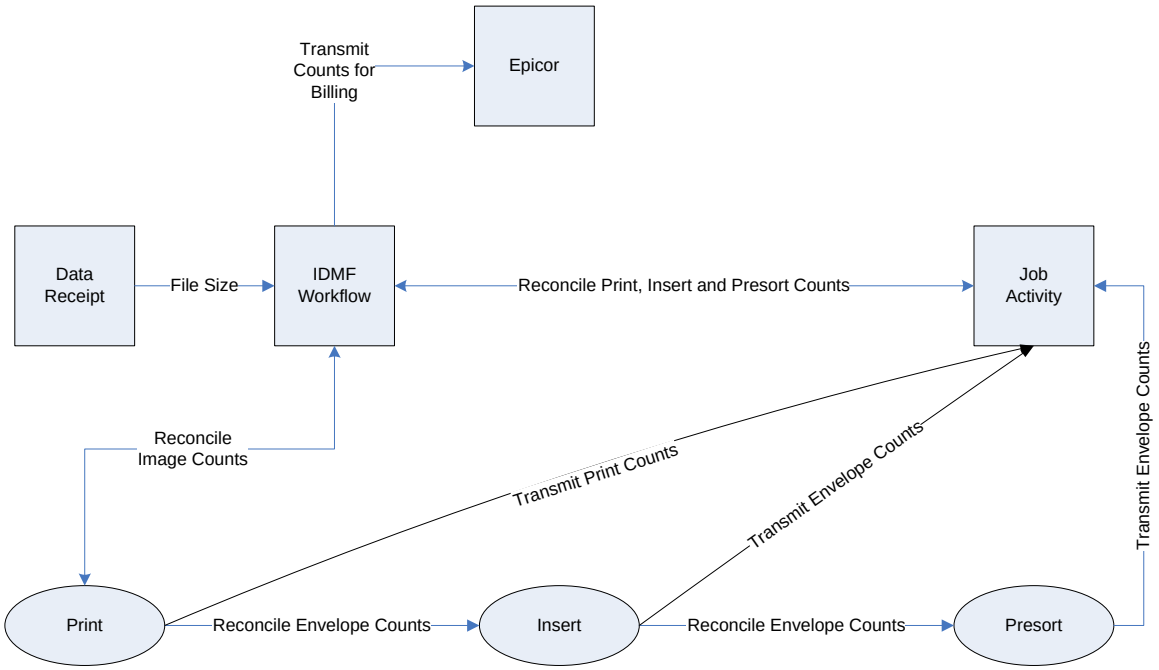
HOV Services can further integrate the USPS Confirm service (Planet Code) with the piece level database event table to track inbound and outbound documents through the mail stream.
The Planet Code barcode is printed directly on the mailpiece and payment coupon. It is now part of the IMB barcode. With Crawford technology, HOVS can now extract address information and place it in the IMB for Planet Code tracking. HOVS can further generate custom reporting with information required from MiCSES. Each time a mailpiece is scanned by mail processing equipment in a USPS facility a scan record is generated. These records are compiled into electronic files and loaded into our Document DNA™ system for viewing by our Customers. Both outbound mail and inbound mail can be tracked for delivery status.

d) <u>End to End Reporting.</u>
End-to-End Reporting is one the enhancements initiated by HOV Services for MiCSES work to provide full reconciliation from one step to another during the HOVS process flow. The reconciliation results are sent to MiCSES on a weekly basis.

HOVS provides the report to illustrate on-time and late files. The SLA is built into the file name indicating a 24-hour (Next Business Day) or 48-hour (Second Business Day) turn-around. On-time is defined as files that were printed, inserted and mailed on-time per the SLA. Late is defined as file output that did not meet the SLA..

HOVS integrated all process and production systems from file receipt through the insertion process into the report. Following is an illustration which depicts the integration of a production order through the HOVS systems:

IDMF Sales Order Integration



e) <u>Clippership Distribution Services</u>.
Clippership is an interface program for all carrier types such as FedEx, UPS, etc. The Clippership process is integrated into IDMF Work Flow to provide an automated solution in generating the shipment labels, and recording the tracking number along with other package details. This information can be used for reporting the statistics of No-Mail packages to Counties/State with tracking number and the details of Form ID, Case#, Sheet Count, Envelope Count.

HOVS provides distribution services via ClipperShip software allowing us access to view all carrier reports, packages, etc. Clippership is an interface program for all different carrier types like FedEx, UPS, etc. The system queries the carriers daily to determine the best and economical way for the required delivery timeframe. ClipperShip allows us to query the carriers daily. ClipperShip also provides a late delivery list, allowing HOVS to be proactive in alerting our Customers and in requesting refunds for late deliveries. The HOVS process households same addresses into one package for postage savings.

HOV applies 3 of 9 barcode technology to result in a more dynamic and robust manual fulfillment service. The 3 of 9 barcodes are applied on the header and trailer pages of the packages to ensure the integrity of the package is intact. Operators are halted from mixing addresses together. The barcode technology looks for a first page (header) and last page (trailer) before letting the operator move on.

f) Foreign Mail Sort & Fulfillment.
Currently, foreign mail is sorted at the time of presort. Foreign mail rejects from presort and is removed and run through mail machines to accommodate foreign postage. HOVS would like to improve this process by using our Crawford Transforms tool to electronically identify extract foreign mailing addresses from domestic addresses. In this way the foreign mail is delivered in the proper postal stream and accurately posted

E. Summary of Proposed Solution

HOVS shall provide:

- **Quality and Accuracy -** HOVS has implemented Total Quality Management, Six Sigma and Lean Six Sigma methodologies throughout our facilities and processes. The HOVS print and mail process is designed around the Integrated Document Manufacturing Facility (IDMF). As a SAS70 Level II certified company, HOVS designed a process which tracks every step in the work flow from file receipt to USPS mail piece acceptance. As a HIPAA and GLB compliant company, HOVS has the security processes and certifications to handle the most sensitive of data
- **File Transfers and Data Security –** HOVS has automated processes in place to receive an unlimited number of files 24 hours per day, 7 days per week. Encrypted files via direct connect, VPN, FTP, Secure-FTP are the most common methods of file transfer.
- **Communication –** The CRM team is dedicated to meet the customers' requirement in terms of quality, timeliness and other deliverables. It is ensured that the necessary expertise to carry out these activities is available in the team. Any issues or problems arising during performance of the services will be recorded and tracked by the CRM in an issues log, which will be maintained by the Project Team. If necessary a corrective action form is generated to document the issue, provide root cause analysis and implement corrective action, containment and a permanent resolution. The CRM ensures escalation procedures are followed and responses are timely and accurate.
- **Turnaround of Mailings** - As a highly regulated industry, HOVS continues to print and mail your files within the 24 and 48 hour file requirements.
- **Security –** HOVS maintains a solid focus on Security measures having met Federally regulated standards for both physical and logical security requirements. HOVS has the controls in place to prevent unauthorized entry into facilities, production areas, and data centers; as well as to provide assurance that logical access to applications and data is restricted to authorized individuals. HOVS maintains security in data, facilities and personnel.
- **Outstanding Customer Service and Support through a dedicated Team** - A Customer Support Team is assigned to the State of MI MiCSES group with a Customer Relationship Manager (CRM), IT Project Manager, and Production Control Coordinator. The CRM is responsible for project and on-going activity including issue containment and resolution, corrective action and escalation. Our Customer support strategy is to ensure high levels of service delivery and a shared strategic vision with our clients.
- **Presort Savings.** HOVS' **in-house presort** operation provides our clients postage savings by co-mingling the mail pieces. HOVS' position as a National Presort house allows us the capability to commingle outbound mail and offer maximum postal discounts. In addition, your critical notices are printed and mailed in a "one stop shop" – no handovers to another service.

POTENTIAL SOLUTION ENHANCEMENTS

HOVS shall provide the following service enhancements (upon State review and approval):

- **Address Hygiene –** As part of our partnership, HOVS was part of a SOMI task group, the Address Work Group, researching the benefits of NCOA for SOMI addresses. With our new composition too, Crawford Transforms SourceHOV was able to extract address information from MiCSES production notices and run the notices through NCOA. NCOA then extracted any piece that would require a new address from. The data regarding the new address was captured, formatted and transmitted using an e-mail process to the State of Michigan. The State could update their address data file with the correct address. This was done as a feasibility study with the NCOA Address Work Group.

- **HOVS Web-portal/DocumentDNA** – Many notices are printed multiple times and are mailed out not only to custodial and non-custodial parents, but also to Judges, Lawyers, and Employers. HOVS introduced a solution by which MiCSES notices would be exported to electronic web hosting for Judges, Lawyers, and Employers to view. SOMI would benefit in postage savings. Security is set at levels so that only the person(s) registered and approved can see their document(s). HOVS' Document DNA offers:
    - ePresentment of Documents for Client Viewing
    - On-line Viewing of the Exact Printed Image
    - Multiple Level Indexing for Search Criteria
    - Select Multiple Documents for a Single View
    - Email, Fax and Local Print Capabilities

  Document DNA™ offers centralized document access for County Staff so that they have a complete picture of all the communications sent to a Customer. Document DNA™ is web based wherein all documents are rendered as PDFs. DNA provides seamless access from multiple locations.

- **Return Mail Processing** – We understand there is much return mail on MiCSES notices. NCOA would manage any available address updates. However, there would still be undeliverable and returned mail. There are two ways to look at Return Mail Processing:

  - ***Pre-processing – which involves address scrubbing and cleansing***

  HOVS' electronic return mail process reduces the number of mis-directed mailpieces. Prior to printing, addresses are scrubbed and a proper address format is identified. Mailpieces can be redirected to the proper address and an electronic file will be sent back to SOMI so that your database can be updated.

  - ***Post-processing – which is mail returned from the USPS as non-deliverable***

  HOVS' Return Mail Process automates the traditional manual process for return mail. Mail is returned to an HOVS PO Box and scanned in our facilities. Address files are passed through the USPS NCOA and ACS databases and new addresses are appended in the file. We can also run bad addresses through a database of current as well as historic records to look for new addresses. Mail will be scanned with:

  - Returned mail will have the customer number captured
  - Address updates will have the customer number and new address captured.
  - Nonconforming mail will be scanned and the images will be sent to SOMI
  - Electronic Return Mail Update Records will be formatted to customer specifications.
  - Electronic Return Mail Update Records will be FTP'd to customer daily.
  - Any non-conforming mail received will be shipped directly to SOMI
  - All mail will be processed the same day received

- **USPS Confirm Process** – Outbound and inbound mailpiece tracking can be supported through the USPS Confirm (Planet Code/IMB) service. The Planet Code barcode is printed directly on the mailpiece. Each time a mailpiece is scanned by mail processing equipment in a USPS facility a scan record is generated. These records are compiled into electronic files and can be loaded into our Document DNA™ system for viewing by the Counties. Outbound mail tracking allows SOMI to know when a mailpiece has been delivered.

1.200 Roles and Responsibilities

1.201 Contractor Staff, Roles, And Responsibilities

A. Contractor Staff

The Contractor has not used subcontractors for any services.

The Contractor has identified a Single Point of Contact (SPOC). **The SPOC is Deborah Guskovict.** The duties of the SPOC shall include, but not be limited to:

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

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

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

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

Following are required, suggested, and recommended Vendor roles and responsibilities that are likely to be necessary for this implementation. Depending on the solution(s) proposed, some roles may or may not be required or additional roles identified.

Project Manager – This key staff person will be accountable for overall service delivery, communication, and responsible for at a minimum

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

The Project Manager shall possess a minimum of three to five years project management experience, including management of a high-volume printing and mailing operation.

The Project Manager is Karen Burke.

Quality Analyst – This key staff person will be responsible for all forms of testing, sampling, and validating the printing and mailing operation, inclusive of all file transmissions and systems integration. Three years experience in systems quality assurance with at least one engagement involving the operation of a high-volume printing and mailing operation. (Required)

The Quality Analyst is Judy Diener.

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

B. On Site Work Requirements

1. Location of Work

The work is to be performed, completed, and managed at the Vendor's facility. The State will not provide resources for the Vendor's use on this project, such as:

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

2. Hours of Operation:

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

3. Travel:

a. No travel or expenses will be reimbursed. This includes travel costs related to training provided to the State by Contractor.
b. Travel time will not be reimbursed.

4. Additional Security and Background Check Requirements:

Vendor's staff must pass a security clearance check (minimally ICHAT or equivalent) conducted in accordance with an established vendor policy. . Contractor must, at the start of the contract, as well as annually provide an acknowledgement of compliance with the policy. In addition, all Vendor staff assigned to the MiCSES printing and mailing operation must sign the security and confidentiality forms included in Attachment 6.

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

Each HOVS employee who is assigned to the MiCSES print and mail work signed the forms applicable to that employee.

All HOVS employees are background checked prior to hire. This includes a screen against Michigan criminal history. The policy is contained in the Attachment *1.201.B.4 HSP 2.04 New Hires* embedded below. All operators have cleared by a US Government National Agency Check - Industrial (NACI) which includes a fingerprint screen.

1.202 State Staff, Roles, And Responsibilities

Following are the State staff roles and responsibilities which will be assigned to the named individuals or their designees.

Pratin Trivedi, State of Michigan, DHS, Office of Child Support, will function as the MiCSES Printing and Mailing Services Project Coordinator and primary point of contact with the Vendor for overall planning and contractual compliance issues.

Tina Symington, State of Michigan, Department of Technology, Management, and Budget, will function as the escalation point for day-to-day operational, planning, and implementation tasks, deliverable approval, and invoice review and approval.

Kelly Morse, State of Michigan, Department of Human Services, Office of Child Support, will function as the Printing and Mailing Services functional owner for all business requirements, will review appropriate deliverables, and provide client acceptance sign-off for the project review report and other functional deliverables.

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

Name	Agency/Division	Title
Pratin Trivedi	DHS	DHS/OCS
Tina Symington	MDTMB	State Administrative Manager
Kelly Morse	DHS	DHS-OCS Policy Manager

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

Name	Agency/Division	Title
Mark Lawrence	MDTMB	Contract Administrator

1.203 Other Roles And Responsibilities

Elaine Brandon, State of Michigan, Department of Technology, Management and Budget, Office of Enterprise Security is the security manager responsible for State of Michigan network security and will function as the liaison between the MiCSES Project and the DTMB Office of Enterprise Security. The proposed Printing and Mailing services operation will be reviewed by the Security Manager for compliance prior to implementation

Gail Seaton MiCSES Document Generation Analyst (Contractual), functions as the State's on-site Printing and Mailing services technical expert and the primary contact for day-to-day activities. She provides support for the MiCSES document generation processes and acts as liaison between MiCSES and the Vendor.

MiCSES Project Control Office (Contractual) provides project management and schedule control functions for the MiCSES project. The MiCSES PCO will assign a position to function as the project and schedule control liaison between the Vendor's Project Manager, the MiCSES Printing and Mailing Services Project Manager and the MiCSES PCO. Appropriate selected project milestones from the project plan will be identified for incorporation into the overall MiCSES Project Plan and Schedule for purposes of ensuring coordination and escalation of issues and status (scorecard) reporting to the MiCSES Leadership Team.

1.300 Project Plan

1.301 Project Plan Management

Preliminary Project Plan

Contractor has provided a Preliminary Project Plan. See Attachment 14.

1. In particular, the Preliminary Project Plan includes a MS Project plan or equivalent (check the SUITE/PMM standard):
    a. A description of the transition activities and deliverables to be provided under this contract.
    b. Target dates and critical paths for the activities and deliverables.

c. Identification of roles and responsibilities, including the organization responsible. Contractor is to provide a roles and responsibility matrix.
d. The labor, hardware, materials and supplies required to be provided by the State in meeting the target dates established in the Preliminary Project Plan.
e. Internal milestones
f. Task durations

2. The Preliminary Project Plan includes the following deliverable/milestones for which payment shall be made.
   a. Payment to the Contractor will be made upon the completion and acceptance of the deliverable or milestone, not to exceed contractual costs of the phase. A milestone is defined as complete when all of the deliverables within the milestone have been completed.
   b. Failure to provide deliverable/milestone by the identified date may be subject to liquidated damages as identified in Article 2.

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

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

Project Control
1. The Contractor shall carry out this project under the direction and control of MDTMB Project Manager.
2. Within five (5) working days of the execution of the Contract, the Contractor shall submit to the State project manager(s) for final approval of the project plan. This project plan must be in agreement with Article 1, Section 1.104 Work and Deliverables, and must include the following:

   The Contractor shall manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at http://www.michigan.gov/suite
   a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:
      - Staffing tables with names and titles of personnel assigned to Contract tasks.
      - Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next (# of) calendar days, updated semi-monthly).
      - Updates must include actual time spent on each task and a revised estimate to complete.
      - Graphs showing critical events, dependencies and decision points during the course of the Contract.
   b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

Project Management
The Project Office at HOV will create a project plan that is complete with all the necessary tasks required. This plan will be updated as the tasks are completed and project status reported on a weekly basis. Customers receive regular communications on the project status and will be apprised of any issues as or before they arise.

If issues arise during implementation, HOV will seek quick resolution in tandem with the Customer. Mutually, we will determine a solution and quickly return the project to "on-track" status. These issues are identified in advance where possible and are an integral part of the weekly status report. The status report includes, but is not limited to the following categories of reporting:

- Percentage of total project complete
- Total Milestones
- Completed Milestones
- Late Milestones

The Project Office at HOV understands the impact that issues can create to a smooth flowing implementation, and as a result, will spend a significant amount of time determining the tasks required for implementation and providing a reasonable duration for their completion. Both HOV and our Customer will agree upon the plan and all of its components before the official kick-off of the implementation activities.

Project Organization Structure

While the plan will contain tasks related to specific areas of expertise, the implementation itself will be divided into three sections or phases:

- Planning and Implementation
- Processing Ramp-Up
- Steady State

Each phase and associated activities are described below. The HOV Project Manager will work closely with the Customer Project Manager to further define these phases and determine the critical success factors. In addition, "Measurement Tools of Success" will be created to determine the overall effectiveness of our implementation and the on-going health of our business relationship. These tools will be used to offer consistent and timely measurements of our partnership agreement.

Planning and Implementation

The following planning items identify specific high-level tasks that will occur during the initial phase of the implementation.

Planning

- Complete detailed project plan
- On-Site meetings with the Customer
- Knowledge transfer of Customer procedures and rules
- Technical meetings/system specification walk-through
- Definition of software interface links
- Development/sign-off of a detailed project plan
- Quality definition/reporting format
- Communication planning and engineering
- Facility preparation and visitation
- Create a volume ramp schedule
- Plan for and coordinate end to end test

Implementation

- Determine workflow
- Report definition and creation
- Test and full-production
- Purchase and staging of materials
- Installation and testing of communications link(s)
- Production Control training

Phase 2 — Processing Ramp-Up
HOV and Customer will mutually agree on a volume ramp-up schedule. HOV will create a ramp plan and follow a production schedule that meets the processing requirements and expectations of Customer.

Phase 3 — Steady State
The purpose of the Steady State phase is to monitor our on-going production. During the first two weeks of implementation, HOV suggests that a conference call take place between our companies on a daily or weekly basis. Close communication will allow us to work together and resolve any issues immediately.. There will be a special team dedicated to the each Customer implementation and operation. The management team will be made up of experienced and qualified staff.

See Attachment 14 (named in the vendor's proposal, 1.3.01.Document PDF_ProjectPlan.mpp)

1.302 Reports
Reporting formats must be submitted to the State's Program Manager for approval within ten (10) business days after the effective date of the contract resulting from this contract. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the contract.

Reports to be furnished by the Vendor include:

- County Detail
- County Summary/Accounting
- County Reject
- Statewide Consolidated Reject
- Weekly Production and Unmailable documents Statistics
- Weekly Defective Mail report

Content of each report and method of distribution are described in Section 1.104 of this contract.

The report formats may need to change in response to business and legal requirements.

1.400 Project Management
1.401 Issue Management
An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget.

The Contractor shall maintain an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the 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) HOVS maintains an issue log during the project phase. Issue tracking for Project Management is further communicated with our Customers via an Issue Log, Issue Reporting and Issue Resolution:

Issues Log

Any issues or problems arising during performance of the services will be recorded and tracked by the Project Managers in an issues log, which will be maintained by the Project Team.

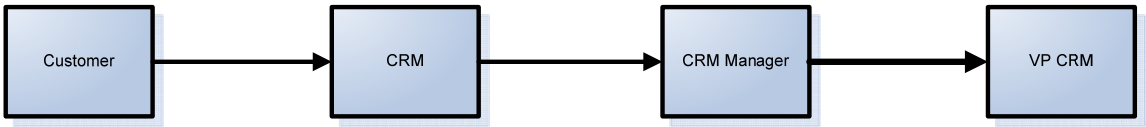
Issue Reporting

Weekly reports will be created showing all outstanding issues organized by severity code. Total counts by severity code and status (open, closed) will be included in this weekly report.

Issue Resolution

The Project Managers will be responsible for resolving all open issues promptly. If they are unable to come to mutual agreement on the resolution of a specific issue within a reasonable period of time, that issue will be handled in accordance with the dispute resolution terms of the Master Agreement.

Issues whether operational or during the project phase, follow three levels of HOV escalation.



First Level of Escalation: Includes any issues that arise from day to day operations, including the following: (i) questions related to business rules and procedures, (ii) quality feedback, (ii) production capacity and (iii) daily deliverables. At this point, the issue has been logged in EFront Office.

