Form No. DTMB-3521 (Rev. 10/2015)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

PROCUREMENT

525 W. ALLEGAN STREET
LANSING, MI 48933

P.O. BOX 30026
LANSING, MI 48909

CHANGE NOTICE NO. 11
to
CONTRACT NO. 071B3200103
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Deloitte Consulting Llp	Hari Murthy	hamurthy@deloitte.com
200 Renaissance Center	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
Detroit MI, 48243-1895	212-313-2986	*****4513

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Kemal Tekinel	(517) 241-5779	tekinelk@Michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Simon Baldwin	(517) 284-6997	baldwins@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Deloitte Hub			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 10, 2013	June 9, 2016	2 - 1 Year	June 9, 2016
PAYMENT TERMS		DELIVERY TIMEFRAME	
N/A		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
☐ P-card	☐ Direct Voucher (DV)	☐ Other	☐ Yes ☒ No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
☐	N/A	☐	N/A	June 9, 2016
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
$23,340,372.00	$ 91,855.00	$23,432,227.00		

DESCRIPTION:
This Change will modify the end date of the existing Project Management, Preliminary Analysis and System Development Lifecycle (SDLC) enhancements services Statement of Work (SOW) from 1/31/2016 to 2/29/2016.
The SDLC enhancement services are performed by defined resources and are paid via firm fixed monthly payments as defined in the SOW attached to Change Notice 9. The monthly firm fixed fee for these services was reduced from $529,931.00 to $474,806.00 for Change Notice 10 and 11.

This change will utilize $382,951.00 existing funds and add $91,855.00 to the Contract. Please note, the Contract Administrator has been changed to Simon Baldwin and the Program Manager has been changed to Kemal Tekinel.

All other terms, conditions, specifications, and pricing remain the same, per Contractor and Agency agreement and DTMB Procurement approval.

Ad Board Approved Amount: $23,601,742.00

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

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

CHANGE NOTICE NO. 10

to

CONTRACT NO. 071B3200103

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Hari Murthy	hamurthy@deloitte.com
200 Renaissance Center, Suite 3900	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
Detroit, MI 48243-1895	(212) 313-2986	4513

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Kim Koppsch-Woods	517-284-7156	Koppsch-woodsk@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: State of Michigan Hub Solution

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 10, 2013	June 9, 2016	2, one year	June 9, 2016

PAYMENT TERMS	DELIVERY TIMEFRAME
N/A	N/A

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

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$20,445,748.00	$2,894,624.00	$ 23,340,372.00

DESCRIPTION:

Effective September 29, 2015, the parties agree to add services priced at $2,894,624.00, utilizing funds previously approved by the State Administrative Board but not yet added to the contract.

The parties agree to:

1. Modify the end date of the existing Project Management, Preliminary Analysis and System Development Lifecycle (SDLC) enhancements services Statement of Work (SOW) from 9/30/2015 to 1/31/2016. This SOW was added in Change Notice 9. The monthly firm fixed fee for these services decreases to $474,806.00 beginning October 2015. The parties add a total of $225,000.00 for additional resources approved by the state, which funding may only be used for augmenting staff for work related to this SOW and may not be used for adding new scope or functionality. Total cost of this SOW modification: $2,124,224.00.
2. Modify the end date of the existing Triage services SOW from 9/30/2015 to 6/9/2016. This SOW was added in Change Notice 6. The monthly firm fixed fee for these services will remain the same.

All other terms, conditions, specifications and pricing remain unchanged. Per vendor, agency and DTMB Procurement agreement.

Ad Board Approved Amount: $23,601,742.00

Form No. DTMB-3521 (Rev. 2/2015)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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

CHANGE NOTICE NO. 9

to

CONTRACT NO. 071B3200103

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Hari Murthy	hamurthy@deloitte.com
200 Renaissance Center, Suite 3900	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
Detroit, MI 48243-1895	(212) 313-2986	-4513

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	Kim Koppsch-Woods	(517) 284-7156	Koppsch-woodsk@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Whitnie Zuker	(517) 284-7030	zukerw@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: State of Michigan Hub Solution

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 10, 2013	June 9, 2016	2, one year	June 9, 2016
PAYMENT TERMS	F.O.B.	SHIPPED TO	
Net 45	Shipment	N/A	

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
☐ 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 EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐		June 9, 2016

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
$16,744,042.00	$3,701,706.00	$20,445,748.00

DESCRIPTION:

Effective February 1, 2015 this contract is amended and increased by $3,701,706.00 to support the following:

1. Incorporate SOW (Named: SOW Deloitte SOM Hub Ri 1380 1452 1719 v6) for Release Independent change controls through the time period of 02/01/15 – 05/31/15; total amount of $297,120.00.
2. Incorporate SOW (Named: SOW Deloitte SOM Hub FY15 v4) for firm fixed priced ongoing Project Management, Preliminary Analysis and System Development Lifecycle (SDLC) enhancements services through the remainder of FY15 (04/01/15 – 09/30/15); total amount of $3,404,586.00. This SOW contains a total of $225,000.00 for additional resources approved by the state. This funding will only be used for augmenting staff for work related to this SOW and will not be used for adding new scope or functionality.

All other terms, conditions, specifications and pricing remain unchanged. Per vendor and agency agreement and DTMB Procurement approval and the approval of the State Administration Board on September 11, 2014 Approved AD Board Contract Value: $22,367,959.00. With the additional AD Board approval for $1,233,783.00 on April 28, 2015, total Contract Value: $23,601,742.00. Remaining Total Amount Approved to be used for Optional Costs: $3,155,994.00

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

Project Title: State of Michigan Hub Solution (SOM Hub)	**Period of Coverage:** 02/01/15 – 05/31/15
Requesting Department: Department of Community Health	**Date:** May 8, 2015
Agency Project Manager: Jamy Hengesbach	**Phone:** (517) 335-6168
DTMB Project Manager: Kimberly Koppsch-Woods	**Phone:** (517) 284-7156
Contract Information: Contractor: Deloitte Consulting LLP Contract #071B3200103	**Change Requests:** 1380, 1452, 1719
Attachments: PMM-014 Project Change Request form for each cc	

Brief Description of Services to be provided:

Contractor services for the State of Michigan (hereinafter referred to as "State" or "SOM") Hub solution (Medicaid) (hereinafter referred to as "SOM Hub" or "SOM Hub solution") for Release independent change controls that will increase system security and improve system performance. In addition, Contractor will continue to set up access and use for the Michigan Women, Infant and Children (MiWIC) project on Medicaid Compliance Program (MCP) DataPower Domain appliances, per Contract Change Notice #7

BACKGROUND:

The State is under Contract with Deloitte Consulting LLP, (hereinafter referred to as "Contractor" or "Vendor") to implement and support a SOM Hub solution which includes a State Messaging Gateway as the single source of contact between the Federal Data Hub and the State of Michigan for both the health insurance exchange and the Medicaid/CHIP activities. The SOM Hub solution has been operational since January 25, 2014. Further IT services scope has been identified and is included herein.

PROJECT OBJECTIVE:

The purpose of Medicaid Compliance Program (MCP) is to support the State as specified in the Contract between the parties and this SOW in enhancing and implementing functionality of the SOM Hub as identified in the Medicaid Compliance Program objectives.

The primary purpose of this document is to outline a Statement of Work outlining required activities and expected deliverables based on the project scope of work independent of a Major Release as defined below for each change control request (cc) listed.

SCOPE OF WORK:

1. As identified by MCP governance, the following Release Independent change controls (cc) are approved through the established change control process:
    a. cc 1380: Database in-flight encryption
    b. cc 1452: Upgrade SOM Hub WMB servers to IIB version 9
    c. cc 1719: MiWIC DataPower Domains Additional Effort/Hours and Cost

TASKS:

Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, Contractor and State will comply with the Contractor Approach as outlined in the correspondence section of the Contract under 1.104(I) Work and Deliverables.

Tasks specific to Release Independent change controls are detailed in respective PMM-014 Change Request form. The following tables outline the high-level activities to be addressed by Deloitte SOM Hub team:

cc 1380: Database in-flight encryption

New version of the Open Database Connectivity (ODBC) driver that supports connecting to encrypted databases needs to be installed and used to connect to encrypted databases.

Activities	Hours
Requirements and Design (Documentation)	12
Development and Unit Testing (Configuration changes)	24
Project Testing (Regression and Performance)	40
Deployment	12
TOTAL	**88**

By implementing this change control, an additional layer of security is added for all SOM Hub transactions. Message broker servers can connect to encrypted databases which makes it safer to transmit the data. All the in-flight data that transmits between SOM Hub WebSphere message broker servers and the databases will be encrypted.

1. Contractor responsibilities include the following:
    a. Development and unit testing
    b. Conduct project-level testing
    c. Conduct integration testing
    d. Conduct demo (if needed)
    e. Deployment

cc 1452: Upgrade Hub WMB servers to version 9

IBM has released a new ESB platform called IBM Integration Bus (IIB) v9.0 formerly known as WebSphere Message Broker (WMB) 8.x. IIB v9.0 is a significant version upgrade from WMB 8.x offering major enhancements and huge set of new features. Along with the IIB 9.0 server IBM had also released a new development toolkit.

The SOM Hub currently runs WMB 8.0.0.4 and the development team uses the existing 8.0 toolkit. A change request has been approved to upgrade the SOM Hub platform to IIB v9. Along with the server platform upgrade, the development toolkit will also be upgraded in order to maintain compatibility. Both are COTS software supporting the SOM Hub.

Activities	Hours
Installation of upgrade (All R6 environments, Dev, AIT, SIT, UAT, Perf/PRD-I)	160
Build and deployment (All R6 environments, Dev, AIT, SIT, UAT, Perf/PRD-I)	160
Potential forward compatibility changes	160
R6 Dev environment testing	160
R6 AIT (Full Regression of all Hub functionality and integration with other systems)	240
R6 SIT Environment testing	160
Test and validate R6 UAT environment	120
Performance testing	180
Production installation, implementation, monitoring and validation with potential backup	80
Post implementation Activities	
Installation of upgrade (Remaining environments, maint-dev, maint-AIT, maint-SIT, maint-UAT, PS-Dev)	160
Build and deployment (Remaining environments, maint-dev, maint-AIT, maint-SIT, maint-UAT, PS-Dev)	120
Smoke test (Remaining environments, maint-dev, maint-AIT, maint-SIT, maint-UAT, PS-Dev)	80
TOTAL	**1780**

By implementing this change control, new features in IIB 9.0 will be leveraged and potentially improve SOM Hub performance.

1. Contractor team responsibilities include the following:
    a. Download IIB 9.0

b. Install IIB 9.0
c. Conduct project-level testing
d. Conduct integration testing
e. Conduct demo (if needed)
f. Performance testing
g. Deployment

2. State will procure additional hardware such memory, CPU or storage if needed as part of the upgrade.
3. State has the software licensee for IIB 9.0

The installation, configuration, testing, issue resolution tasks will be performed on all **24** environments listed in the PMM-014 under "**Impacted Components**". Effort for these tasks are included in above table; there is no additional cost impact for these tasks.

cc 1719: MiWIC DataPower Domains

Contractor team will continue to work on separate domains in test and production MCP IBM DataPower appliances for the Treasury MiWIC project per cc 1385 in Contract Change Notice #7. Contractor will provide the MiWIC Project use of the MCP DataPower Appliance as a firewall and user authentication service for access to secured zones within the State as an Enterprise level service.

Original effort for cc 1385 Contractor activities was based on the State providing an administrator to configure all the necessary environments. State has since determined that an internal resource is not available and that the Contractor resources can more effieciently and effectively implement this change. In addition, the State requires the Contractor to provide production (including troubleshooting) support not initially included with cc 1385.