Second Level of Escalation: Any issue that could potentially affect compliance with service level requirements and other agreements provided for in the Statement of Work (SOW) as well as any non-resolved issue from the First Level of Escalation.

Third Level of Escalation: Any issues from the first or second level of escalation that is not resolved within a pre-agreed upon timeframe as well as any issue that will require participation of a Senior Executive of HOVS.

Issues are documented and logged in HOVS' RETABS help desk tool.

1.402 Risk Management

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

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

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

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

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

The Contractor's Project Manager will document any timeline risks or obstacles that could delay a project implementation. The Project Manager also provides the assumptions which are used as the underlying factors for project timeliness and success.

The initial activity in the production phase is the creation of the project management plan that describes the quality objectives, the project deliverables, project schedules, resource requirements, training schedules, risk assessment, risk mitigation plans and individual responsibilities towards meeting the project targets and deliverables.

1.403 Change Management

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

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

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

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

Every change control is managed through its own lifecycle and HOV Services takes utmost care in ensuring that we deliver the change/update within the stipulated time.

The overall purpose of Change Control is to ensure the project provides the intended benefit despite unanticipated circumstances. The scope of this project is limited to the specifications and procedures detailed in this contract. Once the Customer signs off on the Conversion Pilot, the full conversion parameters are deemed to be finalized. Any changes desired by the Customer or HOV Services to procedures, schedules, indexing, and/or formatting constitutes a change to the scope of the project.

Change requests are submitted in writing to both the Customer Project Manager and HOV Services' Project Manager who will jointly determine if requested change is to be approved as requested, approved with modification, or denied.

Change Control is managed via HOVS' ReTABS for all changes. The ReTABS system logs a number, a call for the revision, the date and the assigned department. Progress of the change is further logged in the call.

In HOV's production environment, we provide Development, Stage and Production environments as part of our Integrated Document Manufacturing Facility. Package files, engines and reference files are managed through our configuration management and the change control process.

1.500 Acceptance

1.501 Criteria

All deliverables must be completed and delivered for State review and written approval. The acceptance process is outlined in the Terms and Conditions, Sections 2.251 through 2.256.

1.502 Final Acceptance

Final acceptance is expressly conditioned upon completion of all deliverables, completion of all tasks in the project plan as approved, completion of all applicable inspection and/or testing procedures, and the certification by the State that the Vendor has met the defined requirements.

1.600 Compensation and Payment

1.601 Compensation And Payment

Method of Payment

The project will be based on a firm, fixed-price basis. Attachment 8, Costs Table(s), must be used as the format for submitting pricing information.

For Attachment 8, Table 1,Project Transition and Implementation Costs, there are no costs.

For Attachment 8, Table 2, On-going Operations:

- For each monthly invoice, apply the unit costs in Tier 2
- For the USPS Postage cost, As a workshare partner with the USPS, HOVS offers commingling services that result in presort discounts. HOVS will guarantee a blended rate by affixing the USPS 5-digit postage rate plus $0.0125 per envelope to ensure the lowest possible postage costs available. For that mail that meets the 5-digit requirements, the $0.0125 per envelope cost will not be applied. HOV will apply the 5-digit rates for mail qualifying for the lowest discount rate. For the other mail HOV will not charge more than the 5-digit plus $0.0125 per envelope.
- For the Overnight Courier Delivery, HOVS expects to realize economies of scale in reducing customer delivery costs, and will pass these same savings to MiCSES. HOVS integrates distribution services via ClipperShip software allowing their customers access to carrier reports, packages, etc. Clippership is an interface program for all different carrier types like DHL, FedEx, UPS, etc. The system queries the carriers daily to determine the best and most economical way to meet the required delivery timeframe.
- At the end of a year, if an adjustment is necessary due to a different tier than tier 2 rate applied, then the adjustment will be applied in the next monthly invoice.
- Costs incurred in a month may be invoiced after the end of the month.

For Attachment 8, Table 3, Special Projects, there are no costs for the hours shown. As the hours are used by HOV staff, those will be shown on the monthly invoice. If additional hours are needed, over what is shown in Table 3, then the hourly rate will be negotiated and a contract amendment requested.

Travel

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

Out-of-Pocket Expenses

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

In the event travel is required, all travel reimbursement will be paid according to the State of Michigan's Standardized Travel Rates and Regulations. This information may be found at: http://www.michigan.gov/dmb/0,1607,7-150-9141_13132---,00.html

All air, car and hotel reservations must be made through the State Contract with Passageways Travel at (517) 333-5880 or (800) 915-8729. All original receipts must be included with your travel voucher and invoices, which must include the purchase order number. Failure to follow this policy will result in reduced reimbursement.

If Contractor reduces its prices for any of the software or services during the term of this Contract, the State shall have the immediate benefit of such lower prices for new purchases. Contractor shall send notice to the State's MDTMB Contract Administrator with the reduced prices within fifteen (15) Business Days [or other appropriate time period] of the reduction taking effect.

Statements of Work and Issuance of Purchase Orders

Unless otherwise agreed by the parties, each Statement of Work will include:

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

The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in 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

DTMB – Financial Services
Accounts Payable
P.O. Box 30026
Lansing, MI 48909
or
DTMB-Accounts-Payable@michigan.gov

. Invoices must provide and itemize, as applicable:

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

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

1.602 Holdback
Reserved.

1.7 Additional Terms and Conditions Specific to this SOW

1.701 ADDITIONAL TERMS AND CONDITIONS SPECIFIC TO THIS SOW

A. Directives
All staff involved in the handling of MiCSES documents and in the delivery of printing and mailing services must comply with the privacy and security requirements of the DHS Office of Child Support and the Michigan Department of Technology, Management and Budget. See Attachment 6 for a description of these requirements as well as security forms that must be signed by Vendor staff.

The following Federal directives apply to the Contract:
Use and Ownership of Information and Documentation

1. Reproduction of Documentation. All non-copyrighted documentation and printed materials provided by the Vendor to the State may be reproduced by the State, provided that such reproduction is made solely for the internal use of employees of the State or contracted resources of the State engaged in State business and further provided that no charge is made to anyone for such reproduction. If there is a requirement to copy portions of copyrighted material, Vendor will seek permission from the copyright source at the request of the State.

2. Ownership of Materials
   a. The State has the right to all working papers, reports, charts, programs, and other material developed for the project by the Vendor during the course of the project.
   b. All property rights, including publication rights in the interim, draft, and final reports and other documentation produced by the Vendor in connection with the work provided for under this contract, shall rest with the United States Department of Health and Human Services and the State.
   c. In connection with software and associated documentation specifically developed for the State under this Contract the State shall have all ownership rights in such software and documentation that is designed, developed, or installed with Federal financial participation under 45 CFR Section 95.617. In accordance with 45 CFR 95.617(b) the United States Department of Health and Human Services "reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal Government purposes, such software, modifications, and documentation".
   d. All property rights for materials created specifically for the State during the project, including publication rights in the interim, draft, and final reports and other documentation produced by the Vendor in connection with the work provided under this Contract, shall rest with the United States Department of Health and Human Services and the State.
   e. The Vendor shall not publish or release any of the results of the work or any information whatsoever which pertains to work or activities covered by the contract without prior written permission of the State. No reports, forms, or other documents produced in whole, or in part, under this contract shall be the subject of any application for copyright by or in behalf of, the Vendor or any of its employees.
   f. The Vendor may not publish or copyright any data specifically developed for the State under this Contract without prior approval, unless otherwise stated herein. The State and the Federal Government shall have the right to publish, duplicate, use, and disclose all such data in any manner, and for any purpose whatsoever, and may authorize others to do so.
   g. “Data” shall mean all results, technical information and materials developed and/or obtained in the performance of the services hereunder including but not limited to, all reports, surveys, plans, charts, recordings (video and/or sound), pictures, drawings, analyses, source, and object code, graphic representations, computer programs and printouts, notes and memoranda, and documents whether finished or unfinished, which results from or are prepared in connection with the services performed hereunder. “Data” shall not include Vendor’s proprietary or confidential data or any pre-existing materials.

h. Either party in any way they deem appropriate may use any ideas, concepts, know-how or techniques related to the subject matter of this agreement and/or developed or provided by either party or jointly developed by both parties during the course of this contract.
i. Notwithstanding the above and in accordance with Federal requirements, the State agrees that the Vendor will retain all ownership interests or rights to the Vendor's materials which were or are proprietary prior to the commencement of work under this contract, so long as the Vendor notifies the State in writing of the specific materials, methodologies, software productivity tools, or concepts to which the Vendor attaches a proprietary interest. The State may require evidence of such proprietary interest.
j. The Vendor represents, assures and warrants that the Vendor either owns or has the right to grant the State usage rights to the software covered herein or accompanying the product to be delivered herein

3. Nondisclosure. Due to the sensitive nature of some of the data that will be provided to the Vendor, Vendor understands that from time to time during its performance for the State that the Vendor may be required to work with information, data, and concepts that are of a confidential or sensitive nature. Vendor expressly agrees that it shall maintain this data in confidence and that Vendor shall not use this data for any purpose other than its performance for the State under this contract. The Vendor further agrees to have any of its employees, agents, or representatives who may be required to work with such data in the performance of the Vendor's work for the State to individually comply with the confidentiality standards, including any personal screening of its personnel by the State for security purposes.
4. Document Inspection and Retention
   a. The United States Department of Health and Human Services, and the State, through any authorized representative(s), have the right at all times to inspect or otherwise evaluate the work performed or being performed under this contract and the premises in which it is being performed. If any inspection or evaluation is made on the premises of the Vendor, or sub Vendor, the Vendor shall provide and shall require its sub Vendors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All such inspections and evaluations shall be performed in such a manner as to not unduly delay the work.
   b. The Vendor shall assure that all Vendor and sub Vendor books, documents, papers, accounting records, or other evidence pertaining to costs incurred under this contract will be maintained for a period of at least three (3) years after the final payment under this contract and that the Division of Family & Children, the Indiana State Board of Accounts, the United States Department of Health and Human Services, and the Comptroller General of the United States or any of their duly authorized representatives shall have access to any such books for the purpose of making audits, examinations, excerpts, and transcripts for no less than three (3) years after the date of final payment under this contract or a resolution of audit findings, whichever is later.
   c. Such books, documents, papers, accounting records or other evidence shall consist of service activity reports, Vendor activity reports, time sheets, travel expense reports, copies of Vendor invoices, and other documents directly related to this Contract whether they are on paper or machine readable media.
5. Ownership of System
   a. The U.S. Department of Health and Human Services and the Michigan Department of Technology, Management and Budget shall have royalty-free, non-exclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to do so, all application software including but not limited to all source and object code, instructions, files, and documentation comprising the MiCSES which is required by this Contract. The Vendor claims no proprietary rights to the application software, files, data bases, or other components of the application developed or modified specifically for the State under this Contract, except that the Vendor shall have an irrevocable non-exclusive license to use, execute, reproduce, display, prepare derivative works based upon, copy and distribute internally and externally, such software and documentation.
   b. The provisions of this section shall be incorporated in any subcontract that relates to the subject matter of this article.

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 in November, 2011 through November, 2016. All outstanding Purchase Orders must also expire upon the termination for any of the reasons listed in **Section 2.150** of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, shall remain in effect for the balance of the fiscal year for which they were issued.

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

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

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

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

2.005 Ordering
The State must issue an approved written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order to order any 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. 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:

Mark Lawrence, Buyer
Purchasing Operations
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
LawrenceM1@michigan.gov
517 241-1640

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:

Mark Lawrence, Buyer
DTMB - Purchasing Operations
530 W. Allegan Street
2nd Floor, Mason Building
Lansing, MI
US Mail Zip = 48909 / Fed Ex/UPS/etc. Zip = 48933

ph: 517 241-1640
fax: 517 335-0046
LawrenceM1@michigan.gov

2.023 Project Manager
The following individual will oversee the project:
Pratin R. Trivedi, Client Service Director
DTMB, MI Child Support Enforcement System
12th floor, Romney Building
Lansing, Mi., 48909
517.373.6940
517.241.9637 (vm)
trivedip@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, estimated hours for each individual per task, and a complete and detailed cost justification.

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

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

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

(1) Change Request at State Request
If the State requires Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").
(2) Contractor Recommendation for Change Requests:
Contractor shall be entitled to propose a Change to the State, on its own initiative, should Contractor believe the proposed Change would benefit the Contract.
(3) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal shall include any associated changes in the technical specifications, Contract

schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

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

(5) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Technology, Management and Budget, 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: Mark Lawrence
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor:
SourceHOV
Attention: John DeMartino, SVP Business Development
38120 Amrhein
Livonia, Mi. 48150

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.

(d1) All invoices should reflect actual work done. Specific details of invoices and payments shall be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity shall occur only upon the specific written direction from Purchasing Operations.

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

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

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

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

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

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

2.050 Taxes

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

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

2.060 Contract Management

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

2.062 Contractor Key Personnel

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

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

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

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

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

2.063 Re-assignment of Personnel at the State's Request

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

2.064 Contractor Personnel Location

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

2.065 Contractor Identification

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

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

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

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

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

2.070 Subcontracting by Contractor

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

2.072 State Consent to delegation
Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Technology, Management and Budget, 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 five (5) 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

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

☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars ($10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

☐ 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars ($3,000,000.00) each occurrence and three million dollars ($3,000,000.00) annual aggregate.

☐ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

2.132 Subcontractor Insurance Coverage

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

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to 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 sixty (90) days. These efforts must include, but are not limited to, those listed in **Section 2.150.**

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

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

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

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

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

2.180 Stop Work

2.181 Stop Work Orders

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

2.182 Cancellation or Expiration of Stop Work Order

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

2.183 Allowance of Contractor Costs

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

2.190 Dispute Resolution

2.191 In General

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

2.192 Informal Dispute Resolution

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

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

(2) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract shall be honored in order that each of the parties may be fully advised of the other's position.
(3) The specific format for the discussions shall be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
(4) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DTMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.
(b) This Section shall not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.193.
(c) The State shall not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

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

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

2.200 Federal and State Contract Requirements

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

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

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

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

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

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

2.210 Governing Law

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

2.212 Compliance with Laws
Contractor shall comply with all applicable state, federal and local laws and ordinances in providing the 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

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

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

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

2.244 Excusable Failure

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

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

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

Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

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

2.250 Approval of Deliverables

2.251 Delivery of Deliverables

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

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

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

2.252 Contractor System Testing

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

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

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

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

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

2.253 Approval of Deliverables, In General

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

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

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

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

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

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

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

2.254 Process for Approval of Written Deliverables

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

2.255 Process for Approval of Custom Software Deliverables

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

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

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

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

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

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

2.260 Ownership

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

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

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

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

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

2.270 State Standards

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

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

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

2.280 Extended Purchasing

2.281 MiDEAL (Michigan Delivery Extended Agreements Locally
Public Act 431 of 1984 permits MDTMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: www.michigan.gov/buymichiganfirst. Unless otherwise stated, the Contractor must ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and equipment to these local governmental agencies at the established State of Michigan contract prices and terms to the extent applicable and where available. The Contractor must send its invoices to, and pay the local unit of government, on a direct and individual basis.

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

Please Visit Mi DEAL at www.michigan.gov/buymichiganfirst under MiDeal.

Estimated requirements for authorized local units of government are not included in the quantities shown in this RFP.

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

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

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

2.290 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

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

2.302 Hardware

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

2.310 Software Warranties

2.311 Performance Warranty

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

2.312 No Surreptitious Code Warranty

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

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

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

obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

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

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

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

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

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

2.320 Software Licensing

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

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

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

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

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

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

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

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

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

2.330 Source Code Escrow

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

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

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

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

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

2.336 Release Events
The Source Code Escrow Package may be released from escrow to the State, temporarily or permanently, upon the occurrence of one or more of the following:
(a) The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;
(b) The Contractor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Contractor to fail to meet its warranties and maintenance obligations in the foreseeable future;
(c) The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.

2.337 Release Event Procedures
If the State desires to obtain the Source Code Escrow Package from the Escrow Agent upon the occurrence of an Event in this **Section**, then:
(a) The State shall comply with all procedures in the Escrow Contract;
(b) The State shall maintain all materials and information comprising the Source Code Escrow Package in confidence in accordance with this Contract;
(c) If the release is a temporary one, then the State shall promptly return all released materials to Contractor when the circumstances leading to the release are no longer in effect.

2.338 License
Upon release from the Escrow Agent pursuant to an event described in this **Section**, the Contractor automatically grants the State a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support, update, have made, and create Derivative Works. Further, the State shall have the right to use the Source Code Escrow Package in order to maintain and support the Licensed Software so that it can be used by the State as set forth in this Contract.
2.339 Derivative Works
Any Derivative Works to the source code released from escrow that are made by or on behalf of the State shall be the sole property of the State. The State acknowledges that its ownership rights are limited solely to the Derivative Works and do not include any ownership rights in the underlying source code.

Glossary

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

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

Attachment 1 File Naming Conventions
Attachment 2 File Layout
Attachment 3a Envelope Specification
Attachment 3b Envelope Specification

Attachment 4 Template Frequency and Volumes

Attachment 5 Counts by Template for 2010

Attachment 6 Security and Disclosure Forms

Attachment 7 Resume Templates

Attachment 8 Cost Tables

Attachment 9 CRM Project Management

Attachment 10 HOV Quality Assurance

Attachment 11 Statement of Work

Attachment 12 Reserved

Attachment 13 HOVS Process Capabilities and Validation

Attachment 14 Preliminary Project Plan

MiCSES Print & Mail
ATTACHMENT 1
FILE NAMING CONVENTIONS

Files Sent from MiCSES/SOMI to Central Print Facility

48 Hours Files

File Name: TMMDDYYYYHHMMSS_48.tar (48 Hrs File)

24 Hours Files

File Name: TMMDDYYYYHHMMSS_24.tar (24 Hrs File)

TAR Files & Data File Naming Convention:

1. If the final TMMDDYYYYHHMMSS_48.tar file is uncompressed then following files are found.

   TMMDDYYYYHHMMSS_48.tar

   County Tar files: ##mmddyyyyhhmmss_48.tar (## is the County #)

   If the County TAR file is uncompressed then following files are found.

   ##mmddyyyyhhmmss_48.tar

   PDF Tar File: ##mmddyyyyhhmmss_PDF.tar
   Data File : ##mmddyyyyhhmmss.txt

2. If the final TMMDDYYYY_24.tar TAR file is uncompressed then following files are found.

   TMMDDYYYYHHMMSS_24.tar

   County Tar files : ##mmddyyyyhhmmss_24.tar (## is the County #)

   If the County TAR file is uncompressed then following files are found.

   ##mmddyyyyhhmmss_24.tar

   PDF Tar File : ##mmddyyyyhhmmss_PDF.tar
   Data File : ##mmddyyyyhhmmss.txt

Revised: 05/17/2011

MiCSES Print & Mail
ATTACHMENT 1
FILE NAMING CONVENTIONS

PDF FILE NAMING CONVENTION:

- The total file size is 36 characters excluding the ".PDF" extension.
- The following table breaks down how the file name is constructed.

Characters	Description
1-2	The first **two** characters are reserved for the Michigan County that generates this document.
3	The next **one** character is reserved for the Child Support Agency that requested this document.
4-12	The next **nine** characters are reserved for the MiCSES FGFH_ID value associated with the Form that is generated.
13-22	The next **ten** characters are reserved for the IVD Case value in the Forms History table; i.e., id_docket from the MiCSES VSORD table. This is the IVD Case Number (e.g., *"914007885"*) preceded by a "0" to create a total of 10 digits or for enforcement (ENF) it would be the 10-digit court case number; (id_docket value of "2010999999").
23-24	The next **two** characters are reserved for the turn-around time. Valid values include '24', '48', or '99'.
25-27	The next **three** characters are reserved for the name of the template Category for e.g. RNM.
28-35	The next **eight** characters are reserved for the template_idn value from the fg_forms_history table. Underscore characters (__) are appended by MiCSES to create a maximum of eight characters when required; e.g., 'FEN14L__'.
36	The next **one** character is to indicate a break in PDF documents grouped together and this will always be a '1'.

The filename for a specific document for the IVD Case will be as follows:

1-2	3	4-12	13-22	23-24	25-27	28-35	36	Extension
82	F	000044444	0914007885	48	IWN	FEN058__	1	.PDF

The following is the name of the document which will be printed in the above example:
82F000044444091400788548IWNFEN058__1.PDF

The cover letter and document are all in one PDF, hence no additional indicators/processing for cover letter are necessary.

Revised: 05/17/2011

MiCSES Print & Mail
ATTACHMENT 1
FILE NAMING CONVENTIONS

NO-MAIL Process

When the character positions 23 through 24 contain a value of "99" or "24", the PDF files will be processed as No-Mail documents and separate print segments will be created. The print segments will include banner pages containing the county name and address information based on the County Code contained in the TAR file name. County names and addresses are provided by MiCSES. These documents will be shipped to the appropriate counties.

Data File

A data file accompanies each PDF TAR file. The data file record layout is listed below:

Characters	Description
1-20	PDF TAR file name
21-40	TAR file size
41-60	number of PDF files
61-75	number of envelopes
76 – 90	date (yyyymmdd)
91 – 105	HHMMSS

The PDF and envelope counts are used for reconciliation purposes at each county level.

Acknowledgement File

The data file record layout is listed below.

Characters	Description
1-50	Name of file received from MiCSES.
51-52	Month file was received (mm).
53-54	Day file was received (dd).
55-58	Year file was received (yy).
59-60	Hour file was received (hh).
61-62	Minute file was received (mm).
63-64	Second file was received (ss).

Revised: 05/17/2011

MiCSES Print & Mail
ATTACHMENT 2
AUTOMATIC DAILY NOTIFICATION

Sample Text File

T24 Hrs, 10182010,064134,02,Alger,FEN14L,2,0,2
*** End of File ***

The data fields and comma delimited values are as follows:

File Type, TAR File Date, TARE File Time Stamp, County #, County Name, Form ID, Central Print Facility Received PDF Count, Central Print Facility Data Process PDF Reject Count, Central Print Facility PDF Printed Count.

An end of file record must exist as the very last record in each file.

File Name
tmmddyyyyhhmmss_24.txt

The order of the county records will be the same as contained in the TAR file sent to the Central Print Facility.

Problem Notification

An email is sent to the MiCSES Help Desk when a file that cannot be unzipped is received from MiCSES. The email content is as follows.

"Please open a Remedy Ticket to resend this file. The file was unable to be uncompressed. Please assign this item to the Infrastructure Team via Triage with a High Priority."

Detail Reports

A Detail Report that corresponds to each file transmitted to the central print facility is provided to designated county agency representatives. Representative names and contact information is maintained by the MiCSES Help Desk.

The Detail Report file name format is T##mmddyyy_nn_Detail.csv; T is the architecture type, ## is the county number, mm is the month, dd is the day, yyyy is the year including century, and nn is the processing time window (e.g., 24 or 48).

<COUNTY>						
DETAIL REPORT (t3910182010084423_48.tar)						10/18/10 10:03
Seq.No.	Account #	Sequence #	Form ID	Pages counts	Actual pages (including blank)	Sheet count
1	1900113533	48	FEN058	3	3	1
2	2010111111	48	FEN058	3	3	1
3	2009999999	48	FEN058	3	3	1
	TOTAL		3		6	3

Note: The TOTAL in the Form ID column will reflect the total number of PDF files processed. Like 3 will specify the total PDF files for this batch.

MiCSES Print & Mail
ATTACHMENT 2
AUTOMATIC DAILY NOTIFICATION

Column #	Column Heading	Description
1	Seq. No.	This sequence number is generated by the central print facility for each envelope which will be mailed.
2	Account Number	This is 10 characters in length and populated in the PDF file name starting at position 13.
3	Sequence #	This sequence number designates the processing turn-around-time. It starts at position 23 and has a length of 2 characters in PDF file name. Every PDF file occupies one envelope. The value will be 24, 48, or 99.
4	Form ID	Form ID is being extracted from the PDF file name starting at position 28 for a length of 8 characters: e.g., FEN14L. Populate the Form ID in the report without underscores.
5	Page Counts	This is the actual number of pages in each PDF file. For example, if an envelope consists of 3 PDF files, then the page count for each PDF file will be shown in this column for the corresponding Form ID.
6	Actual pages (including blank)	This is the total page count per envelope. For example, if an envelope consists of 3 PDF files, then it is the page count sum of all PDF files including the blank page. All the files will be printed in the duplex. The central print facility will add blank pages at the end if required to force the file to print in duplex format.
7	Sheet count	This is the total sheet count per envelope. Since it is printed in duplex, the total sheet count is exactly half of the total actual page count.

MiCSES Print & Mail
ATTACHMENT 2
AUTOMATIC DAILY NOTIFICATION

Summary Reports

A Summary Report that corresponds to each file transmitted to the central print facility is provided to designated county agency representatives. The report format is as follows.

The report file name format is T##mmddyyyy_nn_Summary.txt. T is the architecture type, ## is the county number, mm is the month, dd is the day, yyyy is the year including century, and nn is the processing time window (e.g., 24 or 48).

```
                <COUNTY>
      S U M M A R Y   R E P O R T   10/18/10 00:04
      ---------------------------------------------
TAR File size reconciliation (t3910182010084423_48.tar)
-------------------------------------------------------------------------
Transmitted tar file size                    = 460,800 (Bytes)
Lason Received tar file size                 = 460,800 (Bytes)
-------------------------------------------------------------------------

PDF File count reconciliation
-------------------------------------------------------------------------
Transmitted PDF file count                   = 52
Lason received PDF file count                = 52
-------------------------------------------------------------------------

Correct & Reject PDF File count reconciliation
-------------------------------------------------------------------------
Correct PDF file count                       = 52
Reject PDF file count                        = 0
Total PDF file processed                     = 52
-------------------------------------------------------------------------

Total Envelope count reconciliation
-------------------------------------------------------------------------
Transmitted Envelope count                   = 52
Lason generated Envelope count               = 52
-------------------------------------------------------------------------

Correct & Reject Envelope count reconciliation
-------------------------------------------------------------------------
Correct Envelope count                                    = 52
Envelopes rejected due to wrong PDF file name Length = 0
Envelopes rejected due to PDF file size                   = 0
Envelopes rejected due to wrong form ID                   = 0
Total Envelope processed                                  = 52
-------------------------------------------------------------------------
```

Reject Reports

A Reject Report is sent to the designated county agency representatives when TAR file sizes do not reconcile, the PDF file name does not equal 36 characters, and the PDF file size is smaller than 1KB. The report format is as follows.

The report file name format is T##mmddyyyy_nn_Rject.txt. T is the architecture type, ## is the county number, mm is the month, dd is the day, yyyy is the year including century, and nn is the processing time window (e.g., 24 or 48).

```
                <COUNTY>
-----------------------------------------------

 R E J E C T   R E P O R T   10/30/10 14:57
 -----------------------------------------

TAR File size reconciliation
-----------------------------------------------------------
Transmitted tar file size = 0 (Bytes)
HOV Received tar file size          = 643297792 (Bytes)
-----------------------------------------------------------
TAR file size do not match


Seq No.  PDF file names not equal to 36 characters
-------------------------------------------------
 1    41F9988776509879876544 8ENFFEN302__1.PDF
 2    41F9988776509879876448ENFFEN302__1.PDF
-------------------------------------------------

Seq No. Files rejected because of,size less than 3Kb     Size(Bytes)
-------------------------------------------------------------------
 1    41F0088776509879876544 8ENFFEN302__1.PDF              77293
 2    41F1188776509879876544 8ENFFEN302__1.PDF              14179
 3    41F2288776509879876544 8ENFFEN302__1.PDF               5682
```

MiCSES Print & Mail
ATTACHMENT 2
AUTOMATIC DAILY NOTIFICATION

Consolidated Reject Report

A Consolidated Reject Report is sent to MiCSES project personnel as an email attachment (text file) whenever a County Reject Report is generated.

An email containing the following message is also sent to the MiCSES Help Desk:

"Please open a Remedy Ticket to address the errors identified in the attached Consolidated Reject Report. Please assign this item to the Development-Docgen Team via Triage with a High Priority."

The email subject line contains the following entry:

"Consolidated Reject Report (Tmmddyyyyhhmmss_nn.tar)."

Key: T is the architecture type, ## is the county number, mm is the month, dd is the day, yyyy is the year including century, and nn is the processing time window (e.g., 24 or 48).

Date: 10/18/10 05:44
STATE OF MICHIGAN COURT NOTICES
CONSOLIDATED REJECT REPORT FOR (t10182010031544_48.tar)

County Name

Seq. No.	Invalid Package/Envelopes (Envelope Open/Close/Form Id)	
1	82F98765432120109999924IWNFEN059__1.PDF	Invalid Form Code 59
2	82F98765432220109999824IWNFEN059__1.PDF	Invalid Form Code 59
3	82F88765432120108888824IWNFEN059__1.PDF	Invalid Form Code 59

TOTAL PDF FILES REJECTED = 3

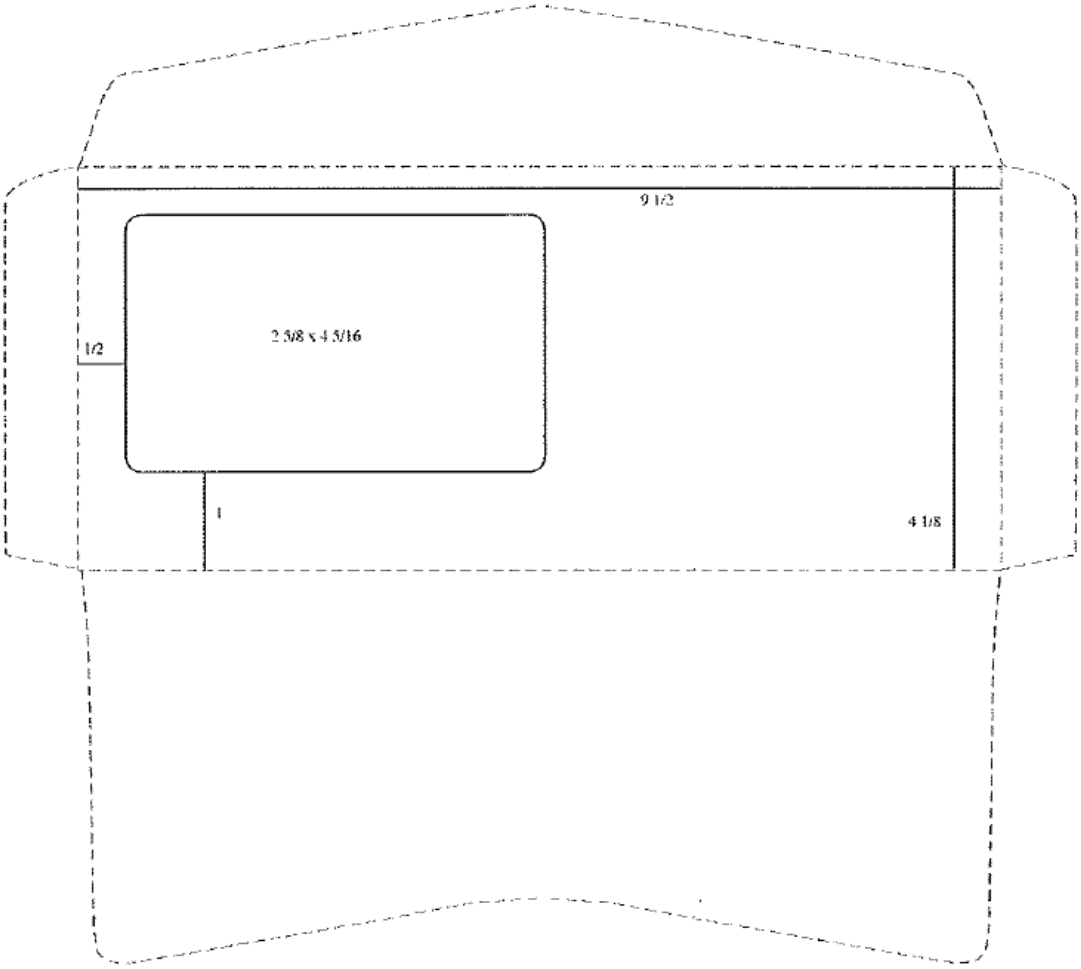
County Name

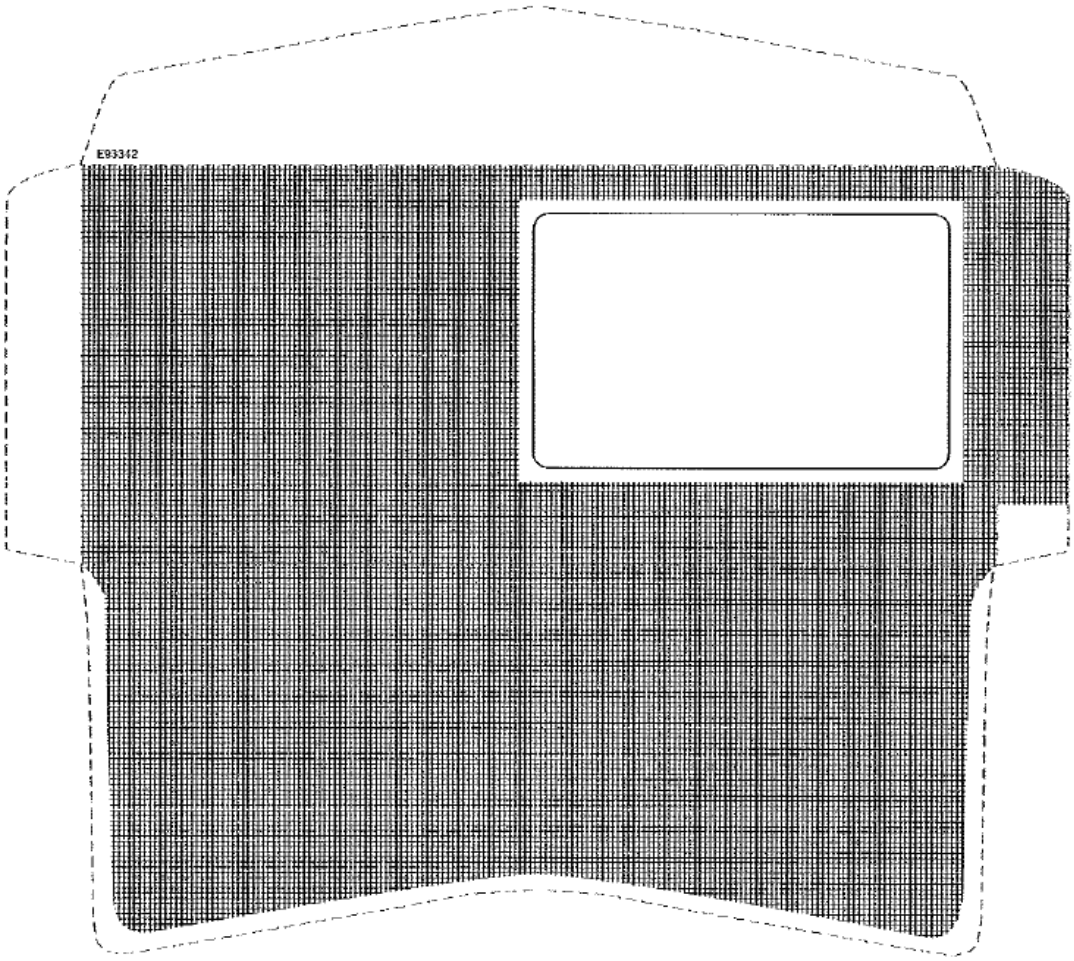
Seq. No.	Invalid Package/Envelopes (Envelope Open/Close/Form Id)	
1	83F58765432120109999124IWNFEN059__1.PDF	Invalid Form Code 59
2	83F68765432220109999224IWNFEN059__1.PDF	Invalid Form Code 59
3	83F78765432120108888324IWNFEN059__1.PDF	Invalid Form Code 59
4	83F68765432120106688832 4IWNFEN059__1.PDF	Invalid Form Code 59

TOTAL PDF FILES REJECTED = 3

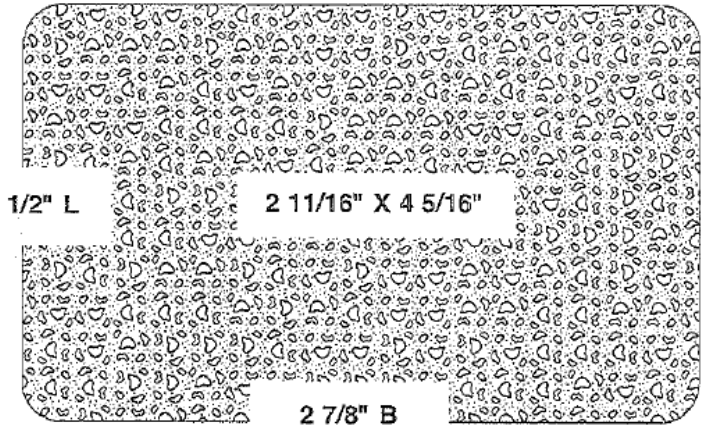
ATTACHMENT 3 - Window Envelope Specifications

E93342VELLUM/TP



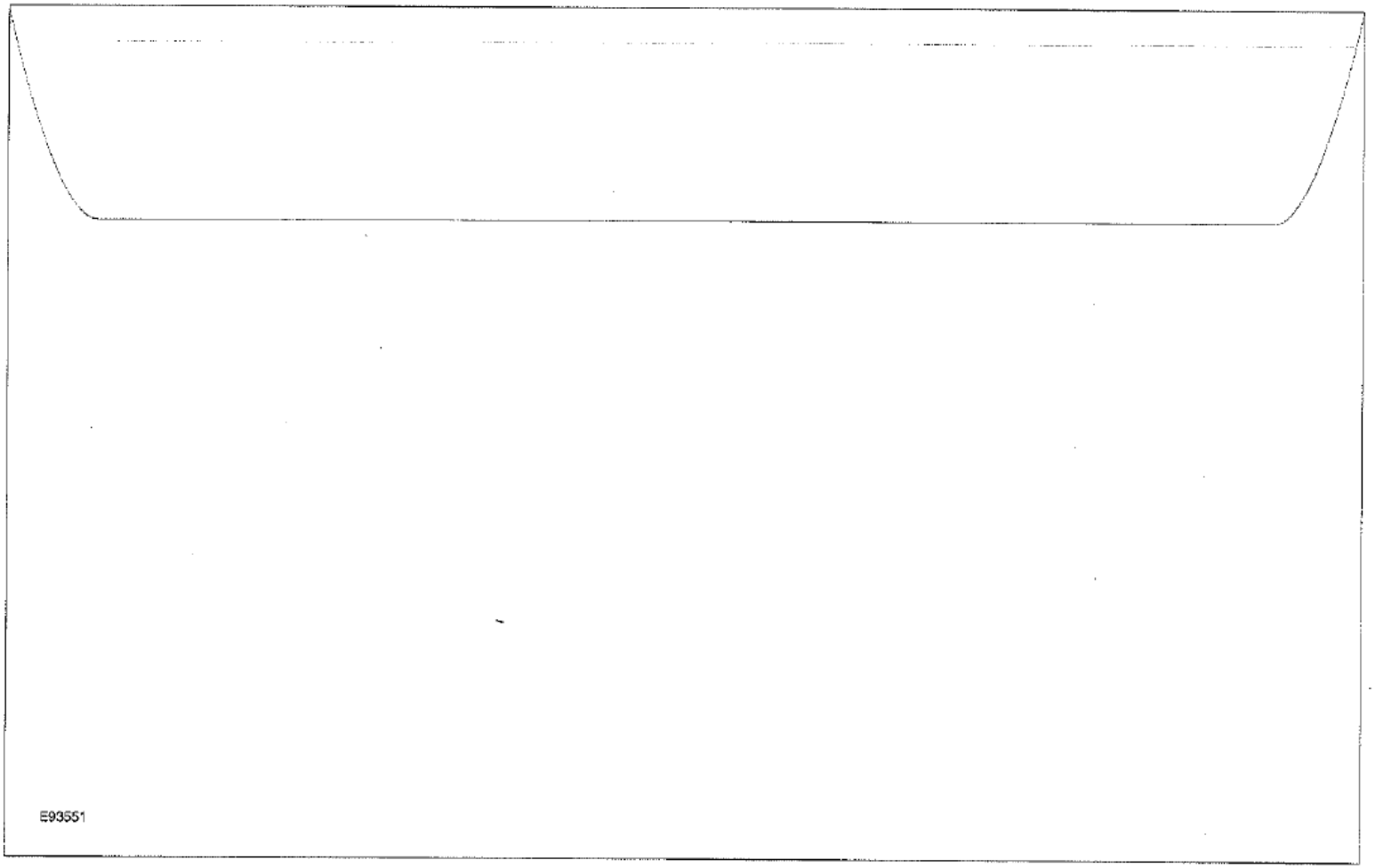

E93342

FLAP EDGE



6" x 9 1/2" OPEN SIDE SPECIAL DOW WINDOW
FULL GUM FLAP WITH 1/4" SCORE
24# WHITE WOVE - BLACK INSIDE TINT
1 / COLOR - BLACK

FORM # E93551



6" x 9 1/2" OPEN SIDE SPECIAL DOW WINDOW
FULL GUM FLAP WITH 1/4" SCORE
24# WHITE WOVE - BLACK INSIDE TINT
1 / COLOR - BLACK
FORM # E93551