Activities	Hours
Create domains and configure domain level admin users on 1 Test appliance	12
Create domains and configure domain level admin users on 4 Production appliances	40
Test Domain and domain level admin privileges (Configuration changes)	34
Production Support	102
TOTAL	**188**

WORK AND DELIVERABLES:

Overview:

A. This SOW covers the term February 1, 2015 through May 31, 2015.
B. Contractor and SOM will adhere to a mutually agreed upon documented schedule.
C. The State reserves the right to modify the projects, change controls and defects identified for work. Changes will be managed through the established change control process.

Services and Deliverables for cc1380, Database in-flight encryption and cc1452, Upgrade Hub WMB servers to version 9

Services: The Contractor will provide services and follow the State and Contractor Roles and Contractor Approach as outlined in the corresponding section of Contract Section 1.104(I). Specific services include:

1. Initiation and Planning Activities (e.g. Project Charter, Project Plan, documenting risks, assumptions, critical success factors, resource needs, quality expectations, communication expectations).
2. Testing
3. Implementation
4. Documentation

Deliverable(s): The Contractor will provide the Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in the Contract Section 1.104(I) for the appropriate stage of activities. Where appropriate, existing project deliverables will be updated to incorporate new scope or SOM Hub solution modifications. Any SUITE template or deliverable waivers must be agreed upon with DTMB.

1. Initiation and Planning Activities
2. Testing

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(F) and specifically as follows:

a. Integration Test completion date: To be mutually agreed within the project plan
b. System Test completion date: To be mutually agreed within the project plan
c. Security Validation Completion date: To be mutually agreed within the project plan
d. User Acceptance Test completion date: To be mutually agreed within the project plan
e. The Contractor will participate in "war room" testing activities, as requested, by the State, to enhance communication and promote intense collaboration to remediate discovered testing defects.

At the Program Level, the State will provide an End-to End Testing Plan, which may require remediation of project level defects. The Contractor will adhere to the Testing Plan.

a. Test Type Approach and Reports [final]
    i. Integration test reports
    ii. Performance test report
    iii. System test reports
    iv. User Acceptance test report
b. Test Cases [final]
c. Hub Test Plan

3. Implementation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(G) and specifically as follows:

a. Services to implement the application, including:
    i. Configuration
    ii. Customization
    iii. Interfaces/Integration.
b. Operational software product.

4. Documentation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(I) and specifically as follows:

a. The documentation of components, features, and use of the hardware/software shall be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.
b. All system, operational, technical, change, and issue documentation must be available in electronic format, published to an intranet website, accessible to State users, and be updated regularly, with unique numerical identifiers for each section and be consistent with the most current version of the application(s) and three (3) previous versions.
c. All system, operations, user, change and issue documentation is to be organized in a format which is approved by the State. Its form should facilitate updating and allow-for revisions to the documentation to be clearly identified including the three (3) previous versions.
d. The Contractor will develop and submit for State approval complete, accurate, and timely system, operations, and user documentation based on the mutually agreed upon project schedule.
e. The Contractor must notify the State of any discrepancies or errors outlined in the system, operations, and technical documentation.

Services and Deliverables for cc1719, MiWIC DataPower Domains

a. **Services**: The Contractor will continue to create separate domains in test and production MCP IBM DataPower appliances for the Treasury MiWIC project
    i. Create and configure new domains for MIWIC in the following DataPower appliances
        1. One External Test DataPower appliance
        2. Two External Production DataPower appliances
        3. Two Internal Production DataPower appliances
    ii. Coordinate activities with MiWIC technology and management team
    iii. Coordinate with network team to have new AD group and domain level admin users created
    iv. Configure the AD group and domain level admin users for the appropriate new domains
    v. Test to ensure that the domain is successfully created
    vi. Test domain level admin privileges
        1. Production Support includes the following:Troubleshooting

2. Packet capture analysis
3. Analysis of issues

b. **Deliverable**: Fully functional and accessible domains as described above

ASSUMPTIONS:

A. Stabilization, Maintenance support and operation services are not included in this SOW as they are covered in Contract Change Notice #8.

B. Current MCP governance model will be used for all the change controls. Deliverables will be produced as per the current governance model.

A. Per Contract Change Notice #7, Project Management services were to be provided for the time frame of 1/1/15-3/31/15. The State and Contractor are in the process of issuing a separate SOW agreement for ongoing Project Management services and cost for the time period of 4/1/15-9/30/15.

While the separate SOW agreement is in the process of execution, the Contractor will continue to perform project management activities and provide deliverables as outlined in the Contract section 1.300 Project Plan and 1.400 Project Management in support of the services outlined in this section, including but not limited to:.

a. Project management services for SOM Hub Solution
b. Impact analysis for various change controls
c. Business analysis support for integration sessions determining impact
d. Technical leadership and management across various change control items
e. Quality assurance on change controls
f. Weekly status reporting

ACCEPTANCE CRITERIA:

High-level acceptance criteria for Document Deliverables are listed in Section 1.501 of the Contract and will not be considered complete until the Agency Project Manager has formally accepted them as described.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the in the Contract.

SPECIFIC DEPARTMENT STANDARDS:

None.

PAYMENT SCHEDULE:

Payment schedule is based upon firm fixed costs. Payment will be made on a Deliverable basis.

Release Independent Change Controls 1380 and 1452	
Deliverable	**Amount**
Upon Satisfactory acceptance of the following deliverables (40%): • Testing	$112,080
Upon Satisfactory acceptance of the following deliverables (60%): • Implementation • Documentation	$168,120
Total	**$280,200**

Release Independent Change Control 1719 must be invoiced separately or referenced specifically on invoice	
Deliverable	**Amount**
Upon satisfactory acceptance of the following deliverables • Fully functional and accessible MiWIC DataPower Domains	$16,920
Total	**$16,920**

SOW Total	**$297,120**

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

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Jamy Hengesbach
Michigan Department of Community Health
(517) 335-6168
hengesbachj@michigan.gov

The designated DTMB Project Manager is:

Kimberly Koppsch Woods
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health, Medicaid Compliance Program
(517) 284-7156
koppsch-woodsk@michigan.gov

AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions.

AGREEMENT:

Processing through and acceptance by the Department of Community Health and Department of Technology, Management & Budget, Purchasing Office, may be required to finalize this Statement of Work and amend the Contract prior to issuance of a purchase order.

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

By: _____ Date: 5/8/15.
Kimberly Koppsch Woods, Business Relationship Manager

AGREED TO: DELOITTE CONSULTING LLP

By: _____ Date: 5/8/2015
Hariharan Murthy, Director

This purchase order is a release from Contract Number 071B3200103. This purchase order, statement of work, and the terms and conditions of Contract Number 071B3200103 constitute the entire agreement between the State and the Contractor.

Filename: SOW SOM Hub Ri 1380 1452 1719 v6
ITRAC: C20141226-132353

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

Project Title: State of Michigan Hub Solution (SOM Hub)	**Period of Coverage:** 04/01/15 – 09/30/15
Requesting Department: Department of Community Health	**Date:** May 12, 2015
Agency Project Manager: Jamy Hengesbach	**Phone:** (517) 335-6168
DTMB Project Manager: Kimberly Koppsch-Woods	**Phone:** (517) 284-7156
Contract Information: Contractor: Deloitte Consulting LLP Contract # 071B3200103	**Change Requests:** N/A

Brief Description of Services to be provided:

Ongoing Project Management, Preliminary Analysis and System Development Lifecycle (SDLC) enhancements services for State of Michigan (hereinafter referred to as "State" or "SOM") Hub solution (Medicaid) (hereinafter referred to as "SOM Hub" or "SOM Hub solution").

BACKGROUND:

The State is under contract with Deloitte Consulting LLP, (hereinafter referred to as "Contractor" or "Vendor") to implement and support a SOM Hub solution which includes a State Messaging Gateway as the single source of contact between the Federal Data Hub and the State of Michigan for both the health insurance exchange and the Medicaid/CHIP activities. The SOM Hub solution has been operational since January 25, 2014. Further IT services scope has been identified and is included herein.

PROJECT OBJECTIVE:

The purpose of Medicaid Compliance Program (MCP) is to support the State as specified in the Contract between the parties and this Statement of Work (SOW) in implementing enhanced functionality as identified in the Medicaid Compliance Program objectives. This SOW covers the term April 1, 2015 through September 30, 2015.The Primary Contract section 1.104 Work and Deliverable (H) (L) includes a provision for Training and Knowledge Transfer and Transition to the State for ongoing enhancements of the SOM Hub solution. The State intends to transition enhancements to the SOM Hub solution, but is not yet ready to do so. The State will continue utilizing the Contractor for information technology services ("IT Services') that includes Project Management, Preliminary Analysis and ongoing enhancements of the SOM Hub solution. The State will notify the Contractor in writing of the State's intent to assume enhancements of the SOM Hub solution.

SCOPE OF WORK:

This Statement of Work consists of the below scope. Further details and specifications are listed in this Statement of Work section titled "Work and Deliverables".

1. Project management related to SOM Hub as directed by MCP
2. Preliminary Analysis (a.k.a. Impact Analysis)
3. SOM Hub solution - System Development Lifecycle Services (SDLC)

   The services and deliverables specified in this Statement of Work will be performed by 17.9 full-time resources to be provided by Contractor as specified below

   - Project Director 0.20
   - Sr. Project Manager 0.70
   - Project Manager: 1.00
   - Business Analyst: 1.00
   - System Admin: 3.00
   - System Architect: 1.00
   - Database Admin: 1.00

- Technical Lead: 1.00
- Web Developer: 6.00
- Tester: 3.00

The Key Personnel (Project Director, Project Manager, and Technical lead) will remain as defined within the primary Contract, section 1.201. Contractor will adhere to the primary Contract, section 2.060 in regards to personnel management.

In the event that accomplishment of the scope of work requires additional resources or a reallocation of resources among the specified categories, the parties will manage the required change through the established change control process.

TASKS:

Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, Contractor and State will comply with the Contractor Approach as outlined in 1.104 Work and Deliverables of the Contract and this SOW.

WORK AND DELIVERABLES:

Overview:

D. This SOW covers the term April 1, 2015 through September 30, 2015.

E. Contractor will provide ongoing Project Management, Preliminary Analysis and SDLC, support of SOM Hub solution enhancements.

F. The State will classify whether services are considered an enhancement (e.g. a minor release, release independent activity part of a major release or other activity), Maintenance and Operation (M&O), or Defect resolution.

G. The State reserves the right to modify the projects, change controls and defects identified for work. Changes will be managed through the established change control process.

H. Contractor and SOM will adhere to a mutually agreed upon documented schedule.

I. Payment will be made on a firm fixed cost basis, billed monthly at $529,931. Contractor will not submit invoices until all expected deliverables (for that month) have been accepted by the SOM.

J. The State is reserving 1500 hours for additional resources for a total not to exceed $225,000 by using a blended rate of $ 150. The State will request and approve utilization of these resource hours.

K. The total change order value including the reserved hours for additional resources is $3,404,586.

1. Services and Deliverables

A. Project Management:

The Contractor will perform ongoing Project Management activities and provide deliverables as outlined in the Contract section 1.400 in support of the services outlined within the Contract and in this SOW.

B. Preliminary Analysis (a.k.a. Impact Analysis)

1. **Services**: The Contractor will perform preliminary analysis/impact analysis as requested and prioritized by the State. Impact Analysis for identified production defects shall be conducted at no additional cost to the State, and will be addressed by Contractor using the existing, planned team resources. The Contractor will communicate to the DTMB Project Manager any concerns about these activities impacting established timelines. If necessary to protect established timelines, the State will determine and communicate work priority to the Contractor.
2. **Deliverables**: Impact Analysis results/response shall be provided consistent with a 48-hour objective for items deemed high priority and where practical. The Contractor will provide a written impact statement to the State, propose alternative solutions and describe impacts to costs, schedule, resources and other Medicaid system components for proposed work, as well as impact to work in progress. Impact analysis will primarily be conducted for proposed changes, new/altered business requirements, new projects and defects. For the purpose of this SOW, Contractor is required to document in any Impact Analysis delivered, additional impact to any system components including hardware, software, interfaces, services, data, and databases.

C. SOM Hub Solution/SDLC

SOM Hub solution enhancements include any modification to the SOM Hub solution as part of any release activity ("releases") identified by the State (major and minor release, release independent, system modifications). SOM Hub solution enhancements shall proceed through the SUITE methodology and shall include all phases of system development lifecycle as outlined in the Contract within section 1.104.

- For major releases, a release plan that defines scope, timelines, services and deliverables will be mutually agreed upon between the Contractor and MCP.

- All SOM Hub solution enhancements will be identified through an approved Project Charter or through the established Change Request Process.
- All security patches and system and software configuration changes must be tested before deployment.
- Separate development, test and production environments must continue to be utilized.

1. **Services**: The Contractor will provide system development lifecycle services and follow the State and Contractor Roles and Contractor Approach as outlined in the Contract, section 1.104. The system development lifecycle services stages include:
    a. Initiation and Planning Activities (e.g. Project Charter, Project Plan, documenting risks, assumptions, critical success factors, resource needs, quality expectations, communication expectations).
    b. Detailed Business and Technical Requirements
    c. Application Design
    d. Application Development
    e. Testing
    f. Implementation
    g. Documentation
    h. Training and Knowledge Transfer

2. **Deliverables:** The Contractor will provide the Deliverables as outlined in the Contract, section 1.104 and follow the State and Contractor Roles and Contractor Approach defined in the Contract, section 1.200, for the appropriate stage of activities. Existing project deliverables will be updated to incorporate enhancements. Any SUITE template or deliverable waivers must be agreed upon with the DTMB Project Manager listed within this Statement of Work.

D. <u>Additional Deliverables:</u>

1. The Contractor will update the resources assigned to the project by roles, names and location as identified in the Contract by Attachment D – Contract Pricing, Table 4, and Other Optional Costs as required per contract section 2.060.
2. Deliverables due each month are determined based upon the mutually agreed documented schedule and the milestones within that schedule. By the fifth day of each month, the State Project Manager will document and provide to the Contractor Project Manager the expected final deliverables for that month ("Monthly Expected Deliverables"). The Monthly Expected Deliverables will be updated by the State Project Manager during the month as work activities are identified, adjusted or removed.
3. The Contractor will provide the State with the approximate number of resource hours available for enhancements on a monthly basis. The Contractor will identify the percentage of costs attributable to the State identified categories of Major Release or Release Independent SOM Hub solution enhancement activities on the monthly invoice.

ASSUMPTIONS:

B. Stabilization, Maintenance, support and operation services are not included in this SOW but are already covered within the Contract and per Contract Change Notice (CCN) #8.
C. Current MCP governance model will be used for all the releases. Deliverables will be produced as per the Contract governance model and this SOW.
D. The scope inclusion in each release shall be defined by the Medicaid Compliance Program level scope and requirements, further delineated during project requirements sessions.
E. There is a need to continue support of production deployments concurrently with other services provided as part of this SOW.
F. Resources assigned are available for all SDLC activities as prioritized by the SOM.
G. If the scope of work requested of Contractor by SOM necessitates an increase or decrease in staffing to accommodate, Contractor will recommend staffing changes, including associated pricing adjustments. Contractor and SOM will follow the established change control process in order to mutually agree to an SOW amendment.

ROLES AND RESPONSIBILITIES:

The Contractor will adhere to Contractor Roles and Contractor Approach as outlined in Contract Section 1.200for the applicable activity. Additionally, the Contractor is responsible for managing resources to ensure authorized work activities are completed within the mutually agreed upon schedule. The Contractor is responsible to notify the State immediately of any projected or realized availability in Contractor resource capacity.

ACCEPTANCE CRITERIA:

High-level acceptance criteria for Document Deliverables are listed in Section 1.501 of the Contract and will not be considered complete until the DTMB Project Manager has formally accepted them as described.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the in the Contract section 1.302.

SPECIFIC DEPARTMENT STANDARDS:

None.

PAYMENT SCHEDULE:

Payment will be made on a firm fixed cost basis, billed monthly at $529,931. Contractor will not submit invoices until all expected deliverables (for that month) have been accepted by the SOM.

Month	Payment Amount
April 2015	$529,931
May 2015	$529,931
June 2015	$529,931
July 2015	$529,931
August 2015	$529,931
September 2015	$529,931
TOTAL PAYMENTS (6 Months)	**$3,179,586**
Additional Resources	$225,000
TOTAL SOW VALUE	**$3,404,586**

This SOW includes a total of $225,000 as listed above that is available for additional resources, as approved by the State. This is not a commitment from the State for additional resources.

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

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

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Jamy Hengesbach
Michigan Department of Community Health
(517) 335-6168
hengesbachj@michigan.gov

The designated DTMB Project Manager is:

Kimberly Koppsch Woods
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health, Medicaid Compliance Program
(517) 284-7156
koppsch-woodsk@michigan.gov

AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions.

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

By: Kimberly Koppsch Woods, Business Relationship Manager Date: 5/13/15

AGREED TO: DELOITTE CONSULTING LLP

By: Hariharan Murthy, Director Date: 5/12/2015

Filename: SOW SOM Hub FY15 v4
ITRAC: C20150123-084447

Form No. DTMB-3521 (Rev. 2/2015)

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

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

CHANGE NOTICE NO. 8
to
CONTRACT NO. 071B3200103
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Hari Murthy	hamurthy@deloitte.com
200 Renaissance Center, Suite 3900	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
Detroit, MI 48243-1895	(212) 313-2986	-4513

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	Kim Koppsch-Woods	(517) 284-7156	Koppsch-woodsk@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Whitnie Zuker	(517) 284-7030	zukerw@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: State of Michigan Hub Solution

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 10, 2013	June 9, 2016	2, one year	June 9, 2016
PAYMENT TERMS	F.O.B.	SHIPPED TO	
Net 45	Shipment	N/A	

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
☐ 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 EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐		June 9, 2016

CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE
$15,510,259.00	$1,233,783.00	$16,744,042.00

DESCRIPTION:
Effective March 25, 2015 this contract is amended and increased by $1,233,783.00 to support three (3) additional contractor resources for ongoing Maintenance and Operations Services per approval of the State Administration Board on April 28, 2015. See attached SOW (Named: SOW Deloitte SOM Hub Inc M&O v8). All other terms, conditions, specifications and pricing remain unchanged. Per vendor and agency agreement and DTMB Procurement approval and the approval of the State Administration Board on September 11, 2014 Approved AD Board Contract Value: $22,367,959.00. With the additional AD Board approval for $1,233,783.00 on April 28, 2015, total Contract Value: $23,601,742.00.

Remaining Total Amount Approved to be used for Optional Costs: $6,857,700.00

For the Contractor:

_____ _____

Hari Murthy**,**
Contract Administrator
Deloitte Consulting, Inc.

Date

For the State:

_____ _____

Bill Pemble, IT Division Director**,**
DTMB Procurement
State of Michigan

Date

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

Project Title: State of Michigan Hub Solution	**Period of Coverage:** 03/25/15-05/24/16
Requesting Department: Department of Community Health	**Date:** 03/16/15
Agency Project Manager: Jamy Hengesbach	**Phone:** (517) 335-6168
DTMB Project Manager: Kimberly Koppsch-Woods	**Phone:** (517) 284-7156
Contract Information: Vendor: Deloitte Consulting LLP Contract #071B3200103	**Change Requests:**

Brief Description of Services to be provided:
Increase contractor resources for Operation Services and Maintenance and Support for the State of Michigan (SOM) Hub Solution (Medicaid) (hereinafter referred to as "SOM Hub Solution").

BACKGROUND:

The State is under contract with Deloitte Consulting LCC (hereinafter referred to as "Contractor") to implement a SOM Hub Solution which includes a State Messaging Gateway as the single source of contact between the Federal Data Hub and the State of Michigan for both the health insurance exchange and the Medicaid/Children's Health Insurance Program (CHIP) activities. The SOM Hub solution has been operational since January 25, 2014. As outlined in Sections 1.104(I) (J) and 1.104(I) (K) of the Contract, the Contractor provides Operations Services and Maintenance and Support services (hereinafter collectively referred to as "Maintenance and Operations" or "M&O") of the SOM Hub Solution. Three full time equivalent (FTE) resources are contractually allocated to perform M&O services.

PROJECT OBJECTIVE:

Based upon additional business and Federal requirements, the implemented SOM Hub Solution requires additional resources for M&O services. This Statement of Work (SOW) increases the M&O Contractor resources from three (3) resources to six (6) resources for the term March 25, 2015, through May 24, 2016.

SCOPE OF WORK:

The contract resources of three (3) FTEs for M&O of the SOM Hub Solution were based on the work and deliverables identified through the Request for Proposal and implemented in January 2014. Additional business and Federal requirements resulted in subsequent releases and has increased the SOM Hub Solution technical complexity and components requiring additional M&O support resources.

The services and deliverables specified in this SOW will be performed by six (6) contractor resources to be provided by Contractor as specified below:

(1) Project Manager (Key Personnel as defined within primary contract)
(1) System Administrator
(2) Web Developers
(1) Business Analyst
(1) Tester

TASKS:

The Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, the

Contractor and State will comply with the Contractor Approach, State and Contractor Roles as outlined in the Section 1.104(I) (J) Operations Services and Section 1.104(I) (K) Maintenance and Support.

WORK AND DELIVERABLES:

Work and Deliverables are documented within the Contract under Section 1.104(I) (J) Operations Services and Section 1.104(I) (K) Maintenance and Support.

ASSUMPTIONS:

1. If the scope of M&O work requested of Contractor by SOM necessitates an increase in staffing to accommodate, Contractor will recommend staffing changes, including associated pricing adjustments. Contractor and SOM will follow the established change control process in order to mutually agree to an SOW amendment.

2. M&O support is expected to occur by the contractor resources as defined within this statement of work and the master contract.

3. It is expected that M&O support will transition to SOM. If mutually agreed in writing by SOM and Contractor, contractor resources may be reduced within the term of this SOW reflecting a reduction in monthly cost.

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them as described in Section 1.500.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract and detailed in Section 1.500.

PROJECT CONTROL AND REPORTS:

Project Plan shall be governed by the contract and detailed in Section 1.300.

PAYMENT SCHEDULE:

The total amount approved for committed M&O services with CCN#4 was $908,529. This is a total revised increase of $1,233,783 in addition to the amount approved for M&O services with CCN#4.The revised total cost for M&O services for the term March 25, 2015, through May 24, 2016, is $2,142,312.

The increase for Maintenance and Support services is $71,588 for a revised total monthly cost of $116,759. The increase for Operations services is $17,320 for a revised total monthly cost of $28,249. Both service increases will be billed monthly beginning March 25,2015 through May 24, 2016 (fourteen months).