MiCSES Print and Mail
Attachment 4

Template ID	Template Name	Printing Frequency	Avg # of Pages per Template	Weekly		
				Minimum	Maximum	Average
CLOSUREFOC	Case Closure - FOC	Monthly	3	2	15,237	5,288
CLOSUREPA	Case Closure - PA	Monthly	3	14	181	99
CLOSURESS	Support Specialist Case Closure notice	Monthly	3	1	6,273	792
CLO_IVDFOC	IVD Case Closure - FOC	Monthly	3	2	13	6
CLO_IVDPA	IVD Case Closure - PA	Monthly	3	2	2	2
CLO_REOFOC	Case Closure Reopen - FOC	Monthly	3	2	110	39
CLO_REOPA	Case Closure Reopen - PA	Monthly	3	1	16	4
CLO_REOSS	Case Closure Reopen - SS	Monthly	3	1	117	68
F1201	IV-D Child Support Services Application/Referral	Daily	11	1	13	2
F1201P	IV-D Child Support Services Application/Ref [w/Pamphlet]	Daily	11	1	4	1
FEN003	Notice Of Rights And Responsibilities	Daily	3	1	4,220	264
FEN007	Acknowledgement Of Debt And Agreement To Pay Past-Due Support	Daily	1	1	79	15
FEN028	Notice Of Proposed License Suspension & Request For Hearing	Daily	1	1	20	5
FEN031	Notice Of Potential License Suspension	Daily	1	1	553	33
FEN043	Employer IWN Non-Compliance	Daily	1	1	102	11
FEN046	Parenting Time Abatement Results Letter	Daily	1	1	85	13
FEN058	Income Withholding Notice	Daily	3	16	27,493	3,076
FEN062	Notice Of Arrearage/Enforcement [Pre-OSC Form]	Daily	1	5	70	27
FEN081	Notice Of Intent To Reprot Child Sup Debt to Credit Agencies	Daily	1	1	10,920	5,449
FEN087	Notice Following Order For Paymnet Of Arrear (License Susp)	Daily	1	1	14	2
FEN12T	Notice Of Cancellation, Reschedule Or Adjournment of Crt Hrg	Daily	1	1	40	6
FEN138	Motion and Order to Show Cause for Contempt	Daily	1	1	4	2
FEN140	Motion and Order to Show Cause for Contempt	Daily	1	3	1,334	469
FEN14A	Support Enforcement Order Central	Daily	1	1	1,745	615
FEN14B	Show Cause Bench Warrant Central	Daily	1	1	183	54
FEN14D	Motion and Order to Show Cause for Contempt	Daily	1	1	11	2
FEN14L	Motion and Order to Show Cause	Daily	1	1	543	188
FEN150	State Tax Refund Pre-Offset Not	Yearly	1	298,663	298,663	298,663
FEN214	Military Health Care Enrollment Letter	Daily	1	1	21	3
FEN215	Health Insurance Update Letter	Daily	1	2	2,110	79
FEN218	Insurance Update Letter (NCP)	Daily	1	17	2,077	312
FEN25A	Medical Enforcement Order	Daily	2	1	4	2
FEN25B	Referee Recommendation Re: Responsibility for Health-Care Coverage	Daily	2	1	4	2
FEN25C	Order Re: Responsibility For Uninsured Health-Care Expenses	Daily	2	1	4	2
FEN25D	Referee Recommendation Re:Responsibility for Uninsured Health-Care	Daily	2	4	4	4
FEN26A	Order confirming registration of out of state support order (uifsa)	Daily	2	1	4	3
FEN26J	Ref Findings and Report After Hearing on Reg of Out of State Order	Daily	2	1	9	3
FEN301	NMSN Non-Compliance Letter	Daily	1	1	1,596	86
FEN302	National medical Support Notice (Long)	Daily	8	1	7,159	513
FEN303	Parent Health Care Coverage Explanation Sheet	Daily	3	2	16,118	1,406
FEN308	Notice of Rescission/Termination of Health Care Coverage	Daily	1	1	1,216	62

MiCSES Print and Mail
Attachment 4

Template ID	Template Name	Printing Frequency	Avg # of Pages per Template	Weekly		
				Minimum	Maximum	Average
FEN350	Change in Personal Information	Daily	1	2	881	200
FEN43A	Employer IWN Non-Compliance (CP Copy)	Daily		1	49	4
FEN58A	Income Withholding For Support [Lump Sum IWN]	Daily	3	1	89	4
FEN58D	Income Withholding For Support [Termination IWN]	Daily	3	19	1,983	287
FEN58X	IWN & NMSN Combo	Daily	11	1	3,075	298
FEN58Y	Order/Notice to withhold income	Daily	3	1	6,133	580
FEN762	Pre-OSC Form with Signed Payment Agreeme	Daily	3	1	115	43
FEN801	EFT start/stop form	Daily	1	20	795	245
FEN803	Emancipation Notification Letter	Daily	3	1	3,081	154
FEN804	Notice Of Unclaimed Property (Money)	Daily	2	4,321	4,321	4,321
FEN805	Notice Regarding Your Electronic Payment	Daily	2	136	561	370
FEN845	Report of client received support	Daily	3	1	321	19
FEN850	NCP EOY Statement	Daily	4	1	8	2
FEN851	CP EOY Statement	Daily	4	1	28	5
FEN852	Assigned Support Statement	Quarterly	1	116,960	117,608	117,284
INTACK1	Acknowledgment of Transmittal 1	Daily	3	1	45	21
INTACK2	Ack Trans 2	Daily	3	1	16	3
INTLOCDS	Locate Data Sheet	Daily	3	1	8	2
INTTRANS2	Transmittal 2	Daily	3	1	165	82
LOC_Employer	Employer Information Request	Daily	1	1	74	18
LOC_Postal	Postmaster Address Information Request	Daily	1	1	630	283
OCS0015	1st Client Contact Letter	Daily	3	1	7	2
OCS0015P	1st Client Contact Letter with Pamphlet	Daily	10	1	1,515	309
OCS0025	2nd Client Contact Letter	Daily	3	1	804	253
OCS1201	Non-Fip CSS Application	Daily	3	1	1	1
OCS1201P	Non-Fip CSS Application with Pamphlet	Daily	11	1	1	1
OCS1252A	Noncooperation Letter	Daily	2	1	458	164
OCS1252B	Noncooperation Letter	Daily	2	1	462	164
OCS1253	Cooperation Notice	Daily	2	1	34	8
OCS4636	Notice of Continuing Eligibility	Daily	2	1	9,129	355
OCSCONT	Client Contact Letter	Daily	1	1	24	7
OCSFC15	Foster Care First Contact	Daily	3	1	35	8
OCSFC25	Foster Care Second Contact	Daily	3	1	36	10
OCSGENLET	Support Specialist General Letter	Daily	1	1	1	1
OCS_MI-CASE	Mi-Case Access Letter	Daily	1	4	1,226	368
RNM2NDRVWNOT	2nd Review Notice	Daily	8	1	30	6
RNMELIGLTR	Eligibility Letter	Daily	3	1	11,286	2,590
RNMFOC22	Employment Status Disclosure	Daily	5	2	621	105
RNMFOC39	FOC Case Questionnaire	Daily	7	1	8	2
RNMRVWNOT	Review notice	Daily	8	2	1,402	155

MiCSES Print and Mail
Attachment 5

COUNT(1)	TEMPLATE_ID	FORM_TITLE
1,061,785	FEN058	FEN058
486,336	FEN303	PARENT HEALTH CARE COVERAGE EXPLANATION SHEET
360,043	FEN852	Assigned Support Statement
298,663	FEN150	State Tax Refund Pre-Offset Not
203,823	FEN58Y	Order/Notice to withhold income
194,914	FEN14A	Support Enforcement Order Central
158,639	FEN302	NATIONAL MEDICAL SUPPORT NOTICE
158,254	RNMELIGLTR	Eligibility Letter
145,104	FEN140	Motion and Order to Show Cause for Conte
118,928	OCS4636	Notice of Continuing Eligibility
117,833	FEN081	NOTICE OF INTENT TO REPORT CHILD SUP DEBT TO CREDIT AGENCIES
112,918	OCS0015P	1st Client Contact Letter with Pamphlet
102,298	FEN58D	INCOME WITHHOLDING FOR SUPPORT [TERMINATION IWN]
102,047	FEN58X	IWN & NMSN Combo
100,493	OCS_MI-CASE	Mi-Case Access Letter
82,347	CLOSUREFOC	Case Closure - FOC
80,143	FEN003	NOTICE OF RIGHTS AND RESPONSIBILITIES
79,177	FEN801	EFT start/stop form
73,925	LOC_Postal	Postmaster Address Information Request
58,002	OCS0025	2nd Client Contact Letter
57,141	FEN14L	Motion and Order to Show Cause
51,943	FEN350	Change in Personal Information
49,234	RNMRVWNOT	Review notice
49,035	CLOSURESS	Support Specialist Case Closure notice
43,527	FEN803	EMANCIPATION NOTIFICATION LETTER
36,259	OCS1252A	Noncooperation Letter
33,579	OCS1252B	Noncooperation Letter
32,555	RNMFOC22	Employment Status Disclosure
26,049	INTTRANS2	Transmittal 2
25,037	FEN301	NOTICE OF FAILURE TO RESPOND TO NMSN OR ORD OF DEP COVERAGE
21,292	FEN308	NOTICE OF RESCISSION/TERMINATION OF HEALTH CARE COVERAGE
18,385	FEN14B	Show Cause Bench Warrant Central
17,514	CLO_REOSS	Case Closure Reopen - SS
11,073	CLO_REOFOC	Case Closure Reopen - FOC
7,655	FEN062	NOTICE OF ARREARAGE/ENFORCEMENT [PRE-OSC FORM]
6,852	FEN762	Pre-OSC Form with Signed Payment Agreeme
5,993	FEN031	Notice Of Potential License Suspension
5,848	FEN043	EMPLOYER IWN NON-COMPLIANCE
5,437	FEN845	Report of client received support
5,211	INTACK1	Acknowledgment of Transmittal 1
4,321	FEN804	Notice Of Unclaimed Property (Money)

4,092	LOC_Employer	Employer Information Request
3,903	OCS0015	1st Client Contact Letter
3,630	FEN215	HEALTH INSURANCE UPDATE LETTER
3,447	FEN046	PARENTING TIME ABATEMENT RESULTS LETTER
3,163	FEN007	ACKNOWLEDGEMENT OF DEBT AND AGREEMENT TO PAY PAST-DUE SUPP
3,152	OCS1253	Cooperation Notice
2,156	FEN43A	EMPLOYER IWN NON-COMPLIANCE (CP COPY)
2,076	FEN805	Notice Regarding Your Electronic Payment
1,673	OCSFC25	Foster Care Second Contact
1,660	OCSCONT	Client Contact Letter
1,656	OCSFC15	Foster Care First Contact
1,649	CLOSUREPA	Case Closure - PA
1,321	RNM2NDRVWNOT	2nd Review Notice
1,316	FEN58A	INCOME WITHHOLDING FOR SUPPORT [LUMP SUM IWN]
785	FEN028	NOTICE OF PROPOSED LICENSE SUSPENSION & REQUEST FOR HEARING
781	FEN851	CP EOY Statement
712	INTACK2	Ack Trans 2
676	FEN214	MILITARY HEALTH CARE ENROLLMENT LETTER
455	CLO_REOPA	Case Closure Reopen - PA
415	FEN12T	NOTICE OF CANCELLATION, RESCHEDULE OR ADJOURNMENT OF CRT HRG
372	OCS1252	Noncooperation Notice
348	RNMFOC39	FOC Case Questionnaire
276	F1201	IV-D CHILD SUPPORT SERVICES APPLICATION/REFERRAL
217	FEN14D	Motion and Order to Show Cause for Conte
166	FEN850	NCP EOY Statement
112	FEN087	NOTICE FOLLOWING ORDER FOR PAYMENT OF ARREAR (LICENSE SUSP)
100	FEN26J	Referee Findings and Report After Hearin
88	CLO_IVDFOC	IVD Case Closure - FOC
67	INTLOCDS	Locate Data Sheet
48	F1201P	IV-D CHILD SUPPORT SERVICES APPLICATION/REF [W/PAMPHLET]
41	FEN25A	Medical Enforcement Order
27	FEN25C	Order Re: Responsibility For Uninsured H
8	FEN25D	Referee Recommendation Re: Responsibilit
8	FEN26A	Order confirming registration of out of
5	FEN25B	REFEREE RECOMMENDATION RE: RESPONSIBILIT
4	OCSGENLET	Support Specialist General Letter
2	CLO_IVDPA	IVD Case Closure - PA
2	OCS1201	Non-Fip CSS Application
2	OCS1201P	Non-Fip CSS Application with Pamphlet
1	CLO_IVDSS	IVD Case Closure - SS
4,650,224		

ATTACHMENT 6

MICHIGAN CHILD SUPPORT ENFORCEMENT SYSTEM (MiCSES) CHILD SUPPORT CASE DISCLOSURE FORM

Strengthening Michigan's Families MiCSES

Michigan Department of Human Services

Help Desk Call #

The following information is for security purposes only and will be kept confidential.

***INDICATES REQUIRED FIELD**

*Last Name: *(please print)*	*First Name:	*MiCSES login name: *(if assigned)*
*Employee Email Address:	Title:	*Phone:
*Agency Name:		*County:

Complete disclosure of child support cases is in the best interest of the IV-D worker. To avoid any appearance of a conflict of interest, please disclose all child support cases the worker has been a party to, or in which the worker has a personal interest. All of the following are considered restricted cases:

- Child support cases of the worker;
- Child support cases of a spouse of the worker;
- Child support cases of cohabitants of the worker;
- Child support cases of worker family members, including, family members related by blood, adoption or marriage; and/or
- Child support cases of a party with whom the worker is engaged in a business relationship.

This list must also include medical support only cases and non-IV-D cases designated as "L" in the *IV-D case type field* of the *Case Member Details* (CASE) screen within MiCSES.

IV-D Case # or Docket #	Names of the Plaintiff and Defendant:	County Name:

I hereby disclose to the Michigan Department of Information Technology (DIT), and MiCSES staff, that I am or have been a party to, or have a personal interest in these child support cases. I promise not to view or adjust any case where I, a family member, blood relative, or cohabitant have a personal interest, regardless of whether the IV-D case is listed above.

Employee Signature:	Date:	Telephone number:
Authorized Requester/IV-D Contact: *(print name & title)*		
Authorized Requester/IV-D Signature:	Date:	Telephone number:

Attach another form if necessary.

DHS-428 (Rev. 5-06) MS Word
AT 2006-004, Attachment 1

CONTRACTOR SECURITY AGREEMENT

Michigan Department of Information Technology

Contractor Name	
As a user of services provided by the Department of Information Technology, I accept and agree to the following: 1. To comply with the State of Michigan Computer Crime Law and to use State of Michigan's systems to perform my job function to the exclusion of all other uses. (Public Acts 1979-No. 53)[1] 2. To not copy or infringe upon the rights granted to the owner of a product with a Copyright or Patent. 3. To comply with the Michigan Civil Service Commission Rules governing Conflict of Interest. Rule 2-8.1.[2] 4. To keep confidential all computers and network system access codes issued to me. 5. To report to the appropriate supervisor or the Office of Enterprise Security immediately any suspected threat to or violation of State of Michigan system security. 6. To report to the appropriate supervisor or the Office of Enterprise Security, the loss or theft of any key or magnetic card / access key which was supplied to me, which allows access to any State of Michigan facility. 7. To not loan or transfer to anyone else the access cards / keys, which were supplied to me, for access to any State of Michigan facility. 8. To comply with Michigan State Government Network Security Policy Procedure 1410.17[3], issued 1/6 1997 and the Acceptable Use Policy for the Information Technology Resources 1460.00 issued 9/1/2003. 9. To comply with federal laws regarding confidentiality to protect an individuals rights and privacy. 10. To not leave my workstation unattended without either being logged off or invoking a hotkey password supported screen saver. 11. To comply with HIPPA Confidentiality requirements. To ensure that privacy rights of enrollees are respected, you are required to only use any protected health information you access for the purpose of ensuring proper plan operation and administration. You also are prohibited from disclosing any protected health information to any outside party without written authorization of the Privacy Official of the Employee Benefits Division of the Michigan Department of Civil Service or the Privacy Official's designee.	
Contractor Signature	Date

[1] Public Acts 1979 No. 53 (URL:http://www.michiganlegislature.org)

[2] Michigan Civil Service Commission Rule (URL: http://www.state.mi.us/mdcs/Rules2002/crule2.htm#Section2-8bottom)

[3] Michigan State Government Network Policy Procedures 1410.17 (URL: http://www.state.mi.us/adminguide/1400/1410-17.htm)

Michigan Department of Treasury
3337 (Rev. 2-08)

Vendor, Contractor or Subcontractor Confidentiality Agreement

The Revenue Act, Public Act 122 of 1941, MCL 205.28(1)(f), makes all information acquired in administering taxes confidential. The Act holds a vendor, contractor or subcontractor and their employees who sell a product or provide a service to the Michigan Department of Treasury, or who access Treasury data, to the strict confidentiality provisions of the Act. Confidential tax information includes, but is not limited to, information obtained in connection with the administration of a tax or information or parameters that would enable a person to ascertain the audit selection or processing criteria of the Michigan Department of Treasury for a tax administered by the department.

INSTRUCTIONS. Read this entire form before you sign it. If you do not complete this agreement, you will be denied access to Michigan Department of Treasury and federal tax information. After you and your witness sign and date this form, keep a copy for your records. Send the original to the address listed below.

Company Name and Address (Street or RR#, City, State, ZIP Code)			Last Name	First Name
			Driver License Number	
State of Michigan Department	Bureau	Division	Subcontractor Name if Product/Service Furnished to Contractor	
Describe here or in a separate attachment the product or service being provided to the State of Michigan Agency.				

Confidentiality Provisions. It is illegal to reveal or browse, except as authorized:

- All tax return information obtained in connection with the administration of a tax. This includes information from a tax return or audit and any information about the selection of a return for audit, assessment or collection, or parameters or tolerances for processing returns.
- All Michigan Department of Treasury or federal tax returns or tax return information made available, including information marked "Official Use Only". Tax returns or tax return information shall not be divulged or made known in any manner to any person except as may be needed to perform official duties. Access to Treasury or federal tax information, in paper or electronic form, is allowed on a **need-to-know** basis only. Before you disclose returns or return information to other employees in your organization, they must be authorized by Michigan Department of Treasury to receive the information to perform their official duties.
- Confidential information shall not be disclosed by a department employee to confirm information made public by another party or source which is part of any public record. 1999 AC, R 2005.1004(1).

Violating confidentiality laws is a felony, with penalties as described:

Michigan Penalties
MCL 205.28(1)(f) provides that you may not willfully browse any Michigan tax return or information contained in a return. Browsing is defined as examining a return or return information acquired without authorization and without a **need to know** the information to perform official duties. Violators are guilty of a **felony** and subject to **fines of $5,000 or imprisonment for five years, or both.** State employees will be discharged from state service upon conviction.

Any person who violates any other provision of the Revenue Act, MCL 205.1, et seq., or any statute administered under the Revenue Act, will be guilty of a misdemeanor and **fined $1,000 or imprisonment for one year, or both**, MCL 205.27(4).

Federal Penalties
If you willfully disclose federal tax returns or tax return information to a third party, you are guilty of a **felony with a fine of $5,000 or imprisonment for five years, or both, plus prosecution costs** according to the Internal Revenue Code (IRC) §7213, 26 USC 7213.

In addition, inspecting, browsing or looking at a federal tax return or tax return information without authorization is a **felony violation** of IRC §7213A subjecting the violator to a **$1,000 fine or imprisonment for one year, or both, plus prosecution costs.** Taxpayers affected by violations of §7213A must be notified by the government and may bring a civil action against the federal government and the violator within two years of the violation. Civil damages are the **greater of $1,000 or actual damages** incurred by the taxpayer, plus the costs associated with bringing the action, 26 USC 7431.

Failure to comply with this confidentiality agreement may jeopardize your employer's contract with the Michigan Department of Treasury.

Certification		
By signing this Agreement, I certify that I have read the above confidentiality provisions and understand that failure to comply is a felony.		
Print name of employee signing this agreement	Signature of person named above	Date signed
Print Witness Name (Required)	Signature of Witness (Required)	Date signed

Submit your form to the following address:
Technical Services Division, Disclosure Unit
Michigan Department of Treasury
P.O. Box 30698
Lansing, MI 48909

For Express Deliveries, use:
Technical Services Division, Disclosure Unit
Michigan Department of Treasury
430 W. Allegan Street
Lansing, MI 48922

Questions, contact the **Technical Services Division, Disclosure Unit by telephone, (517) 636-4239; fax, (517) 636-5340; or email: Treas_Disclosure@michigan.gov**

Attachment 7
KEY PERSONNEL TEMPLATE

Proposed Resource Name:	
Proposed Classification:	*Project Manager*
Key Personnel:	**Yes** ☐ *or* **No** ☐
If resource is associated with a subcontractor provide name of company:	
Percentage of time resource will be allocated to project:	

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

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

Required Skills	Bidder's Response
3 – 5 years project management experience, including management of a high-volume printing operation	**Does resource have this required skill:** **Yes** ☐ **or** **No** ☐ **Description of skills and experience:** *Example: 10 yrs exp with (vendor name) implementing multimillion-dollar, statewide implementations of toll road software* **Name of project(s) and year(s) experience was obtained:**
2 years of experience in managing a project using the vendor's proposed solution	**Does resource have this required skill:** **Yes** ☐ **or** **No** ☐ **Description of skills and experience:** **Name of project(s) and year(s) experience was obtained:**
Experience communicating with and presenting information to stakeholders and sponsors at an upper-management level.	**Does resource have this required skill:** **Yes** ☐ **or** **No** ☐ **Description of skills and experience:**
Certification: Project Management Professional certification	**Does resource have this required skill:** **Yes** ☐ **or** **No** ☐ *If yes, provide copy of certification*

Attachment 7
KEY PERSONNEL TEMPLATE

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

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

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

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

EDUCATION

Education		
Degree (i.e. PhD, Master's, Bachelors)		Year Completed:
Program		
University		

Additional Education		
Degree (i.e. PhD, Master's, Bachelors)		Year Completed:
Program	Major(s) area of study:	Minor area of study:
University		

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

Technical or Professional Training	
Course Name	
Topic	*(include credit hours if applicable)*
Date taken	

Certifications/Affiliations	
Name	
Topic/Description	
Date completed	

The Bidder must submit a letter of commitment for Key Personnel, signed by the identified resource, stating their commitment to work for the bidder/subcontractor on this project contingent on award of the bid. If the identified personnel are currently assigned to a State project the bidder must provide a letter signed by the State Project Manager releasing the individual from the project.

Attachment 7
KEY PERSONNEL TEMPLATE

Proposed Resource Name:	
Proposed Classification:	***Quality Analyst***
Key Personnel:	**Yes ☐ *or* No ☐**
If resource is associated with a subcontractor provide name of company:	
Percentage of time resource will be allocated to project:	

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

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

Required Skills	Bidder's Response
3 years of experience in systems quality assurance	**Does resource have this required skill: Yes ☐ or No ☐** **Description of skills and experience:** *Example: 10 yrs exp with (vendor name) implementing multimillion-dollar, statewide implementations of toll road software* **Name of project(s) and year(s) experience was obtained:**
At least one engagement involving the operation of a high-volume printing and mailing operation	**Does resource have this required skill: Yes ☐ or No ☐** **Description of skills and experience:** **Name of project(s) and year(s) experience was obtained:**
Experience communicating with and presenting information to stakeholders and sponsors at an upper-management level.	**Does resource have this required skill: Yes ☐ or No ☐** **Description of skills and experience:**

Attachment 7
KEY PERSONNEL TEMPLATE

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

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

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

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

EDUCATION

Education		
Degree (i.e. PhD, Master's, Bachelors)		Year Completed:
Program		
University		

Additional Education		
Degree (i.e. PhD, Master's, Bachelors)		Year Completed:
Program	Major(s) area of study:	Minor area of study:
University		

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

Technical or Professional Training	
Course Name	
Topic	*(include credit hours if applicable)*
Date taken	

Certifications/Affiliations	
Name	
Topic/Description	
Date completed	

The Bidder must submit a letter of commitment for Key Personnel, signed by the identified resource, stating their commitment to work for the bidder/subcontractor on this project contingent on award of the bid. If the identified personnel are currently assigned to a State project the bidder must provide a letter signed by the State Project Manager releasing the individual from the project.

MiCSES Print and Mail
Attachment 8
Cost Tables

Table 1 - Project Transition & Implementation Costs

	Resources Required	# of Resources	# of hours	Unit Cost ($)	Total Cost ($)
1	Project Management				
2	Quality Assurance				
3	Integration of software or products (include cost of software, products or, customization necessary to meet RFP requirements)				
4	Testing (Unit, system, integration, performance (load and stress), parallel, UAT) Other testing (Please list/describe) - - -				
5	Deployment/Cutover Costs				
6	Other Costs (Please List/describe) - - - - - -				
	Total Project implementation Cost				$0

Note: Assume that parallel testing phase will include transmission of files, processing, printing, sorting, and all other processes except for actual mailing.

MiCSES Print and Mail
Attachment 8
Proposal Cost Tables
Table 2 - Ongoing Operations

Item Description	Avg. Qty per Envelope	TIER 1 estimated <= 50% volume		TIER 2 estimated 100% volume		TIER 3 estimated >= 150% volume	
		Unit Cost ($XX.XXXX) (0 - 2,300,000 pieces)	**Extended Cost @ 2,300,000 pieces**	Unit Cost ($XX.XXXX) (2,300,001 - 6,999,999 pieces)	**Extended Cost @ 4,700,000 pieces**	Unit Cost ($XX.XXXX) (7,000,000 and over pieces)	**Extended Cost @ 7,000,000 pieces**
		-	(Avg. Qty per env.*unit Cost*2,300,000)		(Avg. Qty per env.*unit Cost*4,700,000)		(Avg. Qty per env.*unit Cost*7,000,000)
File & Data Processing	4	$0.0067	$ 61,640.00	$0.0060	$ 112,800.00	$0.0054	$ 151,200.00
Print	4	$0.0101	$ 92,920.00	$0.0091	$ 171,080.00	$0.0082	$ 229,600.00
Paper	2	$0.0065	$ 29,900.00	$0.0065	$ 61,100.00	$0.0065	$ 91,000.00
Folding	2	$0.0033	$ 15,180.00	$0.0030	$ 28,200.00	$0.0027	$ 37,800.00
Inserting	2	$0.0178	$ 81,880.00	$0.0160	$ 150,400.00	$0.0144	$ 201,600.00
Zip Code Sorting	1	$0.0089	$ 20,470.00	$0.0080	$ 37,600.00	$0.0072	$ 50,400.00
Seal & Meter	1	$0.0028	$ 6,440.00	$0.0025	$ 11,750.00	$0.0023	$ 16,100.00
Envelopes	1	$0.01475	$ 33,925.00	$0.01475	$ 69,325.00	$0.01475	$ 103,250.00
Other - Move Update	1	$0.0000	$ -	$0.0000	$ -	$0.0000	$ -
Total Cost (unit and extended) without Postage		$0.0709	**$ 342,355.00**	$0.0659	**$ 642,255.00**	$0.0615	**$ 880,950.00**
USPS - Postage (July 2011 rates) *5-digit rates plus $.0125*	1	$0.3525	$ 810,750.00	$0.3525	$ 1,656,750.00	$0.3525	$ 2,467,500.00
Total Cost (unit and extended) with Postage		$0.4774	**$ 1,153,105.00**	$0.4691	**$ 2,299,005.00**	$0.4618	**$ 3,348,450.00**

Other costs	Cost method (unit, daily, monthly etc.)	Cost per unit
Overnight Courier Delivery		N/A
(Add others as necessary)		$ -

Notes:
1. The State is requesting tier pricing to accommodate any changes in volumes due to programmatic or technology changes
2. The State anticipates volumes similar to 2010 and will use that as a base per year for contract value
3. Pricing for USPS - Postage is an estimate based on anticipated vendor discounts. The monthly invoices will use the actual postage rated experienced by the vendor during the month.
4. Pricing for Overnight Courier Delivery shall be a pass through cost of the actual charges from the courier.

MiCSES Print and Mail
Attachment 8
Cost Tables

Table 3 - Special Projects

Assume approx. 100 additional hours per year

Staffing category	estimated total number of hours, contract base years 1 - 5 (column B)	Price/Hour, contract base years 1 - 5 (Column C)	cost for contract base years 1 - 5 (column B x column C)
Project Manager	500		
Quality Assurance	500		
Tester	500		
Other			
-			
-			
-			
-			
total			

Staffing category	estimated total number of hours, contract option years 1 - 2 (column B)	Price/Hour, contract option years 1 - 2 (Column C)	cost for contract option years 1 - 2 (column B x column C)
Project Manager	200		
Quality Assurance	200		
Tester	200		
Other			
-			
-			
-			
-			
total			

Attachment 9 CRM Project Management

HOVS Project Management Process

HOVS will assign a Customer Relationship Project Manager, a Technical Project Manager, and a Production Control Coordinator to CUSTOMER who will be responsible for your jobs from project management through production. The Project Management process is twofold: 1) Customer Service; and 2) Project Management. The Project Manager will coordinate and oversee all operations for the CUSTOMER jobs on a daily basis, as well as initiate new projects and oversee the projects through implementation. The Project Manager will be in constant contact with CUSTOMER with any questions, issues, updates and continuous improvement opportunities.

The Project Manager, along with the Technical Project Manager will coordinate, monitor and control a project from the feasibility study through user acceptance and implementation.

Following is an outline of the documents and steps included in the HOV Project Management process.

Business Requirements Document

This document will entail all the necessary information to build the system architecture, to design communication and data flow, and to build parts and process steps for the CUSTOMER process. The Project Manager is responsible for ensuring the documentation of this document.

Architecture Flow Document

This document will be a flowchart of the system design for CUSTOMER Print/Mail, and EBPP as well as future projects. The tasks include:

- System Design
- Print Stream Analysis
- Data Analysis
- Process Mapping

The process of data flow will be mapped in HOVS's IDMF Workflow per business requirements for the CUSTOMER services. Document design will be included in this segment. The tasks for this work segment include:

- Determine business requirements
- Design data flow
- Design process flow

Project Plan

The Project Plan identifies all the steps and associated timelines necessary to meet the projected launch of a project. The Project Manager monitors this plan to ensure all tasks are on time.

Identify Risks and Assumptions

The Project Manager will document any timeline risks or obstacles that could delay a project implementation. The Project Manager also provides the assumptions which are used as the underlying factors for project timeliness and success.

Identify the Service Level Agreement

Each job is analyzed to group documents together per job specifications and business requirements. The tasks include:

- Gather the physical documents
- Gather the specific business requirements per document
- Gather stock information
- Determine the Change Management Process. Any changes to a SOW, that increase or decrease in cost, must be mutually agreed upon in writing. Any change to a SOW that does not affect the cost, must be in writing prior to the change.

Statement of Work (SOW)

The Project Manager is responsible for the development and documentation of the Statement of Work, in coordination with CUSTOMER. The SOW is a document that is authored by both parties, agreed upon and signed prior to project initiation.

Acceptance Criteria

Both HOVS and CUSTOMER will review the completeness and accuracy of the deliverables.

- Business requirements are documented, signed and submitted to CUSTOMER
- Architecture Flow is documented, signed and submitted to CUSTOMER
- The Process Mapping is documented, signed and submitted to CUSTOMER
- SLA's are identified and documented for each document type
- Statement of Work is documented collaboratively with HOVS and CUSTOMER
- System Architecture Design and Development for Data and Communications are included in the Requirements document
- Interface Design and Development for Data and Communications are included in the architecture design document
- Process and business requirements for all documents are included in a SOW.
- The Document Composition requirements are defined and included in the SOW
- Production Requirements for Document Build Plan, Inventory and Document Process, including IDMF and individual document SLA's are included in the SOW
- Service Level Requirements for Analysis, Design, and Development is defined and documented in this SOW

Acceptance of Deliverables

Each deliverable must meet the following minimum criteria to be considered for acceptance by CUSTOMER.

- Identify the format of the sign-off document
- Review the documentation that supports the deliverable
- Obtain sign-off from HOVS and CUSTOMER for each deliverable

Status Log

All project events, issues or problems arising during performance of the services will be recorded and tracked by the Project Manager in a Status Log.

The Project Manager will be responsible for resolving all open issues promptly.

Direct Production Control
The Project Manager oversees production control and operations at a finite job level to ensure accuracy and completeness of jobs and projects. The Project Manager monitors daily operations and reports.

Implement Quality Control
The Project Manager engages the HOVS Quality Control Department prior to launch and with on-going operations. The Project Manager initiates the quality control steps necessary to Customer requirements and expectations for the job.

Inventory Management
Inventory Management is the control of expected Customer supplied, as well as HOVS supplied inventory. The Production Control process initiates stock orders, sets min/max levels, and manages inventory levels via Epicor, HOVS's automated inventory reporting system.

Change Control
The Project Management process generates a Change Control document for any revision to existing work or processes. Change Control is managed via Epicor Efront Office. Efront Office logs a number, a call for the revision, date and assigned department. Progress of the change is logged in the call. The Project Manager ensures the change is timely and accurate.

Project Consulting Services
The Project Manager is responsible for communication to CUSTOMER on new product and process offerings as well as continuous improvement opportunities to existing work. The Project Manager looks for cost savings and efficiencies for CUSTOMER.

The HOV Project Manager for CUSTOMER will manage any work transition, implementation and on-going operations. The HOVS Project Manager will work closely with CUSTOMER, HOVS Management and HOVS operations to ensure that processes are congruent and that we meet and exceed CUSTOMER expectations.

Project Scope - Roles & Responsibilities

The objective of this section is to identify key roles on the project and the respective responsibilities.

CUSTOMER - Sample Roles/Responsibilities

Role	Responsibilities
Project Manager	Day-to-day management responsibility
System Architecture	Provides the requirements for the existing architecture
IT Lead	Overall responsibility for the CUSTOMER

	programming / technical resources assigned to the project
Business Analyst Lead	Coordinating and supervising all CUSTOMER business analysts and managing business requirement scope

HOVS - Sample Roles/Responsibilities

Role	Responsibilities
Customer Relationship Manager	Project management, resource deployment, issues management, scope control, and day-to-day management responsibility.
IT Technical Lead PM	Coordination for HOVS programming requirements as well as consulting to CUSTOMER for composition, print and mail
Development Manager	Coordination for HOVS programming requirements as well as consulting to CUSTOMER, requirements design definitions, programming and testing inclusive of requirements for EBPP, web report hosting, and storage.
Production Control Coordinator	Define and set up the process steps, materials and special requirements necessary to run this job in production

Accountabilities & Contributions

The following table entails the *Requirements Gathering* phase through the *Analysis, Development* and *Implementation* deliverables for each of the following project tasks.

Project Phase	Deliverable	Accountability	Contribution
Data Administration	Data Format Design	HOVS	CUSTOMER
	Data Transmission Design	HOVS	CUSTOMER
	Determine Data Type	HOVS	CUSTOMER
	Provide sample data	CUSTOMER	HOVS
Data Interface	Data Transmission Setup	HOVS	CUSTOMER
	Test Data Transmission	HOVS	CUSTOMER
	Test File Receipt	HOVS	CUSTOMER
Business Rules	Define General Business Rules	HOVS	CUSTOMER
	Define Specific Business Rules per	HOVS	CUSTOMER

	Process		
	Determine Error Report Specifications	HOVS	CUSTOMER
Composition	Provide physical samples of Output	CUSTOMER	CUSTOMER
	Document Design	HOVS	CUSTOMER
	Provide Data Mapping	HOVS	CUSTOMER
	Composition Development	HOVS	HOVS
	Composition Testing	HOVS	HOVS
	Exception Handling	HOVS	CUSTOMER
	Apply Business Rules	HOVS	HOVS
IDMF	Data Validation	HOVS	CUSTOMER
	Pre-Composition	HOVS	CUSTOMER
	CASS Certification	HOVS	HOVS
	Track and Trace	HOVS	CUSTOMER
	Householding	HOVS	CUSTOMER
	Sort / Segmentation	HOVS	CUSTOMER
	Final Composition	HOVS	CUSTOMER
	Print/Insert/Presort	HOVS	CUSTOMER
	Determine Mail Requirements	HOVS	CUSTOMER
	Determine Reprint Process	HOVS	HOVS
	Determine SLA per process	HOVS	CUSTOMER
Inventory	Determine inventory requirements	HOVS	CUSTOMER
	Determine vendors	HOVS	CUSTOMER
	Determine volumes	HOVS	CUSTOMER
	Order inventory	HOVS	CUSTOMER
Reporting	Report Design	HOVS	CUSTOMER
	Report Development	HOVS	HOVS
	Error Report Design	HOVS	CUSTOMER
	Web Site Design	HOVS	CUSTOMER
Production *(Print/Mail, Data Capture/Return Mail, Web Host Reporting/Storage)*	Complete Integration with Production	HOVS	HOVS
	Production Automation	HOVS	HOVS
	Production Testing	HOVS	HOVS
	Production Turn-over	HOVS	HOVS
	Create Build Plan	HOVS	CUSTOMER
Production Control	Schedule orientation with all of production staff	HOVS	HOVS
	Schedule task training	HOVS	HOVS
	Schedule Invoice requirements		

	training	HOVS	CUSTOMER
Archive	Archival Requirements	HOVS	CUSTOMER
Testing	Unit Testing	HOVS	CUSTOMER
	System Testing	HOVS	HOVS
	User Acceptance Testing	HOVS	CUSTOMER
Documentation	Specifications Document	HOVS	HOVS
Invoicing	Determine invoice specifications	HOVS	CUSTOMER
Ongoing	Set up quarterly/monthly meetings with CUSTOMER	HOVS	CUSTOMER

Transition Scope - Milestones

This project includes, but is not limited to, the following project milestones for the HOVS/Customer Transition. The actual target dates for completion will be determined after detailed planning has been completed.

Number	MILESTONE	Target
1	Analysis / Requirements Gathering	10 days
2	Design	10 days
3	IDMF Workflow Application	10 days
4	Report Generation *(overlap with #3)*	5 days
5	Transmission Set Up (overlap with #3)	6 days
6	Materials Procurement and Set Up *(overlap with #3)*	2 days
7	Testing	10 days
8	Production Launch	2 days
Total		42 days

Attachment 10 HOV Quality Assurance

Quality assurance is built into every process. HOVS consistently monitors processes within ISO standards and regulations. HOVS adheres to the Total Quality Management Process (TQM), Lean Sigma, and Six Sigma guidelines. All Managers/Supervisors are trained in the Lean Sigma Techniques. Fifteen (15) HOV managers/supervisors have been trained in Six Sigma Awareness. One manager has achieved Black Belt status; and two supervisors have earned their Green Belt. Lean Sigma, Six Sigma, and TQM direct focus on improving Customer satisfaction, developing short and long-term quality strategies, and optimizing the total process.

In addition, a SAS-70 Type 2 review was successfully completed in Dec 2009. In addition, HOVS complies with HIPAA, Surbanes Oxley, and SOX regulations.

Following is an overview of the HOVS Quality Assurance process.

At HOVS, we direct our focus on improving Customer satisfaction, developing short and long-term quality strategies, and optimizing the total Quality process. All aspects of HOVS' operations including File Receipt, Processing, Print, Insert, Fulfillment and Presort have quality checks and balances built into each step. Utilizing a TQM approach toward process implementation, we have achieved and maintained a high level of quality implementing automation and eliminating much of the manual intervention that could lead to human-error type defects.

HOVS has a well-defined Quality Assurance system that is responsible for quality control of products and review of designed processes, to ensure its adequacy, to meet the quality requirements. The quality assurance activities can be categorized as follows:

Internal Quality Audit Activities
In order to ensure that the quality system activities comply with the documented procedures, internal quality audits are carried out at specified intervals. The audits are carried out in a planned manner following documented procedures. The results of the audit reveal the extent of compliance of the quality system to the ISO 9000 standard. The management representative at the steering committee meeting reports findings of deviation from the documented procedures, and when necessary, the management takes appropriate corrective action.

Quality Plan Creation
A detailed quality plan is documented which describes the control points in the processes, standards of acceptability at each of the control points and the criteria for acceptability. The quality plan explicitly states the steps taken to ensure conformance to the customers' requirements. The quality plan contains details of sampling methods employed to carry out the quality control checks.

Quality Control
A team of Quality Assurance (QA) personnel are deployed for the purpose of ensuring the conformance of a process to specified customer requirements. The QA team carries out quality checks to make sure that the output meets with the customer quality requirements. In doing so, statistical techniques are employed which involves sampling methods.

Quality Training
Training on various subjects such as ISO Awareness, Record Generation and Maintenance, Configuration Management Plan and Simple Quality Concepts are provided by members of the

Total Quality Management (TQM) team in a systematic manner. Training on topics such as ISO Awareness and Record Generation and Maintenance are provided to all personnel in HOVS. An introduction to ISO, the value and meaning of Quality Systems, the Quality Policy, importance of record generation, and the methodology of record maintenance followed in HOVS are discussed in the TQM Awareness and Record Generation and Maintenance training.

HOVS Management and production staff have participated in an extensive Total Quality Management (TQM) Training program. The TQM program implemented at HOV provides inputs to the creation of a Quality Operating System (QOS).

Quality Reporting

Measurement criteria is determined based on both internal and customer specific requirements. All aspects of the manufacturing process are measured and analyzed on a daily basis. Reports can be custom tailored based on the customer's needs.

Quality Sampling

Approximately, five percent (5%) of packages are picked for QC.

The number of inspected packages is derived from the MIL-STD-105D quality standard for sampling inspection. The number of inspected packages will be based on the lot quantity for that particular job. Once non-conformances are realized, the sampling method is doubled, meaning that HOVS doubles the number of inspections per the MIL-STD-105D quality standard. Simultaneously, Management and the QC Director will determine a root cause based on sample errors. A corrective action and continuous improvement process will follow a non-conformance issue.

Quality auditors perform production spot checks periodically. The majority of quality inspection is built into the production processes and performed at a 100% level by the operators. This ensures that only the highest level of quality is achieved and maintained throughout the entire production run.

The number of inspected packages is derived from the MIL-STD-105D quality standard for sampling inspection. The number of inspected packages will be based on the lot quantity for that particular job. Once non-conformances are realized, the sampling method is doubled, meaning that HOVS doubles the number of inspections per the MIL-STD-105D quality standard. Simultaneously, Management and the QC Director will determine a root cause based on sample errors. A corrective action and continuous improvement process will follow a non-conformance issue.

Incoming material is inspected using the sampling plans outlined in MIL-STD-105D standards. HOVS may choose to source inspect at the supplier site, if necessary. Counts and part numbers will be verified prior to labeling and storing the product. Any non-conformance, whether due to non-adherence to specifications, damage, count discrepancy, or part number discrepancy will be recorded; and the supplier will be immediately notified with a request for action. Product will then be dispositioned based on the criticality of the issue, up to and including rejection of the entire shipment.

Please see the following HOVS 31-027 Sampling Plan.