Support Term January 25, 2015 – May 24, 2016	Monthly Operations Cost	Monthly Maintenance Cost	Total Operations Cost	Total Maintenance Cost	Total Committed M&O Cost
FY15 Two (2) months (1/25/15 and 2/25/15)	$10,929	$45,171	$21,858	$90,342	$112,200
FY15 Six (6) months (3/25/15 through 9/24/15)	$28,249	$116,759	$169,494	$700,554	$870,048
FY16 Eight (8) months (9/25/15 through 5/24/16)	$28,249	$116,759	$225,992	$934,072	$1,160,064
TOTAL M&O Committed Cost			**$417,344**	**$1,724,968**	**$2,142,312**
CCN#4 Approved			$185,793	$722,736	$908,529
TOTAL M&O Increase			**$231,551**	**$1,002,232**	**$1,233,783**

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

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

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Jamy Hengesbach
Michigan Department of Community Health
(517) 335-6168
hengesbachj@michigan.gov

The designated DTMB Project Manager is:

Kimberly Koppsch-Woods
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health, Medicaid Compliance Program
(517) 373-2776
Koppsch-woodsk@michigan.gov

The designated DTMB Technology Owner is:

Christopher Rose
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health
(517) 284-7159
Rosec4@michigan.gov

AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions.

AGREEMENT:

Additional processing through the Department of Technology, Management & Budget, Purchasing Office, may be required to finalize this Statement of Work prior to invoice payment.

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

By: _____ Date: 4/9/15
Kimberly Koppsch-Woods, Business Relationship Manager
Medicaid Compliance Program

By: _____ Date: 4-17-15
Linda Pung, General Manager

AGREED TO: DELOITTE CONSULTING LLP

By: _____ Date: 4/8/2015
Hariharan Murthy, Director

This purchase order is a release from Contract Number 071B3200103. This purchase order, statement of work, and the terms and conditions of Contract Number 071B3200103 constitute the entire agreement between the State and the Contractor.

Filename: SOW Deloitte SOM Hub Inc M&O v8
ITRAC: C20141217-152319

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. 7
to
CONTRACT NO. 071B3200103
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Hari Mrthy	hamurthy@deloitte.com
200 Renaissance Center, Suite 3900	TELEPHONE	CONTRACTOR #, MAIL CODE
Detroit, MI 48243-1895	(212) 313-2986	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Kim Koppsch-Woods	517-284-7156	Koppsch-WoodsK@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	zukerw@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: **State of Michigan Hub Solution**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 10, 2013	June 9, 2016	2, one year	June 9, 2016
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
Net 45	Shipment	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:
$1,360,860.00	$15,510,259.00

Effective December 13, 2014 this contract is amended to:

1. Incorporate SOW (Named: SOW SOM Hub R6 Dev Test Imp and cc673 1176 1367 1385 v7) for remaining work on Release 6 (Development, Testing, Implementation, and Documentation) activities and Release Independent change controls 673, 1176, 1367, and 1384 in the amount of $1,431,000.00. Support of this SOW will be drawn from Optional Services.
2. Incorporate "Stop-Work Order" ordering the Contrator to stop work on Change Control Requests (cc) for Release 4 Activities cc 779 and cc 941 that was incorporated into the Contract with Contract Change Notice #4 with SOW Named "SOW SOM Hub R4 cc779 824 932 941 960 997 v5". Return of $70,140.00 to Optional Services through this CN#7

Total VALUE/COST OF CHANGE NOTICE: $1,360,860.00

Per vendor and agency agreement and DTMB Procurement approval and the approval of the State Administration Board on September 11, 2014

All other terms, conditions, specifications and pricing remain unchanged.

Approved AD Board Contract Value: $22,367,959.00

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

Project Title: State of Michigan Hub Solution (SOM Hub)	**Period of Coverage:** 12/13/14 – 03/31/15
Requesting Department: Department of Community Health	**Date:** October 30, 2014
Agency Project Manager: Karen Parker	**Phone:** (517) 241-5555
DTMB Project Manager: Kimberly Koppsch-Woods	**Phone:** (517) 284-7156
Contract Information: Contractor: Deloitte Consulting LLP Contract #071B3200103	**Change Requests:** 673, 1176, 1367, 1385 (independent of R6)
Attachments: PMM-002 Project Charter for MCP Release 6 PMM-014 Project Change Request (for each change request)	

Brief Description of Services to be provided:

Contractor system development lifecycle (SDLC) services for the State of Michigan (hereinafter referred to as "State" or "SOM") Hub solution (Medicaid) (hereinafter referred to as "SOM Hub" or "SOM Hub solution") to continue Release 6 (R6) work of Application Development, Testing, Implementation, and Documentation activities from SOW titled SOW SOM Hub R6 IP Req Des v2 per Contract Change Notice #6 (CCN#6). This Statement of Work (SOW) also details work independent of R6 and Project Management activities for term of this SOW.

BACKGROUND:

The State is under Contract with Deloitte Consulting LLP, (hereinafter referred to as "Contractor" or "Vendor") to implement and support a SOM Hub solution which includes a State Messaging Gateway as the single source of contact between the Federal Data Hub and the State of Michigan for both the health insurance exchange and the Medicaid/CHIP activities. The SOM Hub solution has been operational since January 25, 2014. Further IT services scope has been identified and is included herein.

PROJECT OBJECTIVE:

The purpose of Medicaid Compliance Program (MCP) is to support the State as specified in the Contract between the parties and this SOW in implementing functionality as identified in the Medicaid Compliance Program objectives. This SOW covers the term December 13, 2014 through March 31, 2015.

The purpose of this document is to:

1. Outline activities for the completion of MCP Release 6 in relation to the SOM Hub. This SOW will continue the System Development Life Cycle (SDLC) work effort for R6 that was begun as detailed in the SOW titled SOW SOM Hub R6 IP Req Des v2. The focus is to define activities associated with the Development, Testing, Implementation, and Documentation phases of SDLC. The contractor will support implementation of Transitional Medical Assistance (TMA) and Special Needs Support (SNS) and other changes related to the R6 SOM Hub.

    a. Implement approved R6 change controls (cc) as defined within the Project Charter that were deferred from previous releases

    b. Integration testing with other systems impacted with R6 changes

    c. Regression testing and up-to-date production fixes with R5 release code base

    d. Project and program support for testing and implementation

    e. Incorporate validation of security requirements into the project development and/or testing cycle

2. Define the expected work for change controls (cc) required by the State for SOM Hub solution activities that are independent of R6.

a. cc 673: SOM Hub needs new virtual machines and new virtual DataPower

b. cc 1176: SOM Hub Full Security Assessment

c. cc 1367: TDS Simulator Website Enhancements

3. Define the expected work to create separate domains for MiWIC on the MCP DataPower Appliance. This is in support of the MiWIC project and is an Enterprise Level Service as approved in cc 1385.

4. Provide ongoing and continuing support for SOM Hub related Project Management activities including Impact analysis of change controls.

SCOPE OF WORK:

This Statement of Work consists of the below scope. Further details and specifications are listed in this Statement of Work section titled "Work and Deliverables".

R6 Scope

Based on R6 program requirements and JAD sessions, the following tables outline the high-level scope items to be addressed by SOM Hub in R6 of the MCP System as provided by DCH and DHS and identified in the MCP leadership prioritization document and further defined in PMM-0002 Project Charter for MCP R6:

Item #	CC #	Brief Description (In-Scope)	Functional Area(s)	Dev, Testing,Imp & Doc Hours
1	1316	State to FFM Bridges Pend Functionality	Eligibility Determination	1300
2	1317	State to FFM Pending MiChild	Eligibility Determination	600
3	1125	MCP excluded income sent as other in AT AS* - Rules engine does not know to exclude	Eligibility Determination, Program / Coverage Application	700
4	999	Hub change to timer frequency for retrieving determinations from MAGI	Eligibility Determination	500
5	1471	Contractor will validate implementation of security requirements specific to the SOM Hub identified to meet the standards set by CMS, IRS and State of Michigan Policies, Standards, and Procedures	Security	250

The remainders of R6 CCs not listed above have no SOM Hub changes but are limited in scope for testing support only:

Item #	CC #	Brief Description (Testing support only)	Functional Area(s)	Testing and Imp Hours
1	1164	MCP-T2 Parents eligible for medical coverage are denied if not applying for children/children have coverage	Policy, Eligibility Determination, Program / Coverage Application	50
2	1213	Duplicate beneficiaries are being created when applicants do not match by name or DOB	Program / Coverage Application, Case Management	50
3	1153	DC Need way to collect self-emp net income AS*	Eligibility Determination, Program / Coverage Application	50
4	1308	Permanent Solution: Group Beneficiary Relationships for Cost Sharing Calculations	Policy, Claims Submission Adjudication & Processing, Reporting	50

Item #	CC #	Brief Description (Testing support only)	Functional Area(s)	Testing and Imp Hours
5	1055	MAGI should not pend entire group for unverified income	Eligibility Determination, Program / Coverage Application	50
6	1202	Changing Historical LOC's	Policy, Enrollment	50
7	1200	PAI edit on Run MAGI screen	Policy, Eligibility Determination, Program / Coverage Application, Case Management	50
8	1419	Request to include Group Income in MMIS, 5% Cost Share requirement and CC1308 update for Non Magi inclusion.	Policy, Claims Submission Adjudication & Processing, Reporting	50
9	1047	No system is currently determining eligibility for TMA and SNS.	Policy, Eligibility Determination, Program / Coverage Application, Enrollment	50

Release Independent Change Controls Scope

Change controls (673, 1176, 1367 and 1385) listed below are independent of R6; each cc managed and approved through the established MCP change control process:

Item #	CC #	Brief Description (In-Scope)	Functional Area(s)	Hours
1	673	Hub needs new virtual machines and new virtual DataPower	Policy, Eligibility Determination, Program / Coverage Application	1,060
2	1367	TDS Simulator Website Enhancements	Verification Services	596
3	1176	SOM Hub Full Security Assessment	Security	600
4	1385	Create separate domain for MiWIC on the MCP DataPower Appliance to enable a SOM Enterprise level service.	MiWIC Project	52

TASKS:

For Release 6 and Release Independent activities, the CONTRACTOR will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, CONTRACTOR and State will comply with the Contractor Approach as outlined in the correspondence section of the Contract under 1.104(I) Work and Deliverables and as listed below in this Statement of Work under “Work and Deliverables”.

Tasks specific to Release 6 are detailed in attached Project Charter (PMM-002). High level activities for Release 6 are outlined within the Project Charter and in above Project Objective (1) (a-e) and R6 Scope.

Tasks specific to Release Independent change controls are detailed in respective attached Change Control Requests (PMM-014). The following tables outline the high-level activities to be addressed by SOM Hub for Release Independent change control work:

cc 673: Hub needs new virtual machines and new virtual DataPower

SOM HUB technical environment will be modified to accommodate this change request. Work will provide:

1. Capability for development, test and delivery of multiple SOM HUB releases in parallel.
2. Ability to apply system software upgrades in each environment while isolating that change from the other environments.
3. Facilitation for an upgrade without an invasive impact and have the upgrades follow a formal promotion strategy.
4. Ease of environment maintenance due to clean separation.
5. Reduced risk of single point of failure for environments.

Activities	Hours
Configuration changes and environment setup planning	20
Technical design documentation	60
WMB Software installation, configuration and Hub deployment and setup	240
Virtual DataPower configuration, security settings and setup	160
Software configuration management setup and code promotion path creations	120
Build promotions, build scripts, build and deployment automation	240
Changes to environment management, maintenance and production support plan	80
Implementation, testing, connectivity testing and validation	140
TOTAL	**1,060**

cc 1367: Trusted Data Source (TDS) Simulator Website Enhancements

The TDS Simulator website was deployed during Release 5. SOM Department of Community Health (DCH) and Department of Human Services (DHS) have requested a series of enhancements for the website. Work provided will allow SOM DCH and DHS teams to add, edit, view, and search TDS test case data more effectively.