LOT QUANTITY	N	C

2-8	2	0
9-15	2	0
16-25	3	0
26-50	5	0
51-90	5	0
91-150	8	0
151-280	13	0
281-500	20	0
501-1200	32	1
1201-3200	50	2
3201-10,000	80	3
10,001-35,000	125	5
35,001-150,000	200	7

Inspect a sample of N units
If number of non conforming units does not exceed C, the lot is accepted
If number of non conforming units exceeds C, the lot is rejected

This sampling plan is based on MIL-STD-105D and its civilian version ANSI/ASQC Z1.4

Incoming QC Inspection

Incoming material is inspected using the sampling plans outlined in MIL STD 105D standards. HOVS may choose to source inspect at the supplier site, if necessary. Counts and part numbers will be verified prior to labeling and storing the product. Any non-conformance, whether due to non-adherence to specifications, damage, count discrepancy, or part number discrepancy will be recorded; and the supplier will be immediately notified and requested for action. Product will then be dispositioned based on the criticality of the issue, up to and including rejection of the entire shipment.

Corrective Action

The Project Manager and HOVS Quality Manager are also responsible for taking action when service levels are below agreed-upon goals. The HOVS TQM process enables personnel to analyze processes for root cause, as well as to execute the corrective action steps. HOVS has a proven track record in continuous improvement initiatives through the HOVS continuous improvement process.

Each employee is required and encouraged to make recommendations for a process, product or improvement opportunity. The Project Manager would provide the necessary research and analysis prior to making the recommendation to Customer Management.

Attachment 11

I. Statement of Current Work

As the incumbent, HOVS is proud of our legacy with SOMI MiCSES work in that we were able to implement the MiCSES solution into the HOVS workflow. Our growth throughout the years allowed us to bring enhancements to the the MiCSES production process with minimal work on the MiCSES side. We recognize the pace of business today and as a true partner, we come to MiCSES with solid solutions. The following pages will illustrate what we do today, and highlight the enhancements we have implemented throughout the term of our contract with the State of Michigan.

Currently, each Michigan County submits a request through the MiCSES system to Central Print and Mail for FOC notices. The State takes the request, batches the requests per County, and transfers PDF files in a compressed format to HOVS. HOVS receives PDF files from the State's system. The PDF files are compressed as TAR files and transmitted to HOVS and labeled per the 24 or 48 hour SLA requirements. HOVS receives these files and segments the files into Mail and No Mail batches. Following is the detail to the current Statement of Work and the Business Requirements Document (BRD).

GENERAL REQUIREMENTS

HOVS receives multiple TAR files from SOMI MiCSES each day.

- Volume - Approximately 100,000 documents per week
- Frequency – Daily, seven (7) nights per week
- Approximately eighty-three (83) different PDF templates
- HOVS Production Site - 38120 Amrhein Road, Livonia, Michigan 48150

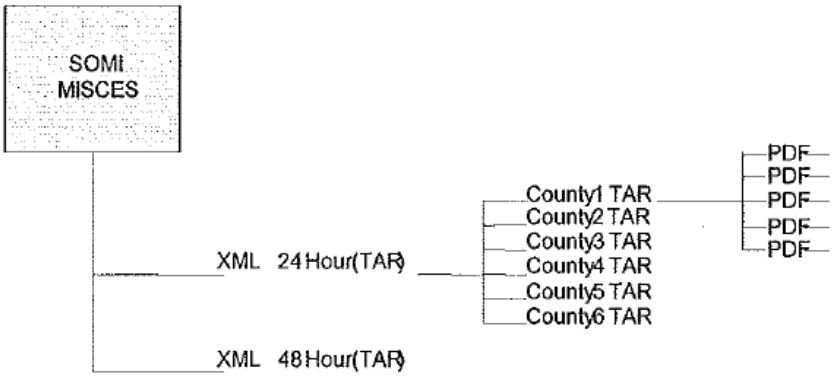
FILE TRANSMISSION SPECIFICATIONS

The MiCSES batch process typically runs overnight. MiCSES generates PDF files through the State system and transmits a compressed file to HOVS.

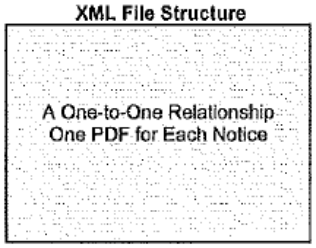
- Secure and dedicated sFTP transmission
- File receipt time between midnight and 6:00am EST
- Random files can be received at any time throughout the day

FILE SPECIFICATIONS

Current MiCSES work can be sent in a varied number of files throughout the day. MiCSES files are categorized into two segments - 24 and 48 Hour files. Each file is comprised of requests from multiple counties, and therefore can include as little as one county or as many as eighty-three (83) counties plus the Office of Child Support (OCS). Each County TAR file includes one or multiple requests for notices. Each request is transferred in PDF format, as illustrated below.



Files received are one PDF per mailpiece (*see illustration below*). Files are grouped with the Case Number in the PDF file name to result in one mail piece. There is also an indicator in the filename which tells us which page is first in the envelope, second, and so on. In addition, HOVS reads the PDF file to determine if the batch is "Mail" or "No Mail" delivery method.



A control file is also sent to HOVS to accommodate reconciliation. HOVS uses the control file to reconcile 1) the number of PDFs in the file; 2) the total number of envelopes to output; and 3) the number of case numbers.

BUSINESS RULES

For each PDF file, HOVS captures piece level information including County number, Case number, number of images, number of sheets, number of envelopes, and template ID. The PDF file name states which PDF gets printed & mailed, and which is "no-mail". Upon receipt of each file, HOVS provides immediate reconciliation and reporting back to the County and the State. Following is the current process.

1. HOVS reads the Table 1 TAR file
    a. HOVS drills down to the County level
        i. HOVS extracts all PDFs for the one county
        ii. HOVS processes and captures Mail or No Mail information
2. HOVS reconcilies against the PDF files against the control file

3. HOVS auto-generates an email to the County with the piece level information for that County's notices
4. HOVS auto-generates an email to MiCSES with the batch report of the total of all counties

File Specifications
Data Transmission from SOMI to HOVS:
SOMI follows the file architecture below in sending files to HOVS via FTP.

<u>48 Hour Files</u>
File Names: TMMDDYYYYHHMMSS_48.tar.gz (XML Architecture 48 Hr File)

<u>24 Hour Files</u>
File Names: TMMDDYYYYHHMMSS_24.tar.gz (XML Architecture 24 Hr File)

<u>Test Files</u>
File Names: TMMDDYYYYHHMMSS_TST.tar.gz (XML Architecture File)

TAR Files & Data File Naming Convention
If the final TMMDDYYYYHHMMSS_48.tar.gz file is uncompressed then following files are found.

TMMDDYYYYHHMMSS_48.tar
County Tar files: ##mmddyyyyhhmmss_48.tar (## is the County #)

If the County TAR file is uncompressed then following files are found.

##mmddyyyy_48.tar

PDF Tar File: ##mmddyyyyhhmmss.tar
Data File: ##mmddyyyyhhmmss.txt

If the final TMMDDYYYYHHMMSS_24.tar.gz file is uncompressed then following files are found.

TMMDDYYYYHHMMSS_24.tar
County Tar Files: ##mmddyyyy_24.tar (## is the County #)

If the County TAR file is uncompressed then following files are found.

##mmddyyyy_24.tar
PDF Tar File: ##mmddyyyyhhmmss.tar
Data File: ##mmddyyyyhhmmss.txt

If the final TMMDDYYYYHHMMSS_TST.tar.gz file is uncompressed then following files are found.

TMMDDYYYYHHMMSS_TST.tar
County Tar Files: ##mmddyyyy_TST.tar (## is the County #)

If the County TAR file is uncompressed then following files are found.

##mmddyyyy_TST.tar
PDF Tar File: ##mmddyyyyhhmmss.tar
Data File: ##mmddyyyyhhmmss.txt

TAR Data File (48 hour and 24 hour)
The record layout of the data file is as below:

Field Position	Contents
1-20	PDF tar file name
21-40	Tar file size
41-60	number of pdf files
61-75	number of envelopes
76 – 90	date (yyyymmdd)
91 – 105	Hhmmss

These counts are used for reconciliation at each county level.

PDF File Naming Convention
XML Architecture PDF file Names -
The following table breaks down how the file name is constructed for the XML architecture. This naming convention is demonstrated in a few examples that follow the table.

Characters	Description
1-2	The first two characters are reserved for the County that generates this document.
3	The next one character is reserved for the Agency that requested this document.
4-12	The next nine characters are reserved for the FGFH_ID for the Forms that is generated.
13-22	The next ten characters are reserved for the IVD Case column of the Forms History table / ID_DOCKET from VSORD. This is the IVD case number "914007885" preceded by a 0 at the end to make it 10 digits or for enforcement(ENF) it would be the 10 digit id_docket. (EG : 1975123456)
23-24	The next two characters are reserved for the turn around time which will be either a '24' or a '48' or '99' for XML architecture
25-27	The next three characters are reserved for the name of the template Category for e.g. RNM
28-35	Template_Idn from fg_forms_history. Would be appended by "_" to make up 8 characters.(EG : "FEN14L__"
36	The next one character is to indicate a break in PDF documents grouped and this will always be a '1' for the XML architecture

The filename for a specific document for the IVD Case will be as follows:

1-2	3	4-12	13-22	23-24	25-27	28-35	36	Extension
82	F	000044444	1975123456	24	ENF	FEN218__	1	.PDF

The following are the documents that will get printed in the above example:
82F000044444091400788524ENFFEN218__1.PDF

XML Architecture - PDF file Validations
The PDF file names will be sorted by first 36 characters.

If the pdf file name is not equal to 36 characters then those files will be rejected.

All files under the size of 1K will be rejected.

The above exceptions will be reported in the Reject Report.

The XML architecture generates the cover letter and document all in one PDF hence no additional indicators/processing for cover letter are necessary.

The file naming convention determines whether the file is a "mail" or "no mail" file. "Mail" files are printed, inserted into envelopes, presorted and mailed out within the SLA. "No Mail" files are electronically grouped together on a County level and include a banner page with the most current County address and contact information (updates provided by the State), and are printed and sent to Fulfillment for packaging and distribution per County. The illustration below differentiates the processing steps of "Mail" and "No Mail" files.

NO-MAIL DOCUMENT PROCESS:
In the XML architecture PDF file names, if the character positions 23 and 24 has a " 99 " indicator then these PDF files will be treated as No-Mail documents and separate print segment will be created. This print segment will have banner pages having the County name and address information based on the County code in the TAR file name. The County name and address has been provided by SOMI. These documents will be shipped to corresponding Counties.

Mail	No Mail
1) Sequence Numbers are placed on each notice	1) Sequence Numbers are placed on each notice
2) All Counties are processed at one time	2) HOVS maintains the banner pages for all 83 Counties, and electronically pulls the appropriate banner page to ensure distribution accuracy
3) Upon file reconciliation, file(s) are batched to print	3) Banner pages are updated by HOVS upon request from the State. Banner pages include a header and trailer page.

4) The piece level ID and 2D barcode are applied to the document for operational controls *(HOVS worked with SOMI in providing a template as a guide for the 2D barcode space requirements)*	4) Operational 3 of 9 barcode is applied to generate a label on the first page (cover) and last page (trailer) of the package going to the County which is scanned during the Clippership process to ensure the integrity of the entire document.
5) Forms in which the State could not accommodate the 2D template *(which is a small volume)* are considered an exception product and are manually fulfilled.	5) HOVS electronically groups the files per County so that multiple documents to the same county can be shipped in one package (householding) thus saving shipping costs.
6) Files are printed, inserted and mailed within the respective 48hr SLA	6) No Mail files are commingled with other no-mail files to expedite print processing
7) Counties' mailpieces are commingled to allow for presort savings and to expedite delivery	7) Upon print, file is released to Fulfillment
8) HOVS generates a segment report for Quality Control and Operations to reconcile the total print and mail counts per batch level	8) HOVS generates a segment report for Quality Control, Operations and Fulfillment with the count breakdown per County

PROCESS FLOW

Upon receipt of the TAR file(s), HOVS reads the file name to determine whether the file is 24 hour or 48 hour, and whether it is a mail or no-mail file. The files are then validated for file size and file name length. Summary, Detail, and Reject reports are automatically generated and transferred to each County and the State. A detailed report is generated containing the Sequence number, Case number, Form ID, page count and sheet count for each notice. Once the PDF files are validated, the file is sent to print. Please see the following current MiCSES process illustration.

Following is the work flow diagram for the SOMI MiCSES process.

I.A.3
SOMI_WorkFlow_V7.'

PRINTING SERVICES

The PDF files are processed and sent to the printer in the appropriate page order – the mailer page is on top followed by the Case documents. Print segments are organized by the number of pages per mailpiece. Print segments are quality-controlled and reconciled against a Print Segment report.

Judge copies (FEN14L) are combined for householding (same county) into one package to generate cost savings and efficiencies. The mailer page address is set up to fit into a #10 large-window envelope or a 6x9 large window envelope.

All MiCSES notices are printed black on white standard paper.

Following are the operational specifications

	Print Specification	Deliverable
1.	8.5 x 11 white 20# paper, black ink on white; duplex; varied multiple sheets per mailpiece	Material and postage savings with duplex print
2.	Transmission of TAR files from State to HOVS	Secured FTP process over T-1 line
3.	Process PDF data files	Generate counts for Quality Control and Reconciliation
4.	PDF files are separated and processed per 24-hour and 48-hour SLA requirements	Quality Control measure for Operations
5.	PDF files are separated and processed per Mail and No-Mail requirements	Quality Control measure for Operations
6.	Document pages are organized by document page count for envelope insertion	Quality Control measure for Operations
7.	Documents are batched and sent to Print	Expedites processing to meet SLA
8.	Print and reconcile per segment report and printer log	Quality Control measure for Operations
9.	Deliver "Mail" documents to insert operations with 2D barcode and piece level ID for operational tracking	Segmentation of job to expedite mail processing; provides Quality Control and reconciliation
10.	Deliver "No Mail" documents to manual Fulfillment with 3 of 9 barcode for operational tracking	Segmentation of job to expedite fulfillment processing; provides Quality Control and reconciliation
11.	Household documents addressed to same recipient for insert into one envelope for "No-Mail" FEN14L	Postage and envelope cost savings
12.	Insert 1-5 sheet documents into single-large window #10 envelopes	Accommodates additional-line addresses and post net codes for expedited delivery
13.	Insert 6-11 sheet documents into single-large window 6x9 envelopes	Accommodates additional-line addresses and post net codes for expedited delivery
14.	Extract un-mailable pieces due to missing return address or missing/invalid mailing address	Postage savings on delivery and return of document to the State; Quality Assurance

	Print Specification	Deliverable
15.	Generate report to Counties for un-mailable pieces	Immediate notice to Counties; Quality Assurance and Reconciliation
16.	Pre-sort "Mail" documents per postal (zip) code	Postage savings
17.	Commingle presorted "Mail" envelopes with other Customer jobs	Expedites the delivery of mail in the USPS postal stream
18.	Extract un-mailable pieces due to missing return address or missing/invalid mailing address	Postage savings on delivery and return of document to the State
19.	Reserve airline space on USPS Postal One reservation system for "Mail" documents	Expedites delivery of mail by reserving space on the airline for each zip code
20.	Reconcile the "No Mail' documents with the segment report of counts per county	Quality Control and reconciliation; reduces errors in delivery of documents to wrong County
21.	Package the "No Mail" documents per segment report; prepare for FedEx pick-up	Quality Control and reconciliation
22.	USPS picks up the "Mail" documents within the SLA 48-hr requirements	Expedited USPS delivery with 4 pick-ups per day and USPS location on-site at HOVS meets and exceeds SLA
23.	FedEx picks up the "No Mail" documents within the 24-hr SLA requirements	Expedited delivery meets and exceeds SLA

HOVS introduced the new single-large window envelope to allow for additional address lines, post net barcodes and future enhancements such as Planet Code. Following are the address placement specifications.

E93342 #10 WHITE VELLUM (single LARGE window 2 5/8" X 4 5/16") OWE (2000 per/case)
Window is 2-5/8" x 4-5/16"
1/2"-L and 1"-B
Inside tint
24# Vellum stock

E93551 6 X 9.5 ENV WHITE w/single LARGE WIN (2 5/8" x 4 5/16") (1100 per/case)
LARGE WINDOW MEASUREMENT
2 5/8 x 4 5/16 placement
1/2" from Left side
2 7/8" from the bottom
1/4" score to flap
Inside tint stock

DISTRIBUTION / MAILING SERVICES

The State of Michigan MiCSES system files are categorized as "Mail" or "No Mail". Mail files are inserted and mailed via the USPS mailstream. No Mail files are packaged and mailed via FedEx overnight service.

	Mail Specification	Deliverable
1.	"Mail" documents. Mail at lowest possible postal rate	• USPS First Class U.S. mail • Presort for postage savings • Expedite mail through USPS PostalOne airline reservation system
2.	"No Mail" documents. Ship FEN14L (local copy of Show Cause Hearing Notice for Judge's records) to originating county.	• Report generated for Quality Assurance and reconciliation • FedEx expedited delivery method via Clippership
3.	Locate and ship un-mailable FEN140 documents to designated county contact	• Overnight via FedEx • Quality Assurance • Generate reconciliation report to County/State of un-mailable documents

Defective Mail Handling

Defective mail is defined as the incomplete or improper mailing and return address on a mailpiece. Defective mail comes from the State system files and/or operational reprints. HOVS developed and implemented this method of handling the undeliverable documents for the State to reconcile each Case. HOVS's Quality Control process catches defective mail before and after presort. The defective mail is sorted and batched by form type and sent to the State. A report follows with the document code, document description, number of affected pieces and the defect.

SOMI PRODUCTION FILE PROCESSING SCHEDULE AT HOVS

24 Hour SOMI production files received prior to noon on a business day are defined to be mailed the next business day.

48 Hour SOMI production files received prior to noon on a business day are defined to be mailed the second business day.

Files received after noon, on holidays, and on weekends are defined to be received on the next business day.

SOMI HELP DESK CONTACT INFORMATION
Following are two means for contacting the SOMI Help Desk (a.k.a. Hotline) for this project.

Telephone: 1-800-968-2644; Press 2

E-Mail: CSESHotline@michigan.gov

PROBLEM INVESTIGATION

HOVS uses the HOVS ReTABS Help Desk Management application to track issues and problems for internal as well as customer problems. The system provides status on all issues including those that are open, closed, and on hold. Problems identified in the RFP include:

	Problem	Deliverable
	Data file transmission issues.	• HOVS generates an automatic email to MiCSES Help Desk.
	File level validation (i.e., processing) issues.	• HOVS generates an automatic email to MiCSES Help Desk.
	Archive County Detail Reports.	• 3-month retention at central print facility

When HOVS internal issues are identified, a help desk call is opened in our ReTABS system. This call is then escalated to the appropriate team and if necessary on-call staff. For operational issues, updates are provided every 4 hours until the problem is resolved. Once resolved, the ReTABS call is updated. If necessary a corrective action form is issued to document the issue, provide root cause analysis and implement corrective action to prevent re-occurrence.

Problems are investigated by a team of Quality Assurance, Production Control and Account Management. Once the root cause is determined, the Change Management process comes into play. The problem is corrected, and a permanent solution is documented and implemented.

SPECIAL PROJECTS

Special Projects include activities such as testing new MiCSES documents (adding new templates), ad hoc information requests, high volume mass mailings, or response to County requests. The State provides as much notice as possible for the volume and timing of new projects.

HOVS will continue to support special projects including, but not limited to:

1. Test new templates and add them into production
2. Support, project management and implement special mailings
3. Respond to ad-hoc information in a timely manner
4. Assist the State in moving to a format that identifies the appropriate template and variable data rather than providing a PDF for each piece to be mailed
5. Provide a Workflow/Composition solution to implement a barcode for piece level tracking
6. Assist the State in the migration to industry standard practices with our Workflow/Composition solution

Special Mailing Example – Annual Escheatment (FEN804) Process
DATA TRANSMISSION FROM State Of MI to HOVS:
State Of Michigan is going to send files to HOVS via FTP.

File Names: TMMDDYYYYHHMMSS.tar.gz

Data Process:
This file is going to be processed manually in the test environment. Since it is processed in the test environment, 00 - County (OCS) email along with reports and Central-Print-Daily-Statistics reports are going to be sent manually. After the data process the print segments are spooled to printers.

Printing & Mailing Process:
The print segments are printed as a separate job from the regular production and inserted in the envelopes with the additional insert.

REPORTING

HOVS provides the reporting necessary to successfully track and measure the PDF file process. From beginning to end, reports are generated for HOVS Operational, State and County review. HOVS has implemented and currently generates the following reports, as listed in the RFP.

	Report	Deliverable
1.	County Detail (daily)	• Automatic email notification to designated county FOC & PA representative (OCS for documents assigned to County 00 & 88). • Microsoft Excel spreadsheet attachment containing case number, and Template ID.
2.	Central Print Statistics (daily)	• Central print facility internal file level reconciliation. • Automatic email notification to designated MDIT-MiCSES representatives • Report data to reconcile the TAR file size, PDF file count, number of rejects and envelopes
3.	County Reject (daily)	• Automatic email sent to MiCSES Help Desk asking for ticket to be opened and assigned to Development-Docgen. • Automatic email notification to designated county FOC & PA representative (OCS for documents assigned to County 00 & 88). • Text file attachment containing case number, Case ID, etc. • Error Conditions: a) PDF file name is not equal to 36 characters, b) PDF file size is less than 1KB (empty file), and c) the envelope open/close indicators are out of sequence; invalid form code • Report data details the sequence number, invalid mailpiece, number of envelopes, Form ID

4.	Statewide Consolidated Reject (daily)	• Automatic email notification to designated DIT-MiCSES representatives. • Text file attachment containing county number, case number, Case ID, etc. • Error Conditions: a) PDF file name is not equal • to 36 characters, b) PDF file size is less than 1KB (empty file), and c) the envelope open/close indicators are out of sequence; invalid form code
5.	Error messages providing notification of file issues (i.e. inability to decompress a file)	• Automatic email notification to the State Help Desk
6.	Confirmation of Receipt of File	• Auto-generated email to confirm receipt of file to the State
7.	Weekly Defective Mail Report	• Excel spreadsheet with counts and Form IDs for Defective Mail (incomplete/improper mailing and return address) collected during the week; Defective mail is found within State system files
8.	County Contact List	• Updated by the State and maintained at HOVS • Used by HOVS to create banner pages for Judge Copy Show Cause Notices • Used to mail back the Show Cause Notices that are considered un-mailable documents
9.	Weekly End-to-End On-Time Performance Report	• Excel report with date, incoming filename, HOVS job number and Print Segment Name; number of envelopes, sheets, envelopes; incoming file date, due date, meter date; and on-time count and percentage
10	No Mail Report (no mail documents)	• Automated text report with Sequence number, County Number, County Name, number of images, and number of sheets

Reports Created from Business Rules:

The files processed and HOVS will generate the following reports for each county:

- Detail Report (File name T##mmddyyyy_24_DETAIL.csv) where ## is the County #, T is the Architecture type, 24 processing time window.
- Reject Report (File name T##mmddyyyy_24_REJECT.txt)
- Summary Report (File name T##mmddyyyy_24_SUMMARY.txt)

Following are samples of reports created from business rules.

XML Detail Report - County

Presque Isle

DETAIL REPORT (t7108282006030915_48.tar) xx/xx/xx 07:39

Seq.No.	Account Number	Sequence #	Major Activity	Form ID	Pages counts	Actual pages(including blank)	Sheet count
1	911983408	48		FEN081	4	4	2
2	911101329	48		FEN058	5	6	3
3	911769061	48		FEN058	5	6	3
4	911769061	48		FEN058	5	6	3
5	911039997	48		CLOSUREF	3	4	2
6	911039997	48		CLOSUREF	3	4	2
7	911972651	48		CLOSUREF	3	4	2
8	911972651	48		CLOSUREF	3	4	2
9	911983408	48		FEN081	4	4	2
10	911769061	48		FEN058	5	6	3
11	911769061	48		FEN058	5	6	3
12	911769061	48		FEN058	4	4	2
13	911101329	48		FEN058	5	6	3
14	911101329	48		FEN058	4	4	2
TOTAL				14		68	34

XML Detail Report Description

Column #	Column Heading	Description
1	Seq. No.	This sequence number is generated by HOVS for each envelope which will be printed and mailed.
2	CASE NUMBER	This is 10 characters populated in the PDF file name starting at position 13.
3	Sequence #	This sequence number turn around time starting at position 23 for length of 2 characters in PDF file name. In XML architecture every PDF file is one envelope. The value in the XML architecture will be either 24 or 48 or 99 based on the turn around or No-Mail indicator
4	Major Activity	No Value in this field.
5	Form ID	Form ID is being extracted from PDF file name starting at position 28 for al length of 8 characters. Ex. FEN14L__. Populate the Form ID in the report without underscores.
6	Page Counts	This is the actual number of pages in each PDF file. For example, if an envelope consists of 3 PDF files, then page count of each PDF file will shown in this column for the corresponding Form ID.
7	Actual pages (including blank)	This is the total page count per envelope. For example, if an envelope consists of 3 PDF files, then it is the sum of all PDF files page count including the blank page. All the files will be printed in the Duplex format. HOVS will add blank page at the end if required to force the file to print in duplex format.
8	Sheet count	This is the total sheet count per envelope. Since it is printed in duplex format, the total sheet count is exactly half of the total actual page count.

Summary Report

Alpena

S U M M A R Y R E P O R T 07/19/11 00:07

TAR File size reconciliation (t0407182011234909_48.tar)

Transmitted tar file size	= 675,840 (Bytes)
Lason Received tar file size	= 675,840 (Bytes)

PDF File count reconciliation

Transmitted PDF file count	= 32
Lason received PDF file count	= 32

Correct & Reject PDF File count reconciliation

Correct PDF file count	= 32
Reject PDF file count	= 0
Total PDF file processed	= 32

Total Envelope count reconciliation

Transmitted Envelope count	= 32
Lason generated Envelope count	= 32

Correct & Reject Envelope count reconciliation

Correct Envelope count	= 32
Envelopes rejected due to wrong PDF file name Length	= 0
Envelopes rejected due to PDF file size	= 0
Envelopes rejected due to wrong form ID	= 0
Total Envelope processed	= 32

Reject Report (County Level)

```
                    <COUNTY>
        ------------------------------------------------

         R E J E C T   R E P O R T   xx/xx/xx 14:57
         ------------------------------------------

TAR File size reconciliation
-------------------------------------------------------------
Transmitted tar file size = 0 (Bytes)
HOVS Received tar file size          = 643297792 (Bytes)
-------------------------------------------------------
TAR file size do not match

Seq No.  PDF file names not equal to 36 character
-------------------------------------------------
 1     SCBWFEN02219822176140102311.PDF
 2     SCBWFEN02219822176140202311.PDF
-------------------------------------------------
Seq No. Files rejected because of size less than 1Kb    Size(Bytes)
-------------------------------------------------------------------
 1     SCBWPRSCN19009945630104511.PDF                     77293
 2     SCBWPRSCN19009945630206200.PDF                       838
 3     SCBWPRSCN19009945630300700.PDF                      5682

-------------------------------------------------
Seq No. PDF files are rejected because of invalid package/envelope
-------------------------------------------------------------------
SCBWPRSCN19009945630104511.PDF
SCBWPRSCN19009945630206200.PDF
SCBWPRSCN19009945630300700.PDF
SCBWPRSCN19800169600104500.PDF
SCBWPRSCN19800169600206200.PDF
SCBWPRSCN19800169600300700.PDF
```

Central Print Daily Statistics Report

1. Report fields and comma delimited values
File Type, TAR FILE Date, TAR FILE TIME STAMP, County #, County Name, Form ID, HOVS Received PDF Count, HOVS Data Process PDF Reject Count, HOVS PDF Printed Count.

Note: HOVS Data Process PDF Reject Count cannot be recorded if the PDF file name is not equal to the maximum number of characters defined.

2. End of the file.
*** End of File ***

3. Sample Data
t48 Hrs,06262011,125003,82,Wayne,FEN14L,31,0,31
*** End of File ***

4. File Name
TARFILE NAME.txt Example - TMMDDYYYYHHMMSS_48.txt

5. Order of the County records will be the same as TAR file

6. Email Subject: Central Print Daily Statistics TAR file name
   TAR file name.txt will be attached to the email
   t48 Hrs,07182011,234917,82,Wayne,RNMRVWNO,22,0,22
   t48 Hrs,07182011,234917,83,Wexford,FEN058,21,0,21
   t48 Hrs,07182011,234917,83,Wexford,FEN302,2,0,2
   t48 Hrs,07182011,234917,83,Wexford,FEN303,2,0,2
   t48 Hrs,07182011,234917,83,Wexford,INTTRANS,2,0,2
   t48 Hrs,07182011,234917,83,Wexford,LOC_Post,1,0,1
   t48 Hrs,07182011,234917,83,Wexford,OCS1253,1,0,1
   *** End of File ***

County Wide Detail Report

1. Report Structure
This report will be generated for every TAR.gz file received by HOVS.
This report will have same structure as the existing detail report
This report is the consolidation of all the Counties detail reports received in the TAR.gz file.
Each County is separated by the County Name, TAR file name, date and time stamp as the header.
Order of the County records will be in the same order as TAR.gz file.

2. File Name
TARFILE NAME _Detail.csv

Example - TMMDDYYYYHHMMSS_48_ Detail.csv
The email list is supplied by State for the County email addresses
Email Subject: County Name File Processed (Tar file name)

II. Process Improvements Implemented

HOVS is proud of our legacy with the State of MI MiCSES in Continuous Improvement recommendations and opportunities. As such, we are excited to continue our partnership. During the past years, HOVS' growth has offered us the opportunity to pass cost and efficiency savings to our Customers. Following are the enhancements that we were able to implement for MiCSES.

- **Package Level Reconciliation** of no-mail work
- **Piece Level Tracking** for each notice
- **Production Barcoding** on both mail and no mail notices
- **End-to-End Reporting** from file receipt to mail
- **Clippership** Distribution Services for no-mail work
- **Householding Judge's Copies** into one envelope/package

Package Level Reconciliation

Former Status. Distribution Staff reconciled the total number of no-mails to the total file count. At times, the county could miss a document. We had to investigate and determine 1) if the notice requests were sent to MiCSES; 2) if HOVS received the notices; and 3) whether or not the notices were mailed. Once it was determined that HOVS received the notices, we searched for delivery tracking numbers for the respective County. From that point we would know that a package was sent to the County; however, we would not know if the number of notices received for this County is the actual number delivered to the County.

Enhancement. HOVS now generates a segment report with the total count per file plus a banner page count for each county within a file. The process automatically generates a report that lists the County number, County name, the number of images, and the number of sheets per county. Quality Control and Distribution personnel reconcile the counts on the report for each county with the physical counts in the output. An additional reconciliation step takes place in the match of the total count on the segment report to the total physical count of the output. If there is not a match, the entire job will halt until inspected and resolved by Quality Control. Following is a sample segment report:

Integration into IDMF Workflow

HOVS integrated the MiCESE central print process with HOVS' IDMF (*Integrated Document Manufacturing Facility*) Work Flow process using the State's architecture of PDF files to provide a more robust automated data process environment, electronic reporting, and more control over the tracking the pieces being processed. In addition, the No-Mail process was enhanced with our automated Clippership process for shipping and reporting packages to Counties. Counties now receive an electronic report with the shipment tracking number, Form ID, Case#, Sheet Count, Envelope Count. Following are the improvements brought by IDMF to MiCSES:

- **Automated data process environment** – HOVS automated the tracking of documents throughout the data and production process via IDMF Work Flow. The integration of this

process with IDMF work flow enables us to **track the job at piece level** and provides more robust data processing step tracking.

- **End-to-End reporting – End to end reporting** for No-Mail details the incoming file information as well as the outgoing FedEx information. Counties are able to see exactly what was sent, what was received, what was delivered, when it was delivered, and the tracking number. The report details the shipment tracking number along with the Form ID, Case#, Sheet Count, and Envelope Count.
- **Clippership process – Clippership** is an interface program for all different carrier types like FedEx, UPS. etc. The Clippership process is integrated into IDMF Work Flow to provide an automated solution to generate shipment labels, and to record tracking numbers along with other package details. This information can be used for **reporting the statistics of No-Mail packages** to Counties and State with tracking number, Form ID, Case#, Sheet Count, Envelope Count.

HOVS is proud of the dedication and commitment our employees have to the MiCSES work. HOVS values our partnership with the State of Michigan and enjoy our relationship with the MiCSES staff. We look forward to continued success with SOMI MiCSES.

Attachment 13 HOVS Process Capabilities and Validation

As you read through the our Capabilities you will see the processes, quality checks, security, compliance and a comprehensive plans already in place that encompasses the requirements of this RFP with significant experience and technology in the areas of composition, tracking, print, reporting and mailing. This Proposal will address each of the required functionalities within the following:

- Technology Infrastructure and Development
- Secure Electronic Data Transfer
- Physical Building and Personnel Security Measures
- Data Security and Confidentiality
- Print Services
- Mail and Distribution Services
- Reporting Capabilities
- Business Continuity for High Availability/Redundancy

HOVS is your overall "solution" provider and "one-stop-shop" for our Customers.

Recently, HOVS was awarded the "Best Application Architecture" Award for an application in which HOVS designed a streamlined system to process all of TransUnion credit reports.

HOVS was previously awarded the Visionary Award from the Exstream Dialogue User Group. This award was for the Most Sophisticated Application in our Collection Letter process. HOVS designed a streamlined Collection Letter process to accommodate all Collection business. HOVS has since migrated other forms/letters into this process now known as the Consolidated Letter Process (CLP).

HOVS employs the latest systems and digital print technology in the marketplace. High-speed printers, networks, communications links, inter-net, media, hardware, and software are in a continuous state of review to ensure that HOVS can supply our clients with the best available service offerings. Technology also plays a significant role in our process management at HOVS.

In addition, HOVS manages automated domestic, international and special handling mail. All mail is inspected and approved by **on-site** U.S. Postal Inspectors. The USPS has also provided HOVS with our own zip code for mail processing offering in the financial benefits of maximized postal discounts. HOVS utilizes the USPS Postal One Transportation Module to "reserve" flight space and expedite mail. Mail drops at the airport are pre-coded and space reserved with necessary flight information.

HOVS' position as a National Presort house allows us the capability to commingle outbound mail and offer maximum postal discounts. The USPS provides HOVS with on-site pickup several times daily. HOVS works closely with the USPS utilizing MERLIN, the Mail Evaluation Readability Lookup Instrument, a tool that is used to help our Customers meet the USPS acceptance criteria for business mail.

In addition, HOVS teams with our Supplier Partners to maintain an ongoing interest in collaborative thinking of applications for new products and the expanded use of existing products. HOVS works with our Supplier Partners to proactively insure that USPS initiatives regarding mail quality and acceptance issues are fully understood by the mailer and vendor communities and can be passed on to our presort Customers.

Outbound Print to Mail Services

For more than twenty years HOV Services' Mail Processing Center has provided unique output solutions to businesses across North America. We welcome the opportunity offered by our Customers to provide our solution to their outbound print and mail requirements. HOVS promotes and adheres to a "best-in-class" philosophy in developing and enhancing our products and services. We promote and sell based on a principle of "core competencies" and as such, our solution contains technological components to address the unique needs of our clients. We have expended significant resources and diligence in developing the solutions that set us apart from our competitors.

HOVS maintains two mail processing centers. Our primary facility is in Livonia MI and our second facility is in Houston TX. Currently, our average daily volume in Livonia is 1,300,000 or 30,000,000 per month. Without adding additional equipment or technology, our maximum daily capacity is 2,280,000 or 50,000,000 per month. Our Houston TX facility currently produces 4,000,000 pieces per month and has capacity for up to 8,000,000. HOVS currently load balances between the two facilities and in the event of a power outage, the Livonia facility maintains an on-site generator for uninterrupted production.

The following pages will illustrate the HOVS capabilities and process for the print and mail. HOVS is in constant review of our technology, products and related services to assure a quality end product for our Customers. To that end the following standards apply to all of our processes:

- Technology Infrastructure and Development
- Process and Production Tracking with HOVS' IDMF (Integrated Document Manufacturing Facility)
- Total Quality Management (TQM) Process with Six Sigma and Lean Sigma Philosophy
- Address Cleansing with CASS and NCOA Services
- Document Composition with Industry Leading Dialogue Exstream Tool
- SAS 70 and HIPAA Compliance

HOVS' development methodology embraces detailed definition and attainment of mutual consensus regarding service levels and metrics that are not only critical to our Customers but also to information security and to the satisfaction levels of your Customers.

HOVS' quality program is based on the six sigma philosophy whereby measurement and continuous improvement is core to the approach we take in delivering our services. Not only will HOVS adhere to the SLA metrics, HOVS will also measure our performance to identify the highest defect areas throughout our entire delivery model, regardless of whether the defect area is within the compliance levels of the SLA. HOVS will perform a root cause analysis of those defect areas and institute process improvement initiatives to reduce cost, improve quality, and/or turn around time. These initiatives are ken up along with Customer participation for higher transparency and end to end improvements.

Technology Infrastructure and Development

HOVS' strength is in offering highly-skilled and trained professionals who bring the best technological solutions to the information industry. HOVS maintains a core team of developers for project analysis, design, development and implementation as well as software modification and enhancement.

HOVS follows an Agile Software Development Methodology which emphasizes Customer collaboration and responding to change. Our Agile Methodology delivers tested software solutions early and continuously through-out the development process by breaking up the development process into smaller components. Functionality is built on top of each deliverable to quickly identify problem areas or refactoring opportunities. This coupled with Customer interaction and participation allows HOVS to quickly deliver high quality solutions that can accommodate change even late in the development cycle.

HOVS' Agile Methodology also quickly identifies schedule and cost concerns so that they can be brought to the attention of the Project Manager and the Client.

The broad areas of development include:

Area	Development Step
Data	Data Format Design
	Data Transmission Design
	Reconciliation / acknowledgement
Communications	Data Transmission Setup
	Test Data Transmission
	Test file receipt
Composition	Document Design (Visual Formats)
	Data format development (mapping)
	Composition Development
	Composition Testing
Reporting	Reporting Design
	Reporting Development
Production	Production Design
	Production Automation
	Production Testing
	Production Turn-over
Documentation	Documentation

HOVS IT provides the analysis and research necessary to determine a solid, acceptable solution. HOVS IT provides project planning, testing and dress rehearsal runs prior to implementation. HOVS IT also offers our Customers new solutions as they become available. One such offering is the Confirm process with the USPS. HOVS IT has created a solution, Track and Trace in which you can view your mail deliveries via

HOVS' Document DNA™. It is a solution that offers the viewer the necessary information to make a quick decision on call center staffing and budget forecasting.

The HOVS Development team customizes solutions per product, per service and per Customer.

Integrated Document Manufacturing Facility

At the core of HOVS' print and mail production process is our proprietary Integrated Document Manufacturing Facility (IDMF). As a modular work flow based process, IDMF provides real time and batch composition services. The basic IDMF steps include data validation based on your predefined business rules, all stages of composition including CASS certification, Planet Code application, householding, and sort/segmentation. HOV Services' IDMF piece level tracking allows piece level reprint, individual document tracking and production reports. HOV Services can further integrate the USPS Confirm service (Planet Code) with the piece level database event table to track in-bound and outbound documents through the mail stream. HOVS householding and error controls are monitored with the HOVS' IDMF workflow process.

Data Transmitted to Data Received

HOV controls are monitored with HOV's IDMF workflow process. The IDMF process begins before a file is even sent to us. Upon job set up, the file receipt time is given an expected time range. This time range is input into IDMF for the "expected time to receive this file".

IDMF "looks" for the file at the beginning of the time range. If the file is received within the time range, an electronic notice is sent to our Customers to acknowledge file receipt. If the file is not received within the expected time range, an "error" notification is sent to the Customer.

The "receipt of file" is the first check of many during the HOV IDMF process. The transmission elements of the process facilitate the file receipt and processing of data.

The basic IDMF steps include data validation, all stages of composition including CASS and NCOA certification, HOV's Track and Trace (application of Planet Code), householding, and sort/segmentation. HOV's IDMF piece level tracking allows individual document tracking and production reports as well as piece level reprints.

The IDMF process is available for internal and external notification of success and/or failure notices. IDMF tracks each step until completion. At completion, the step is given a "success" status and moves on to the next step. If not completed, the step is given a "failure" status and halts the process until acknowledgement or reset.

Following is a brief summary of the functions supported by IDMF:

HOVS' Integrated Document Manufacturing Facility (IDMF)
Provides both real-time as well as batch document composition services. Customer data is received via Connect:Direct or secure FTP file transfer.
The basic IDMF steps are:
- Data validation / Pre-processor
- Pre-composition to estimate number of pages, and other document statistics. This is done by merging the input data with the templates in Exstream Dialogue and generating a report file
- CASS Certification to validate addresses and add 11 digit DPBC
- Planet Code is applied via the USPS Confirm service to track output and return / remittance through the mail stream (optional)
- Householding combines multiple documents to the same address into one envelope for postage savings
- Sort / Segmentation – Sorts files for maximum throughput on inserters and/or postage savings. Segments based upon paper, envelope and insert requirements
- Final Composition – Generates the print streams in required PDL for printing. Includes inserter controls, production reports, etc.
- Print, Pressure Seal or Insert, Presort – The manufacturing steps to actually produce and mail the document. HOVS provides mechanical commingled presort for maximum postage savings

HOVS' IDMF piece level tracking database allows piece level reprint, individual document tracking and production reports.

The IDMF process is available for internal and external notification of success and/or failure notices. IDMF tracks each step until completion. At completion, the step is given a "success" status and moves on to the next step. If not completed, the step is given a "failure" status and halts the process until acknowledgement or reset.

HOVS' IDMF also validates the input files against any business rules. Examples of these rules include validation of totals and subtotals, field level validations, messages that must be printed, etc. IDMF process also determines the number of pages that each document will contain as well as:

- Business Rules
- Reconciliation of Counts
- Exception Process
- Identification of Distribution Method
- Single vs. Multi-Sheet Technology
- Electronic Pull Generation

IDMF provides both real-time as well as batch document composition services.

The pre-composition step is the reconciliation of input to output. During this step, HOV counts the number of documents, reconciles the business rules against the data, and creates the 2D or *3 of 9* barcode for automated tracking throughout the production process. The barcode is read via camera technology on our insert equipment. The barcode is also tracked with scanning capability in manual fulfillment.