Activities	Hours
Requirements and Design	60
Development and Unit Testing	400
Project Testing	120
Deployment	16
TOTAL	**596**

cc 1176: SOM Hub Full Security Assessment

Contractor will participate with an independent 3rd party assessment of the SOM Hub Solution. A full security assessment of the SOM Medicaid eligibility and enrollment programs will be conducted by the Centers for Medicare and Medicaid Services (CMS). Project will assess and verify documented compliance activities related to the National Institute for Security and Technology (NIST) 800-53 Rev3 controls.

Activities	Hours
Planning and Preparation	60
Analyze security controls requirements	120
Fieldwork and Proof Creation	320
Reporting and Documentation	100
TOTAL	**600**

cc 1385: MiWIC DataPower Domains (an enterprise level service not specific to MCP).

SOM Hub team to create and configure separate domains in test and production MCP IBM DataPower appliances for the Treasury MiWIC project. Work will provide the MiWIC Project use of the MCP DataPower Appliance as a firewall and user authentication service for access to secured zones within the State as an enterprise level service.

Activities	Hours
Create domains and configure domain level admin users on 1 Test appliance	8
Create domains and configure domain level admin users on 4 Production appliances	24
Test Domain and domain level admin privileges	20
TOTAL	52

WORK AND DELIVERABLES:

Overview:

L. This SOW covers the term December 13, 2014 through March 31, 2015.
M. Release 6 Application Development, Testing, Implementation, and Documentation activities described herein and as an amendment to "SOW SOM Hub R6 IP Req Des v2"
N. Release Independent Services and Deliverables are identified individually.
O. Contractor and SOM will adhere to a mutually agreed upon documented schedule.
P. The State reserves the right to modify the projects, change controls and defects identified for work. Changes will be managed through the established change control process.

2. Services and Deliverables to Be Provided for Release 6

Application Development

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(E) and specifically as follows:

Deliverable(s)

a. Requirements Traceability Matrix [revised]
b. Test Type Approach and Reports [revised]
c. Test Cases [revised]
d. Development baselines
e. Project Test File
f. System units and modules
g. Approved Structured Walkthroughs for above documents.

Testing

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(F) and specifically as follows:

a. Integration Test completion date: To be mutually agreed within the project plan
b. System Test completion date: To be mutually agreed within the project plan
c. Security Validation Completion date: To be mutually agreed within the project plan
d. User Acceptance Test completion date: To be mutually agreed within the project plan
e. The Contractor will participate in "war room" testing activities, as requested, by the State, to enhance communication and promote intense collaboration to remediate discovered testing defects.

At the Program Level, the State will provide an End-to End Testing Plan, which may require remediation of project level defects. The Contractor will adhere to the Testing Plan.

Deliverable(s)

a. Requirements Traceability Matrix [final]
b. Test Type Approach and Reports [final]
    i. Integration test reports
    ii. Performance test report
    iii. System test reports
    iv. User Acceptance test report
c. Test Cases [final]
d. Hub Test Plan

Implementation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(G) and specifically as follows:

Deliverable(s)

a. Services to implement the application, including:
   i. Configuration
   ii. Customization
   iii. Interfaces/Integration.
b. Operational software product.

<u>Documentation</u>

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(I) and specifically as follows:

Deliverable(s)

a. The documentation of components, features, and use of the hardware/software shall be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.

b. All system, operational, technical, change, and issue documentation must be available in electronic format, published to an intranet website, accessible to State users, and be updated regularly, with unique numerical identifiers for each section and be consistent with the most current version of the application(s) and three (3) previous versions.

c. All system, operations, user, change and issue documentation is to be organized in a format which is approved by the State. Its form should facilitate updating and allow-for revisions to the documentation to be clearly identified including the three (3) previous versions.

d. The Contractor will develop and submit for State approval complete, accurate, and timely system, operations, and user documentation based on the mutually agreed upon project schedule.

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

3. Services and Deliverables to Be Provided for Release Independent Change Control Requests (cc 673, 1176, and 1367):

For Release Independent activities, the Contractor will provide services and deliverables as described above for Release 6. In addition, Services and Deliverables for Detailed Business and Technical Requirements and Application Design as described below will be provided.

a. **Services:** The Contractor will provide system development lifecycle services and follow the State and Contractor Roles and Contractor Approach as outlined in the appropriate section of Contract Section 1.104(I). The system development lifecycle services stages include:
   i. Initiation and Planning Activities (e.g. PMM-014)
   ii. Detailed Business and Technical Requirements
   iii. Application Design
b. **Deliverable(s)**
   i. The Contractor will provide the Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in the Contract Section 1.104(I) for the appropriate stage of activities. Where appropriate, existing project deliverables will be updated to incorporate new scope or rules engine modifications. Any SUITE template or deliverable waivers must be agreed upon with DTMB. The system development lifecycle services stages include:
   ii. Initiation and Planning
   iii. Detail Business and Technical Requirements

            1. Requirements traceability matrix will be documented using SEM-0401
        iv. Application Design
            1. System design will be documented using SEM-604

4. Services and Deliverables to Be Provided for Release Independent Change Control Request (cc1385 - MiWIC DataPower Domains):

a. **Services**: The Contractor will create separate domains in test and production MCP IBM DataPower appliances for the Treasury MiWIC project
    i. Create and configure new domains for MIWIC in the following DataPower appliances
        1. One External Test DataPower appliance
        2. Two External Production DataPower appliances
        3. Two Internal Production DataPower appliances
    ii. Coordinate activities with MiWIC technology and management team
    iii. Coordinate with network team to have new AD group and domain level admin users created
    iv. Configure the AD group and domain level admin users for the appropriate new domains
    v. Test to ensure that the domain is successfully created
    vi. Test domain level admin privileges

b. **Deliverable**: Fully functional and accessible domains as described above

5. Services and Deliverables to Be Provided for Project Management from 1/1/15 – 3/31/15:

The Contractor will perform project management activities and provide deliverables as outlined in the Contract section 1.300 Project Plan and 1.400 Project Management in support of the services outlined in this section, including but not limited to:

a. Project management services for SOM Hub Solution
b. Impact analysis for various change controls
c. Business analysis support for integration sessions determining impact
d. Technical leadership and management across various change control items
e. Quality assurance on change controls
f. Weekly status reporting

ASSUMPTIONS:

H. This SOW document is based on MCP R6 Project Charter documented in attached PMM-0002 (for R6 activities) and PMM-014 (for Release Independent activities). CC # 221(Utilize Equifax for Earned Income work), included in R6 Project Charter and SOW SOM Hub R6 IP Req Des v2 per CCN#6, has since been descoped from R6. No further services, deliverables, or charges will apply to cc #221 within this SOW.
I. Stabilization, Maintenance, support and operation services are not included in this SOW; these services are governed within the terms of the contract and remain unchanged by this SOW.
J. Current MCP governance model will be used for all the releases. Deliverables will be produced as per the current governance model.
K. Any impacts to downstream systems which were not identified in the requirements and design sessions will be considered out of scope for R6 and not included for development, testing, implementation and documentation services. Any changes will be managed through the established change control process.
L. Approximately 40% of the security requirements validation will be required by each system's development and/or testing team; the remaining 60% will be performed by project or program testing teams (as documented in the R6 Project Charter [PMM-002] and cc 1471)

ACCEPTANCE CRITERIA:

High-level acceptance criteria for Document Deliverables are listed in Section 1.501 of the Contract and will not be considered complete until the Agency Project Manager has formally accepted them as described.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the in the Contract.

SPECIFIC DEPARTMENT STANDARDS:
None.

PAYMENT SCHEDULE:

The Payment Schedule is based upon the type of services performed. Payment will be made on a Deliverable basis. Cost estimates are based on a blended rate of $150 per hour utilizing role types as defined in Contract Attachment D, Table 5: Other Services.

Release 6 Development, Testing, Implementation and Documentation			
Payment	**Deliverable**	**Amount**	**Hours**
1	Upon satisfactory acceptance of the following deliverables • Application Development (30%)	$171,000	1,140
2	Upon Satisfactory acceptance of the following deliverables • Testing and Implementation (40%)	$228,000	1,520
3	Upon Satisfactory acceptance of the following deliverables • Documentation (30%)	$171,000	1,140
Total		**$570,000.00**	**3,800**

Release Independent cc 673, 1176, and 1367 can be billed individually and/or Partially			
Payment	**Deliverable**	**Amount**	**Hours**
4	Upon satisfactory acceptance of the following deliverables • Detailed Business and Technical Requirements (30%)	$101,520	677
4	Upon Satisfactory acceptance of the following deliverables • Design, Development, Testing (40%)	$135,360	902
4	Upon Satisfactory acceptance of the following deliverables • Implementation and Documentation (30%)	$101,520	677
Total		**$338,400**	**2,256**

Release Independent cc 1385 must be Invoiced separately or specifically referenced on Invoice			
Payment	**Deliverable**	**Amount**	**Hours**
5	Upon satisfactory acceptance of the following deliverables • Fully functional and accessible MiWIC DataPower Domains	$7,800	52
Total		**$7,800**	**52**

Project Management for January 1, 2015 through March 31, 2015			
Payment	**Deliverable**	**Amount**	**Hours**
6	Project management, release management, impact analysis and all leadership activities for month of Jan 2015	$171,600	1,040
7	Project management, release management, impact analysis and all leadership activities for month of Feb 2015	$171,600	1,040
8	Project management, release management, impact analysis and all leadership activities for month of March 2015	$171,600	1,040
Project management Total		**$514,800**	**3,120**

SOW Total	**$1,431,000**	**9,228**

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

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

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Karen Parker
Michigan Department of Community Health
(517) 241-5555
Parkerk7@michigan.gov

The designated DTMB Project Manager is:

Kimberly Koppsch Woods
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health, Medicaid Compliance Program
(517) 284-7156
koppsch-woodsk@michigan.gov

AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions.

AGREEMENT:

Processing through and acceptance by the Department of Community Health and Department of Technology, Management & Budget, Purchasing Office, may be required to finalize this Statement of Work and amend the Contract prior to issuance of a purchase order.

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

By: _____ Date:_____
Kimberly Koppsch Woods, Business Relationship Manager

By: _____ Date:_____
Linda Pung, General Manager

AGREED TO: DELOITTE CONSULTING LLP

By: _____ Date:_____
Hariharan Murthy, Director

This purchase order is a release from Contract Number 071B3200103. This purchase order, statement of work, and the terms and conditions of Contract Number 071B3200103 constitute the entire agreement between the State and the Contractor.

Filename:

SOW SOM Hub R6 Dev Test Imp and cc673 1176 1367 1385 v6

APPENDIX A – Attachments:

PMM-002 - Release 6 Project Charter - Current as of 10/31/14
PMM-014 – Project Change Request cc 673
PMM-014 – Project Change Request cc 1176
PMM-014 – Project Change Request cc 1367
PMM-014 – Project Change Request cc 1385

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET

CONTRACT NO. 071B3200103

Between
The State of Michigan
And
Deloitte Consulting LCC

Stop Work Order

Project: State of Michigan HUB Solution

1. In accordance with the terms and conditions of Contract #071B3200103 (hereinafter referred to as "Contract"), Deloitte Consulting LCC. (hereinafter referred to as "Contractor") section 2.181 Stop Work Order the State of Michigan (hereinafter referred to as "SOM") herby issues a "Stop-Work Order" ordering the Contractor to stop work on Change Control Requests (cc) cc779 and cc941.
2. This Stop Work Order applies only for partial Work and Deliverables in cc779 and cc941 detailed in the Statement of Work with File Name SOW SOM Hub Deloitte R4 cc 779 824 932 941 960 997 v5 incorporated into the Contract with Contract Change Notice #4.
3. The SOM acknowledges and accepts partial work has been completed for cc779 and cc941 and complies with agreed upon costs and payment terms for the Deliverables of Business Requirements, Application Design and Application Development.
4. As of August 12, 2014 the work and deliverables of Testing, Implementation and Documentation for cc779 and cc941 will be or was performed as part of multiple other change controls (listed in each cc canceled).
5. The corresponding Purchase Order (PO) 084N4305740 will have no charge incurred for cc779 and cc941 for the Deliverables of Project level Testing, Implementation, or Documentation.
6. In accordance with Contract section 2.042, Adjustments for Reductions in Scope of Services/Deliverables, the SOM and Contractor have agreed that the reduction in above PO is commensurate with the reduction in deliverables expected.

The signatures relay an understanding of the purpose and content of the document by those endorsing it.

Approvals:

S. Gayathri — 10/31/14
Gayathri Jagnathan, Project Manager
Michigan Department of Technology, Management and Budget
Date

Kimberly Koppsch-Woods — 10/31/14
Kimberly Koppsch-Woods, Director
Michigan Department of Technology, Management and Budget
Date

11/13/14
Hari Murthy
Deloitte Consulting LCC
Date

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. 6
to
CONTRACT NO. 071B3200103
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Hari Mrthy	hamurthy@deloitte.com
200 Renaissance Center, Suite 3900	TELEPHONE	CONTRACTOR #, MAIL CODE
Detroit, MI 48243-1895	(212) 313-2986	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Kim Koppsch-Woods	517-284-7156	Koppsch-WoodsK@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	zukerw@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: **State of Michigan Hub Solution**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 10, 2013	June 9, 2016	2, one year	June 9, 2016
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
Net 45	Shipment	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:
$470,820.00	$14,149,399.00

Effective 11/10/2014 this contract is amended to:

3. Incorporate SOW for FY15 Triage Services. Funding already approved as a committed cost in CCN#4. Triage activities are expected to occur by the contractor resources on an ongoing basis (4 contractors *40 hours per week) from the time period of 10/1/14 through 9/30/15. Payment will be made on a fixed cost basis of $96,300.00 monthly. It is expected that triage activities will be transitioned out by 9/30/15 and replaced by State FTEs.
4. Incorporate SOW for Release 6: Business Requirements and Application Design work, and release funds of $470,820.00 from SAB approved (9/11/14 –CCN#4) Other Optional Services to support this release 6 SOW.

Per vendor and agency agreement and DTMB Procurement approval and the approval of the State Administration Board on September 11, 2014

All other terms, conditions, specifications and pricing remain unchanged.

Approved AD Board Contract Value: $22,367,959.00

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

Project Title: State of Michigan Hub Solution	**Period of Coverage:** October 1, 2014 – September 30,2015
Requesting Department: Department of Community Health	**Date:** September 11, 2014
Agency Project Manager: Karen Parker	**Phone:** (517) 898-4147
DTMB Project Manager: Kimberly Koppsch-Woods	**Phone:** (517) 373-2776
Contract Information: Vendor: Deloitte Consulting LLP Contract #071B3200103	**Change Requests:**
Attachments: Reference CCN# 4	

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

In the event of technology issues, additional resources are required to perform triage activities to determine troubleshoot issues, coordinate issue resolution between multiple vendors and perform root cause analysis.

Triage Services began November 1, 2013 governed by SOW SOM Hub Triage CR 442 and PO 084n4301776. This SOW continues Triage support service October 1, 2014 through September 30, 2015.

BACKGROUND:

The State is under contract with Contractor to implement a SOM Hub Solution which includes a State Messaging Gateway as the single source of contact between the Federal Data Hub and the State of Michigan for both the health insurance exchange and Medicaid/CHIP activities. As required under the Contract, the business and technical scope was identified with the responding Contractor approach.

Scope was defined through October 1, 2013, followed by Operation Services and Maintenance and Support. Further IT services scope has been identified beyond October 1, 2013, and is included herein.

ASSUMPTIONS:

- Stakeholder availability and establishment of communication process across multiple Tiers of maintenance team and FFM.
- Additional training is required for Tier 2 Team for overview and error code review with DCT, MAGI Viewer, CGI and SOM Hub. Applications teams will be available to support this training effort.
- The Remedy tool will be available for use by the triage team.
- Tier 1 will capture information for technical issues in a standard template provided by Triage team.
- Triage team will not be responsible for any code fixes.
- Vendor partners will be available to participate in Triage calls to provide their status on the defects assigned to them.
- Vendors Partners will communicate any known issues they have identified in their system
- Vendor partners will need to provide FAQ, release documentation whenever a new release is deployed in production
- State will provide space, desktops and phones.

- Resources will be assigned to normal business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m., excluding State holidays or furlough days.

SCOPE OF WORK:

This Statement of Work consists of the following scope:

In the event of technology issues at implementation, additional resources are required to perform triage activities to determine troubleshoot issues, coordinate issue resolution between multiple vendors and perform root cause analysis.

In order to facilitate the technical issue resolution, establishment of TIER 2 Triage support ("Triage Services") through the MCP Advanced Support Team is required as part of the Maintenance team. This team will be responsible for engaging with Project Level Maintenance Teams to facilitate diagnostics and tracking cross-team impacts. TIER 2 will follow a standardized process to review prioritized issues provided by TIER 1 and identify which team owns the resolution.

TASKS:

Triage 2 Team - Role and Responsibilities
The proposed composition of the team is as follows –
Triage Manager (1)

- Coordinate with Tier 1 Team for ticket input expectations (template) and provide guidelines for
- Criticality/Severity ratings, process for dealing with different types of tickets
- Updating TIER 1 of known issues by updating the DTMB CSC Operational Status Board
- Generation and distribution of status reports and participating in status meetings with MCP
- Escalation of ticket resolution and recommendation for change control process where necessary.
- Manage Tier 2 team load and resource planning
- Issue resolution trend analysis and recommendation of Interim Business Processes.

Triage Business/System Analyst Team (3)

- Communicate with Tier 1/customer for clarifications on existing tickets, if required.
- Diagnostics of Tier 2 tickets, impact assessment and validating prioritization.
- Triaging tickets to relevant Tier 3 teams after initial analysis.
- Tracking status and monitoring ticket resolution progress with Tier 3 and updating status.
- Facilitate Tier 3 cross functional team resolution if necessary.
- Updating the activity log in remedy including any potential work□around or expected resolution
- date
- Creating a remedy ticket of issues received from communication with the FFM

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the contract.

SPECIFIC AGENCY STANDARDS:

Not Applicable.

PAYMENT SCHEDULE:
Triage Services as defined by Change Control Notice #4.

Payment will be made monthly as follows:

- Services during Normal Business Hours: On a fixed cost basis in the amount of **$96,300.00 per month. ($1,155,600.00 year)**
- Services during Extended Hours: Invoiced on a time and materials basis per the contract rate card outlined in Table of the Contract. Extended Hours must be preapproved by the State.

Role (from Contract) Additional Resource Requirements	Work Days/Week*	Cost/Month**
Triage Manager (Table 5: Technical Lead)	5 days/week	$31,500
Business Analyst (Table 5: Business Analyst)	5 days/week	$21,600
System Analyst (Table 5: System Analyst)	5 days/week	$21,600
System Analyst (Table 5: System Analyst)	5 days/week	$21,600
	Total Hours	**Total Cost**
TOTAL	N/A	$96,300

*Assuming normal business hours, five days per week for the duration of Tier 2 technical support.
**Based on a minimum of 640 hours per month. (4 contractors x 40 hours per week x 4 weeks)

- *All time and materials contracts(hourly based) must submit time sheets with all invoices.*
- *All invoices must include the purchase order number*

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

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

EXPENSES:

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

PROJECT CONTACTS:

The DTMB Project Manager is:

Kimberly Koppsch-Woods
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health, Medicaid Compliance Program
Phoenix Building, 222 Washington Square
Lansing, MI 48933
Phone: (517) 373-2776
Email: Koppsch-woodsk@michigan.gov

The DTMB Contract Administrator for this project is:

Kimberly Koppsch-Woods
Michigan Department of Technology, Management and Budget
Business Relationship Manager supporting Department of Community Health, Medicaid Compliance Program
Phoenix Building, 222 Washington Square
Lansing, MI 48933
Phone: (517) 373-2776
Email: Koppsch-woodsk@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Dimondale or Lansing, MI. An alternate work location outside of the identified location will be mutually agreed to by both the Contractor and State.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Normal business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m., excluding State holidays or furlough days. Work schedule modifications will be mutually agreed to by both the Contractor and State.

If required, weekday evening and weekend support ("Extended Hours") will be available by the Contractor. Extended hours must be preapproved by the State.

RIGHT TO OWNERSHIP:

The Contract governs Right to Ownership.

This purchase order is a release from Contract Number 071B3200103. This purchase order, statement of work, and the terms and conditions of Contract Number 071B3200103 constitute the entire agreement between the State and the Contractor.

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

By: Linda Pung Date: 9/30/14

Linda Pung, General Manager

Technology Mgmt & Budget

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF ~~COMMUNITY HEALTH~~

By: Kribal Ulrich Date: 9/25/14.

~~Karen Parker~~, Director

AGREED TO: DELOITTE CONSULTING LLP

By: Date: 9/12/2014

Hari Murthy, Director

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

Project Title: State of Michigan Hub Solution (SOM Hub)	**Period of Coverage:** 11/1/14-12/20/14
Requesting Department: Department of Community Health	**Date:** October 30, 2014
Agency Project Manager: Karen Parker	**Phone:** (517) 241-5555
DTMB Project Manager: Kimberly Koppsch-Woods	**Phone:** (517) 284-7156
Contract Information: Contractor: Deloitte Consulting LLP Contract #071B3200103	**Change Requests:**
Attachments: PMM-002 Project Charter for MCP Release 6	

Brief Description of Services to be provided:

Contractor system development lifecycle (SDLC) services for the State of Michigan (SOM) Hub solution (Medicaid) (hereinafter referred to as "SOM Hub" or "SOM Hub solution") to include Impact Analysis, Requirements and Design.

BACKGROUND:

The State of Michigan (hereinafter referred to as "State") is under Contract with Deloitte Consulting LLP, (hereinafter referred to as "Contractor" or "Vendor") to implement and support a SOM Hub solution which includes a State Messaging Gateway as the single source of contact between the Federal Data Hub and the State of Michigan for both the health insurance exchange and the Medicaid/CHIP activities. The SOM Hub solution has been operational since January 25, 2014. Further IT services scope has been identified and is included herein.

PROJECT OBJECTIVE:

The purpose of Medicaid Compliance Program (MCP) is to support the State of Michigan as specified in the Contract between the parties and this Statement of Work in implementing functionality as identified in the Medicaid Compliance Program objectives. This Statement of Work covers the term November 1, 2014, through December 12, 2014.

The purpose of this document is to provide a Statement of Work outlining the initiation and planning activities for SOM Hub systems in preparation for the MCP Release 6 implementation phase based on the project scope of work defined below. The focus is to cover activities associated with initiation, planning, requirements and design for SOM hub to support implementation of TMA and SNS and other changes related to SOM Hub.

SCOPE OF WORK:

This Statement of Work consists of the below scope. Further details and specifications are listed in this Statement of Work section titled "Work and Deliverables".