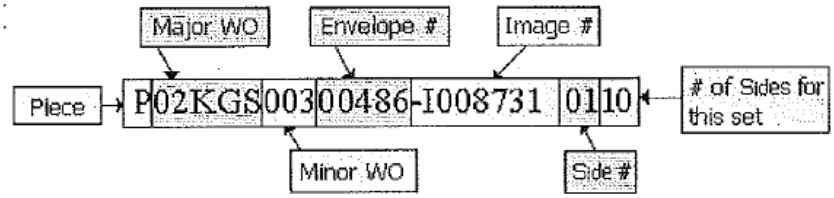
HOV also applies a piece level identifier. The piece level identifier is a number that is unique to each mailpiece. The piece level identifier is used as a tracking mechanism throughout the production process.
The piece level identifier is above the address and on the bottom of each sheet of the printed documents. It is the first level of inspection.

In addition to IDMF, Piece Level Identifier and pre-process validation, Quality Assurance is built into every process. HOV consistently monitors each step within ISO standards and regulations and Total Quality Management Process (TQM). The number of counts is matched from one production step to another. As with IDMF, if there is not a match, the job is halted for management review and reconciliation. Operational counts are generated from IDMF with a Segment Report. This report follows the job throughout the production process and is reconciled at each step with the number of images, pages, sheets and envelopes.

Data Received to Data Printed

Order tracking begins with the sales order and the IDMF workflow process. Upon receipt of the file, a sales order is electronically generated and with that, a unique number is generated for each survey. The unique number is our Piece Level ID which is reconciled and tracked with each step of the production process.

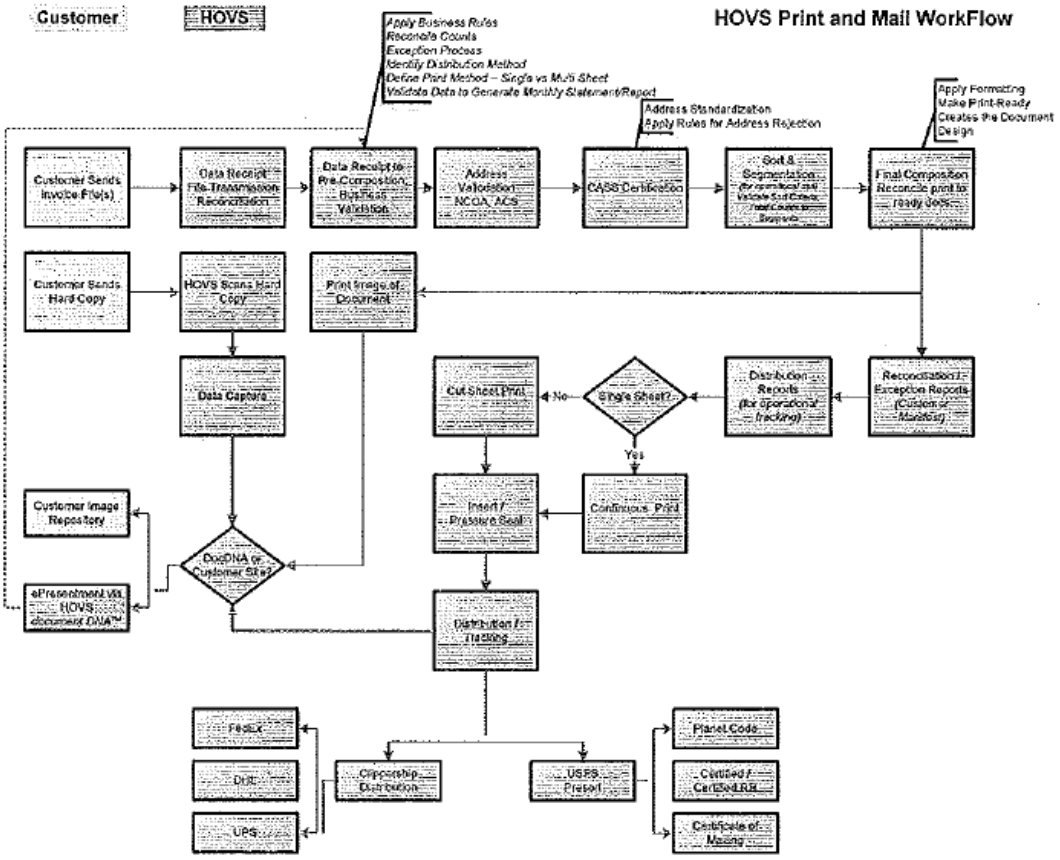
The piece level identifier is above the address and on the bottom of each sheet of the printed documents. It is the first level of inspection for all operators. Below is an example of the piece level identifier and its meaning.



The piece level ID is different for each job, for each day, for each file. If there is a question or jam on a certain piece or range of pieces, reprints are generated with the piece level ID numbers.

HOV provides order entry into our Epicor sales system. During the project phase, we "build" the job, providing Epicor with the process steps, materials and pricing. Once the job is built, this information is used as the "blueprint" for sales orders. Sales Orders are automatically generated based on the expected and agreed-upon file receipt timeframe. The sales order indicates the materials, process steps and applicable instructions, and follows the job throughout the production process.

The following illustration depicts the HOVS document process:



HOVS can receive files around the clock, seven days a week. We support Secure FTP and Connect:Direct (NDM) transmission methods. The following processes will apply as required in our Output Print and Mail processes:

- Electronic receipt of file for all files
- Electronic notification of file(s) not received within an agreed-upon timeframe
- Electronic manifest
- Electronic file to upload for Customer review (as required)
- Post Processing Summary and Exception reports
- Number of records processed
- Invalid Addresses
- Other Business Rules as required by Customer

Document Composition – PDF/Print Image

PDF images can now run through our Crawford Transforms technology tool for control and repurposing. Transforms allow us to transform and enhance mission-critical transactional documents without the need for reprogramming.

HOVS leads the industry in flexible, fast and accurate print stream conversion solutions. Our PRO Transform technology from Crawford Technologies is widely recognized for its processing speed, fidelity, single pass processing, platform independence and cost effective implementation. As a result, our customers extend the value of legacy document streams, bring increased flexibility and efficiency to their production operations, and maximize the latest technology developments without the need for document reprogramming or redesign:

- Migrate legacy applications to a new format without reprogramming
- Increase throughput and flexibility in print production
- Gain freedom of choice in print protocols and formats
- Minimize programming and production support needs for platform conversion
- Optimize print/mail production by splitting, concatenating and sorting print streams

Indexing supports increased productivity by indexing even the most complex documents by selecting and extracting pertinent data from within a print stream with a powerful new scripting language:

- Data mine documents and print streams for information
- Create highly responsive index files in any common format
- Script if – then – else statements for any particular page
- Apply specific rules and intricate logic routines.

Indexing is a key component in enabling the display of mission-critical customer correspondence online, in creating custom electronic bill presentment systems, or to add TLEs and bookmarks to complex and dynamically assembled documents.

Splitting supports increases productivity by enabling very fast and precise splitting (bursting) of large output files into numerous "subdocument" files:

- Provides greater control over production output by maximizing equipment utilization, segment statements, and report distribution requirements
- Repurpose select production documents for presentment on the Web or for archival storage.
- Divide output files into customer-specific documents and other precisely defined groupings.

As part of the composition phase, Crawford also allows our PDF process to include:

- Address Standardization
- CASS Certification
- Rules for Address Rejection
- Householding
- Highlight and Full Color Capabilities
- Sorting and Segmentation for Operational Use

HOV will work with our Customers to apply state of art technology and best in class processes to obtain the most effective and cost effective document delivery.

Print to Mail Reconciliation

HOV's provides various means for quality assurance in print and mail production. The sales order and segment reports follow the job throughout the process. At each step of the process, the job is counted to ensure accuracy and completeness. Also, at each step of the process, a random visual check is conducted on the job to ensure print and material quality. Both operators and supervisors are required to sign-off on the job at each step of the process. Furthermore, the piece level identifier tracks each piece throughout the production process ensuring completeness of each mailpiece as well as each job.

HOVS employs the latest systems and digital print technology in the marketplace. Continuous and cut-sheet printers offer the flexibility of variable print, as well simplex/duplex print and segmentation. High-speed printers, networks, communications links, inter-net, media, hardware, and software are in a continuous state of review to ensure that HOVS can supply our clients with the best available service offerings.

HOVS can offer additional capabilities via either Digital Highlight or Digital Full Color output. While costs increase with Color, the improved impact for marketing can make this an effective option. Further, because HOVS' document composition system allows us to design once and delivery anywhere, documents can be designed in full color, but printed in black and white, highlight color or full color depending on specific market segmentation or demographics.

HOVS can apply standard forms and/or pre-printed stock to the look and feel of your document. HOVS maintains an electronic inventory system for real-time inventory counts and status. As you can see, Technology plays a significant role in our process management at HOVS.

Automated insertion of documents is accomplished by using equipment that performs intelligent inserting using OMR, 3 of 9 and 2D barcode technology. The software provided with the inserters allows HOV Services to accomplish piece level tracking insuring integrity of the mail piece. Barcode technology allows reconciliation of sheet count into an envelope as well as the ability to pull a specific insert for a related statement. HOVS can insert into #10, 6x9, 9x12 and related envelope sizes. The HOVS standard envelope is a large window envelope designed for our #10, 6x9 and 9x12 statement jobs. HOVS can accommodate any pre-printed, double or single window envelope specification.

The pre-composition step allows the full circle reconciliation of input to output. During this step, HOV Services counts the number of records/accounts, reconciles the total number against the header/trailer record, and creates the *3 of 9*, OMR or 2D barcode for automated tracking throughout the production process. The barcode is read via camera technology on our insert equipment. The barcode is also tracked with scanning capability in manual fulfillment. In addition, the piece level identifier (previously addressed) allows for visual reconciliation.

Mail Preparation and Presorting

HOVS Mail Processing Center (MPC) is a United States Postal Service Work Share Partner and provides automated domestic, international and special handling mail services. We offer a full range of addressing services including CASS, Fast Forward, ACS, NCOA and Planet Code. The USPS performs daily on-site postal inspections of mail and is on site from 4:00 P.M. to 12:00 A.M. daily including Saturdays.

The USPS verifies the mail pieces meet postal requirements for postal discounts and deliverability using the Mail Evaluation Readability Lookup Instrument (MERLIN).

Outbound and inbound mailpiece tracking can be supported through the USPS Planet Code service. The Planet Code barcode is printed directly on the mailpiece and payment coupon. Each time a mailpiece is scanned by mail processing equipment in a USPS facility a scan record is generated. These records are compiled into electronic files and loaded into our Document DNA™ system for viewing by our Customers. Both outbound mail and inbound mail can be tracked for delivery status.

HOVS is a National Presort house and commingles outbound mail for maximum postal discounts. The USPS provides HOVS with on-site pickup mail four times per day. As an USPS Work Share partner, HOVS utilizes the USPS Postal One Transportation system. Postal One allows HOVS to access the airport flight data base and determine the flight transportation of the mail pieces. As a result, most of our mail is in the destination state the day after it leaves our facility.

Quality Assurance

HOVS' contract development methodology embraces detailed definition and attainment of mutual consensus regarding service levels and metrics that are not only critical to our Customers but also to information security and satisfaction levels of your customers. Definition and negotiation will occur during the development of the Statement of Work (SOW).

HOVS' quality program is based on the six sigma philosophy whereby measurement and continuous improvement is core to the approach we take in delivering our services. Not only will HOVS adhere to the SLA metrics that are mutually defined and agreed to, HOVS will also measure its performance to identify the highest defect areas throughout our entire delivery model, regardless of whether the defect area is within the compliance levels of the SLA. HOVS will perform root cause analysis of those defect areas and institute process improvement initiatives to reduce cost, improve quality, and/or turnaround time. These initiatives are ken up along with customer participation for higher transparency and end to end improvements

On-going process/service level improvement opportunities are jointly identified by our product line representatives, customer relationship managers, and your key customer contacts and formally brought forward for consideration. Opportunities are reviewed in the Quarterly Business Reviews (QBR's).

Reporting

HOVS constantly reviews our technology, products and related services to assure a quality end product for our Customers. To that end the following notifications/reports apply to all of our document processes:

- Electronic receipt of file for all files
- Electronic notification of file(s) not received within an agreed-upon timeframe
- Electronic manifest *(if required)*
- Post Processing Summary and Exception reports

- Number of records processed
- Invalid Addresses
- Other Business Rules as required by Customer

HOVS' IDMF piece level tracking allows piece level reprint, individual document tracking and production reports.

HOV can also produce reports on various statistics as required. HOVS provides reports customized to our Customers' requirements as well as standard reporting features, such as:

- Customer Inventory Reports
- Quality Reports
- Shipping Reports
- Courier Reports

HOVS will work with our Customers during implementation to establish report requirements and specifications.

document DNA™

More and more Customers are offering a view or print option for reports, invoices, transactions, etc. HOVS offers this service. End users can "sign up" for either printed output or ePresentment with document DNA™, or an indicator can be sent with the input file as a flag to print or present on DNA. Once the model is set up, HOVS' Print and Mail service will "pull" the print records from DNA and print/mail per the SLA.

Continuous Improvement

On-going process/service level improvement opportunities are jointly identified by our product line representatives, customer relationship managers, and key end customer contacts and formally brought forward for consideration. Opportunities are reviewed in the Quarterly Business Reviews (QBR's) and if appropriate, ROI analysis is developed for further review and approval to proceed.

ATP 14 - PRELIMINARY PROJECT PLAN

ID		Task Name	Duration	Start	Finish	Predecessors	Resource Names
1		**HOVS - Document Implementation Plan**	**46 days**	**Wed 12/1/10**	**Wed 2/2/11**		
2		**Analysis and Requirements Gathering**	**9 days**	**Wed 12/1/10**	**Mon 12/13/10**		
3		SOW	4 days	Wed 12/1/10	Mon 12/6/10		
4		Preparing BRD	5 days	Tue 12/7/10	Mon 12/13/10	3	
5		Data Analysis and Record Layout definition	5 days	Tue 12/7/10	Mon 12/13/10	3	
6		**Composition**	**27 days**	**Tue 12/14/10**	**Wed 1/19/11**		
7		Data Analysis	4 days	Tue 12/14/10	Fri 12/17/10	5	
8		Crawford Application Setup	3 days	Mon 12/20/10	Wed 12/22/10	7	
9		PDF Files Extract	3 days	Thu 12/23/10	Mon 12/27/10	8	
10		Document Design	3 days	Tue 12/28/10	Thu 12/30/10	9	
11		Variable Extract to layout	3 days	Fri 12/31/10	Tue 1/4/11	10	
12		Business Rules and Logic Implementation	4 days	Wed 1/5/11	Mon 1/10/11	11	
13		Report Formula	2 days	Tue 1/11/11	Wed 1/12/11	12	
14		Output Creation (PDL)	1 day	Thu 1/13/11	Thu 1/13/11	13	
15		Print Samples for Alignment	2 days	Fri 1/14/11	Mon 1/17/11	14	
16		Output Control for Operations	2 days	Tue 1/18/11	Wed 1/19/11	15	
17		**Workflow Process For Automation**	**10 days**	**Thu 1/20/11**	**Wed 2/2/11**		
18		Process Flow Design	3 days	Thu 1/20/11	Mon 1/24/11	16	
19		Configuration	5 days	Tue 1/25/11	Mon 1/31/11	18	
20		Accumulator Final Composition	2 days	Tue 2/1/11	Wed 2/2/11	19	
21		Job Number and Product ID's	2 days	Tue 1/25/11	Wed 1/26/11	18	
22		**Report Generation**	**2 days**	**Tue 12/21/10**	**Wed 12/22/10**		
23		Summary Report	2 days	Tue 12/21/10	Wed 12/22/10		
24		Detail Report	2 days	Tue 12/21/10	Wed 12/22/10		
25		Reject Report	2 days	Tue 12/21/10	Wed 12/22/10		
26		HOVS Production reconciliation reports	2 days	Tue 12/21/10	Wed 12/22/10		
27		**Transmission Setup**	**5 days**	**Tue 12/14/10**	**Mon 12/20/10**		
28		File Push/Pull Setup with HOVS	5 days	Tue 12/14/10	Mon 12/20/10		
29		HOVS Reports Push/Pull	5 days	Tue 12/14/10	Mon 12/20/10		
30		**Testing**	**10 days**	**Wed 12/15/10**	**Tue 12/28/10**		
31		Unit Testing	4 days	Wed 12/15/10	Mon 12/20/10		
32		Print Test	3 days	Wed 12/15/10	Fri 12/17/10		

30, '10 M T W T F S

Project: Generic_Statement_ProjectPl
Date: Thu 11/10/11

Task | Milestone | External Tasks
Split | Summary | External MileTask
Progress | Project Summary | Split

ID		Task Name	Duration	Start	Finish	Predecessors	Resource Names	30, '10 M T W T F S
33		Insertion Testing	3 days	Wed 12/22/10	Fri 12/24/10			
34		MERLIN/IMB Test	3 days	Thu 12/23/10	Mon 12/27/10			
35		Integration testing	2 days	Mon 12/27/10	Tue 12/28/10			
36		**Production Launch**	**7 days**	**Mon 12/27/10**	**Tue 1/4/11**			
37		Programs Production Move	2 days	Mon 12/27/10	Tue 12/28/10			
38		Operations Production Ready	2 days	Wed 12/29/10	Thu 12/30/10	37		
39		Production Start	1 day	Tue 1/4/11	Tue 1/4/11			

Project: Generic_Statement_ProjectPl
Date: Thu 11/10/11

Task		Milestone		External Tasks	
Split		Summary		External MileTask	
Progress		Project Summary		Split	

ATTACHMENT 14

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
1	**HOVS - Document Implementation Plan**	**46 days**	**Wed 12/1/10**	**Wed 2/2/11**		
2	**Analysis and Requirements Gathering**	**9 days**	**Wed 12/1/10**	**Mon 12/13/10**		
3	SOW	4 days	Wed 12/1/10	Mon 12/6/10		
4	Preparing BRD	5 days	Tue 12/7/10	Mon 12/13/10	3	
5	Data Analysis and Record Layout definition	5 days	Tue 12/7/10	Mon 12/13/10	3	
6	**Composition**	**27 days**	**Tue 12/14/10**	**Wed 1/19/11**		
7	Data Analysis	4 days	Tue 12/14/10	Fri 12/17/10	5	
8	Crawford Application Setup	3 days	Mon 12/20/10	Wed 12/22/10	7	
9	PDF Files Extract	3 days	Thu 12/23/10	Mon 12/27/10	8	
10	Document Design	3 days	Tue 12/28/10	Thu 12/30/10	9	
11	Variable Extract to layout	3 days	Fri 12/31/10	Tue 1/4/11	10	
12	Business Rules and Logic Implementation	4 days	Wed 1/5/11	Mon 1/10/11	11	
13	Report Formula	2 days	Tue 1/11/11	Wed 1/12/11	12	
14	Output Creation (PDL)	1 day	Thu 1/13/11	Thu 1/13/11	13	
15	Print Samples for Alignment	2 days	Fri 1/14/11	Mon 1/17/11	14	
16	Output Control for Operations	2 days	Tue 1/18/11	Wed 1/19/11	15	
17	**Workflow Process For Automation**	**10 days**	**Thu 1/20/11**	**Wed 2/2/11**		
18	Process Flow Design	3 days	Thu 1/20/11	Mon 1/24/11	16	
19	Configuration	5 days	Tue 1/25/11	Mon 1/31/11	18	
20	Accumulator Final Composition	2 days	Tue 2/1/11	Wed 2/2/11	19	
21	Job Number and Product ID's	2 days	Tue 1/25/11	Wed 1/26/11	18	
22	**Report Generation**	**2 days**	**Tue 12/21/10**	**Wed 12/22/10**		
23	Summary Report	2 days	Tue 12/21/10	Wed 12/22/10		
24	Detail Report	2 days	Tue 12/21/10	Wed 12/22/10		
25	Reject Report	2 days	Tue 12/21/10	Wed 12/22/10		
26	HOVS Production reconciliation reports	2 days	Tue 12/21/10	Wed 12/22/10		
27	**Transmission Setup**	**5 days**	**Tue 12/14/10**	**Mon 12/20/10**		
28	File Push/Pull Setup with HOVS	5 days	Tue 12/14/10	Mon 12/20/10		
29	HOVS Reports Push/Pull	5 days	Tue 12/14/10	Mon 12/20/10		
30	**Testing**	**10 days**	**Wed 12/15/10**	**Tue 12/28/10**		
31	Unit Testing	4 days	Wed 12/15/10	Mon 12/20/10		
32	Print Test	3 days	Wed 12/15/10	Fri 12/17/10		

30, '10
M T W T F S

Project: Generic_Statement_ProjectPl
Date: Wed 11/9/11

Task | Split | Progress | Milestone | Summary | Project Summary | External Tasks | External MileTask | Split

ID		Task Name	Duration	Start	Finish	Predecessors	Resource Names	30, '10 M T W T F S
33		Insertion Testing	3 days	Wed 12/22/10	Fri 12/24/10			
34		MERLIN/IMB Test	3 days	Thu 12/23/10	Mon 12/27/10			
35		Integration testing	2 days	Mon 12/27/10	Tue 12/28/10			
36		**Production Launch**	**7 days**	**Mon 12/27/10**	**Tue 1/4/11**			
37		Programs Production Move	2 days	Mon 12/27/10	Tue 12/28/10			
38		Operations Production Ready	2 days	Wed 12/29/10	Thu 12/30/10	37		
39		Production Start	1 day	Tue 1/4/11	Tue 1/4/11			

Project: Generic_Statement_ProjectPl
Date: Wed 11/9/11

Task		Milestone		External Tasks	
Split		Summary		External MileTask	
Progress		Project Summary		Split	

Page 2