As defined in PMM-0002 Project Charter for MCP R6, the MCP group identified the following project objectives as part of Release 6.

Item #	CC #	Brief Description (In-Scope)	Functional Area(s)	ROM Hours
1	221	Utilize Equifax for Earned Income	Policy, Eligibility Determination	1100
2	1164	MCP-T2 Parents eligible for medical coverage are denied if not applying for children/children have coverage	Policy, Eligibility Determination, Program / Coverage Application	1100
3	1213	Duplicate beneficiaries are being created when applicants do not match by name or DOB	Program / Coverage Application, Case Management	1100
4	1047	No system is currently determining eligibility for TMA and SNS.	Policy, Eligibility Determination, Program / Coverage Application, Enrollment	1100
6	1316	State to FFM Bridges Pend Functionality	Eligibility Determination	1100
7	1317	State to FFM Pending MiChild	Eligibility Determination	1100
8	1153	DC Need way to collect self-emp net income AS*	Eligibility Determination, Program / Coverage Application	100
9	1125	MCP excluded income sent as other in AT AS* - Rules engine does not know to exclude	Eligibility Determination, Program / Coverage Application	1100
12	999	Hub change to timer frequency for retrieving determinations from MAGI	Eligibility Determination	100
13	1308	Permanent Solution: Group Beneficiary Relationships for Cost Sharing Calculations	Policy, Claims Submission Adjudication & Processing, Reporting	100
15	1471	MCP systems will validate the security requirements identified to meet the standards set by CMS, IRS and State of Michigan Policies, Standards, and procedures.	Security	TBD

Excluded/Out-of-Scope

For the change controls listed below that include ROM Hours, it is assumed that these are for implementation and program testing support only.

Item #	CC #	Brief Description (In-Scope)	Functional Area(s)	ROM Hours
5	1055	MAGI should not pend entire group for unverified income	Eligibility Determination, Program / Coverage Application	100
10	1202	Changing Historical LOC's	Policy, Enrollment	100
11	1200	PAI edit on Run MAGI screen	Policy, Eligibility Determination, Program / Coverage Application, Case Management	100
14	1419	Request to include Group Income in MMIS, 5% Cost Share requirement and CC1308 update for Non Magi inclusion.	Policy, Claims Submission Adjudication & Processing, Reporting	N/A
17	1132	HMP reprocess set incorrect redt date	Policy, Eligibility Determination, Program / Coverage Application	100
18	453	Bridges case changes impacting a past period must be generated and sent to all impacted applications (MAGI, Eligibility Determination Benefit Calculation, Medicaid Assistance	Policy, Eligibility Determination, Program / Coverage Application	100
21	1203	Bridges and MiBridges does not collect education information on a health care coverage only application resulting in incorrect MAGI determinations contain enough information cause duplicate ID's.Duplicate Ids - BRGUS00380904	Program / Coverage Application, Case Management	100

The table below provides a high-level outline of the scope for initiation and planning for Release 6 from a Som Hub perspective. Detailed scope and finalization for Release 6 will be completed during the requirements phase of the project and captured in the official requirements/design deliverable.

MCP Item #	Project Objectives
1.	Program level requirement review
2.	Hub Impact assessment
3.	Use Case flows
4.	Project level detailed requirement gathering
5.	System Design
6.	Deliverables walkthrough
7.	SEM-0401 Requirement Traceability Matrix
8.	SEM-604 System Design

TASKS:

CONTRACTOR will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, CONTRACTOR and State will comply with the Contractor Approach as outlined in the correspondence section of the Contract under 1.104(I) Work and Deliverables.

Based on the understanding of time, effort and complexity involved in addressing each of the project objectives of the MCP R6 charter, it is necessary to establish gate reviews during the requirements and design phase to see if all requirements can be accommodated in Release 6.

WORK AND DELIVERABLES:

Overview:

A. This Statement of Work covers the term November 1, 2014, through December 12, 2014.

B. Contractor and SOM will adhere to a mutually agreed upon documented schedule.

C. The State reserves the right to modify the projects, change controls and defects identified for work. Changes will be managed through the established change control process.

Services and Deliverables to Be Provided:

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(A).

In order to prepare of a firm fixed quote for significant modifications to the SOM Hub Solution, which may or may not involve release coordination between other components of the Medicaid solution, a detailed understanding of the business requirements and potentially application design is required. The services below are included within this Statement of Work to formulate hours needed for remaining system development lifecycle activities.

1. **Services:** The Contractor will provide system development lifecycle services and follow the State and Contractor Roles and Contractor Approach as outlined in the appropriate section of Contract Section 1.104(I). The system development lifecycle services stages include:

    i. Initiation and Planning Activities (e.g. Project Charter, Project Plan, documenting risks, assumptions, critical success factors, resource needs, quality expectations, communication expectations).

    ii. Detailed Business and Technical Requirements

        (1) Release 6 requirements traceability matrix will be documented using SEM-0401

    iii. Application Design

        (1) Release 6 system design will be documented using SEM-604, System design will be produced 3 – 4 weeks after JAD sessions are complete

2. **Deliverables:**

    a. The Contractor will provide the Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in the Contract Section 1.104(I) for the appropriate stage of activities. Where appropriate, existing project deliverables will be updated to incorporate new scope or rules engine modifications. Any SUITE template or deliverable waivers must be agreed upon with DTMB. The system development lifecycle services stages include:

i. Initiation and Planning

ii. Detail Business and Technical Requirements

iii. Application Design

b. The Contractor will provide a written, firm fixed price for the remaining system development lifecycle activities for the Major Release at least 30 days before the Stage Exit of Application Design. The quote shall include an estimate of the number of hours needed to complete the activities. The creation of the cost estimate is included in the scope of this statement of work.

ASSUMPTIONS:

1. A Statement of Work shall be completed for remaining work phases of Application Development, Testing, Implementation, and Documentation.
2. This SOW document is based on MCP R6 charter documented in PMM-0002
3. Stabilization, Maintenance, support and operation services are not included in this SOW
4. Deloitte has 3,220 hours for requirements planning and initiation activities. Any hours above and beyond the estimated hours in this statement of work will be managed through the established change control process
5. Current MCP governance model will be used for all the releases. Deliverables will be produced as per the current governance model.
6. SOW costs are estimates based on work effort of 3,220 hours for 6 week duration. The SOW costs are not firmed fixed price to meet R6 scope.
7. Any impacts to downstream systems which are not identified in the requirements and design sessions will be considered out of scope for R6 and not included in our fixed price estimate for development, testing, and implementation services.
8. We have assumed state staff will be available to provide requirements and review design based on the proposed schedule in this SOW.
9. SEM-0401 requirement traceability matrix and SEM-604 system deliverables will be submitted after 3-4 weeks from final JAD walkthrough of each process.

ACCEPTANCE CRITERIA:

High-level acceptance criteria for Document Deliverables are listed in Section 1.501 of the Contract and will not be considered complete until the Agency Project Manager has formally accepted them as described.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the in the Contract.

SPECIFIC DEPARTMENT STANDARDS:

None.

PAYMENT SCHEDULE:

The Payment Schedule is based upon the type of services performed. Payment will be made on a Deliverable basis. Cost estimates shall be provided in hours and role type utilizing Table 5: Other Services schedule within the Contract.

Release 6 Initiation and Planning			
Payment	**Deliverable**	**Amount**	**Hours**
1	Upon satisfactory acceptance of the following deliverables • Detailed Business Requirements (60%)	$282,492.00	1,932
2	Upon Satisfactory acceptance of the following deliveries • Application Design (40%)	$188,328.00	1,288
Total		**$470,820.00**	**3,220**

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

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

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Karen Parker
Michigan Department of Community Health
(517) 241-5555
Parkerk7@michigan.gov

The designated DTMB Project Manager is:

Kimberly Koppsch Woods
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health, Medicaid Compliance Program
(517) 284-7156
koppsch-woodsk@michigan.gov

AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions.

AGREEMENT:

Processing through and acceptance by the Department of Community Health and Department of Technology, Management & Budget, Purchasing Office, may be required to finalize this Statement of Work and amend the Contract prior to issuance of a purchase order.

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

By: _____ Date: 11/5/14.
Kimberly Koppsch Woods, Business Relationship Manager

By: _____ Date: 11/5/14
Linda Pung, General Manager

AGREED TO: DELOITTE CONSULTING LLP

By: _____ Date: 11/3/14.
Hariharan Murthy, Director

This purchase order is a release from Contract Number 071B3200103. This purchase order, statement of work, and the terms and conditions of Contract Number 071B3200103 constitute the entire agreement between the State and the Contractor.

Filename: SOW SOM Hub R6 IP Req Des v2

APPENDIX

Current as of 10/31/14:

PMM-0002_Project_
Charter_MCP_R6_SO

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. 5
to
CONTRACT NO. 071B3200103
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Hari Mrthy	hamurthy@deloitte.com
200 Renaissance Center, Suite 3900	TELEPHONE	CONTRACTOR #, MAIL CODE
Detroit, MI 48243-1895	(212) 313-2986	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Kim Koppsch-Woods	517-284-7156	Koppsch-WoodsK@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	zukerw@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: **State of Michigan Hub Solution**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 10, 2013	June 9, 2016	2, one year	June 9, 2016
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
Net 45	Shipment	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:
$195,900.00	$13,678,579.00

Effective 10/31/2014 this contract is amended to:

1. Kim Koppsch-Woods is DTMB Project Manager and Contract Compliance Inspector
2. Substitute the existing SOM HUB Solution Project Manager and Technical Lead Key Personnel resources (see attached agreement):
   - SOM Data Hub Project Manager – Mark Murphy with Raghavendra Modur
   - SOM Data Hub Technical Lead Gajendra Prasad Sankaranaryana with Phani Gundamraj
3. Amendment to Change Notice #4 for additional enhancements to support Release 5 (see attached SOW). Total cost of $195,900.00.

Per vendor and agency agreement and DTMB Procurement approval and the approval of the State Administration Board on September 11, 2014

All other terms, conditions, specifications and pricing remain unchanged.

Approved AD Board Contract Value: $22,367,959.00

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET

CONTRACT NO. 071B3200103

Between
The State of Michigan
And
Deloitte Consulting LCC.

Notice of Decision

Project: State of Michigan Hub Solution

1. In accordance with the terms and conditions of Contract #071B3200103 (hereinafter referred to as "Contract"), Deloitte Consulting LCC. (hereinafter referred to as "Contractor") have replaced the following Key Personnel:

   SOM Data Hub Project Manager – Mark Murphy

   SOM Data Hub Technical Lead – Gajendra Prasad Sankaranaryana

2. The Contractor asserts the following replacement resources meet the position requirements.

   SOM Data Hub Project Manager – Raghavendra Modur

   SOM Data Hub Technical Lead – Phani Gundamraj

3. The State of Michigan (hereinafter referred to as "State") accepts these replacements in accordance with the terms and conditions of the Contract.

The signatures relay an understanding of the purpose and content of the document by those endorsing it.

Approvals:

10/10/14
Kimberly Koppsch-Woods — Date
Michigan Department of Technology, Management and Budget

10-13-14
Linda Pung — Date
Michigan Department of Technology, Management and Budget

10/16/14
Hariharan Murthy — Date
Deloitte Consulting LLP

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

Project Title: State of Michigan Hub Solution	**Period of Coverage:** 09/01/14 – 10/31/14
Requesting Department: Department of Community Health	**Date:** 09/09/14
Agency Project Manager: Karen Parker	**Phone:** (517) 241-5555
DTMB Project Manager: Kimberly Koppsch-Woods	**Phone:** (517) 284-7156
Contract Information: Vendor: Deloitte Consulting LLP Contract #071B3200103	**Change Requests:** 1238 1341 1307 1375
Attachments: Cost Details for 1238 1307 1341 1375 Approved PMM-014 for all change controls (CC) references are saved electronically in each change control request.	C20140911-144510

Brief Description of Services to be provided:
Contractor system development lifecycle (SDLC) services for the State of Michigan (SOM) Hub solution (Medicaid) (hereinafter referred to as "SOM Hub") enhancements identified as part of Release 5.

BACKGROUND:
The State is under contract with Contractor to implement a SOM Hub solution which includes a State Messaging Gateway as the single source of contact between the Federal Data Hub and the State of Michigan for both the health insurance exchange and the Medicaid/CHIP activities. The SOM Hub solution has been operational since January 25, 2014. Further IT services scope has been identified and is included herein.

PROJECT OBJECTIVE:
The purpose of Medicaid Compliance Program (MCP) Release 5 is to support the State of Michigan in implementing the following functionality as identified in the Medicaid Compliance Program Release 5 objectives for the timeframe from Sept 1, 2014 till Oct 31, 2014.

This Statement of Work (SOW) is specific to Change Control Requests (CC) #1238 and (CC) #1307 that are approved for work within Release 5 (R5) activities and (CC) #1375 that is approved for M&O release. Work detailed in this SOW is in conjunction with work detailed in SOW SOM Hub Deloitte R5 _CC 512 956 1161 1184 1231 1265 1315 v4.

SCOPE OF WORK:

CC 1238: State to FFM filtering for CMS request
CC is a 3 part request from CMS:

- Update the CC 960 perform a Medicaid Eligibility Check (MEC) check for each denied individual who would be referred to the Federally Facilitated Marketplace (FFM) per CC 960. If the denied applicant already has MEC at the time they would be transfered to the FFM - DO NOT Transfer the applicant.

- Do not send duplicate backlog Account Transfer (AT) from Michigan to the FFM. In the case of multiple Application Ids - only send the one with the latest date.

- Provide a count of production AT which meet all of the criteria in CC 960 and the criteria above. The count must

be provided prior to the actual production processing of sending AT to the FFM.

CC 1307: FFM Business Service Definition (BSD) updates for version 2.3.2
The SOM systems currently operate in compliance with the AT BSD version 2.0 (XSD and Schematron). In order to send or receive AT packets to and from the FFM, the SOM Hub must convert the AT packet to remain XSD and Schematron compliant. Therefore, the SOM Hub will add, modify or delete conversion logic to handle AT BSD version 2.3.2 (XSD and Schematron).

CC 1341: SOM Hub adding additional resource to accommodate Release 5
Adding a new experienced Message Broker resource to minimize the risk of over burning the current team.

- Deloitte will on board resource and provide knowledge transfer.
- NO cost for bringing this additional resource.

CC 1375: Correct FFM records to use correct assessment date
The date passed in the AT record that is used to determine the assessment date is in a different element than what is documented by Center for Medicare & Medicaid Services (CMS) and what is used from all of the SOM doors to Medicaid Compliance Program (MCP). Because this date is used for the assessment date and it cannot be found, the Modified Adjusted Gross Income (MAGI) Rules Engine defaults the date to 01/01/2014. This means that any application that was submitted after 4/1 would not be determined for the Healthy Michigan Plan (HMP).

TASKS:

The Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, the Contractor and State will comply with the Contractor Approach as outlined in the application Sections of the Contract under 1.104 Work and Deliverables.

Work and Deliverables:

Detailed Business and Technical Requirements

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(A).

Deliverable(s)

- Detailed Business Requirements
- Requirements Traceability Matrix [revised]
- Approved Structured Walkthroughs for above documents.

Application Design

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(D).

Deliverable(s)

- System Design:
  - Requirements Traceability Matrix [Revised]
  - System Design Document [Revised]
  - Test Plan [Initial]
  - Test Type Approach and Reports [Final]
  - Test Cases [Initial]

Application Development:

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(E).

Deliverable(s)

- Requirements Traceability Matrix [revised]
- Test Type Approach and Reports [revised]
- Test Cases [revised]
- Development baselines
- Project Test File
- System units and modules

- Approved Structured Walkthroughs for above documents.

Testing

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(F).

Integration Test completion date: To be mutually agreed within the project plan
System Test completion date: To be mutually agreed within the project plan
User Acceptance Test completion date: To be mutually agreed within the project plan
The Contractor will participate in "war room" testing activities, as requested, by the State, to enhance communication and promote intense collaboration to remediate discovered testing defects.

At the Program Level, the State will provide an End-to End Testing Plan, which may require remediation of project level defects. The Contractor will adhere to the Testing Plan.

Deliverable(s)

- Requirements Traceability Matrix [final]
- Test Type Approach and Reports [final]
  - Integration test reports
  - Performance test report
  - System test reports
  - User Acceptance test report
- Test Cases [final]
- Developer's Reference Manual.

Implementation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(G).

Deliverable(s)

- Services to implement the application, including:
  - Configuration
  - Customization
  - Interfaces/Integration.
- Operational software product.

Documentation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(I).

Deliverable(s)

1. The documentation of components, features, and use of the hardware/software shall be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.

2. All system, operational, user, change, and issue documentation must be available in electronic format, published to an intranet website, accessible to State users, and be updated regularly, with unique numerical identifiers for each section and be consistent with the most current version of the application(s) and three (3) previous versions.

3. All system, operations, user, change and issue documentation is to be organized in a formatwhich is approved by the State. Its form should facilitate updating and allow-for revisions to the documentation to be clearly identified including the three (3) previous versions.

4. The Contractor will develop and submit for State approval complete, accurate, and timely system, operations, and user documentation based on the mutually agreed upon project schedule.

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

ASSUMPTIONS:

1. Services defined as "Operations Services" and "Maintenance and Support" within the Contract Sections 1.104(I)(J) and 1.104(I)(K), respectively, are not included in this Statement of Work and will be invoiced separately.
2. All required stakeholders will be available to provide the necessary requirements and design inputs.
3. All required stakeholders will be available for deliverables review and approval.
4. If the Contractor has completed development and testing as approved by the SOM and if the implementation date is delayed due to other dependencies , such impacts due to the delay will be managed by the established change control process. Prospective changes in cost will also be managed through the established change control process.
5. The FFM will send XSD and Schematron-valid AT packets in compliance with AT version 2.3.2.
6. The SOM systems will send XSD and Schematron-valid AT packets in compliance with AT version 2.0.
7. The FFM Holding Tank and the FFM AT holding table will contain AT packets in different AT versions (both 2.3 and 2.3.2).

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them as described in Section 1.500.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract and listed in Section 1.500.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the contract.

PAYMENT SCHEDULE:

Other Services as described in Change Notice #4 of the Contract will fund this Statement of Work, as approved by DTMB Procurement and with Contract Change notice executed. Payment will be made on a fixed cost basis in accordance with the deliverable schedule as shown below:

Payment will be made on a satisfactory acceptance of each milestone in accordance with the Payment Schedule outlined below.

CC 1238, 1307, 1341*, 1375 (See Apendix B for Cost details for Change Controls listed) Individual change Controls can be billed individually according to Appendix B			
Payment	**Deliverable**	**Amount**	**Hours**
1	Upon satisfactory acceptance of the following deliverables • 20% Detailed Business Requirements – All • 30% Application Design – All • 30% Application Development – All	 $39,180 $58,770 $58,770	 110 184 540
2	Upon satisfactory acceptance of the following deliverables • 10% Testing – All	 $19,590	 402
3	Upon satisfactory acceptance of the following deliverables • 10% Implementation • Documentation – All	 $19,590	 100
CC Total		**$195,900**	**1336**

STATEMENT OF WORK TOTAL COST AND HOURS	**$195,900**	**1336**

*note there is no cost for CC 1341 (represent hours only)

Payment will be made on Satisfactory acceptance of each Deliverable. DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more

often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense. All invoices must include the purchase order number

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

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

PROJECT CONTACTS:

The designated Agency Project Manager is:
Karen Parker
Michigan Department of Community Health
(517) 241-5555
parkerk7@michigan.gov

The designated DTMB Project Manager is:
Kimberly Koppsch-Woods
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health, Medicaid Compliance Program
(517) 373-2776
Koppsch-woodsk@michigan.gov

The designated DTMB Technology Owner is:
Christopher Rose
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health
(517) 284-7159
Rosec4@michigan.gov

AGENCY RESPONSIBILITIES:
Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:
The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:
The Contract governs Work Hours and Conditions.

AGREEMENT:
Additional processing through the Department of Technology, Management & Budget, Purchasing Office, may be required to finalize this Statement of Work prior to invoice payment.

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

By: _____ Date: 10/10/14

Kimberly Koppsch-Woods, Business Relationship Manager
Medicaid Compliance Program

By: _____ Date: 10-13-14
Linda Pung, General Manager

AGREED TO: DELOITTE CONSULTING LLP

By: _____ Date: 9/23/14.

This purchase order is a release from Contract Number 071B3200103. This purchase order, statement of work, and the terms and conditions of Contract Number 071B3200103 constitute the entire agreement between the State and the Contractor.

Cost Details of R5
CC 1238 1307 1375_

Cost Details for of change Control Requests 1238, 1307, 1375
for SOW R5 CC 1238 1307 1375

CC 1238 State to FFM filtering for CMS request			
Payment	**Deliverable**	**Amount**	**Hours**
1	Upon satisfactory acceptance of the following deliverables • 20% Detailed Business Requirements – All • 30% Application Design – All • 30% Application Development – All	 $33,600 $50,400 $50,400	 80 160 480
2	Upon satisfactory acceptance of the following deliverables • 10% Testing – All	 $16,800	 320
3	Upon satisfactory acceptance of the following deliverables • 10% Implementation • Documentation – All	 $16,800	 80
CC Total		**$168,000**	**1120**

CC 1307 FFM BSD Updates for version 2.3.2			
Payment	**Deliverable**	**Amount**	**Hours**
1	Upon satisfactory acceptance of the following deliverables • 20% Detailed Business Requirements – All • 30% Application Design – All • 30% Application Development – All	 $5,580 $8,370 $8,370	 20 24 60
2	Upon satisfactory acceptance of the following deliverables • 10% Testing – All	 $2,790	 72
3	Upon satisfactory acceptance of the following deliverables • 10% Implementation • Documentation – All	 $2,790	 10
CC Total		**$27,900**	**186**

CC 1341 SOM Hub adding additional resource to accommodate Release 5			
Payment	**Deliverable**	**Amount**	**Hours**
1	Upon satisfactory acceptance of the following deliverables • 20% Detailed Business Requirements – All • 30% Application Design – All • 30% Application Development – All	 $0	 0
2	Upon satisfactory acceptance of the following deliverables • 10% Testing – All	 $0	 0
3	Upon satisfactory acceptance of the following deliverables • 10% Implementation • Documentation – All	 $0	 0
CC Total		**$0**	**0**

Cost Details for of change Control Requests 1238, 1307, 1375
for SOW R5 CC 1238 1307 1375

CC 1375 Correct FFM records to use correct assessment date			
Payment	**Deliverable**	**Amount**	**Hours**
1	Upon satisfactory acceptance of the following deliverables • 20% Detailed Business Requirements – All • 30% Application Design – All • 30% Application Development – All	$0	10
2	Upon satisfactory acceptance of the following deliverables • 10% Testing – All	$0	10
3	Upon satisfactory acceptance of the following deliverables • 10% Implementation • Documentation – All	$0	10
CC Total		**$0**	**30**

STATEMENT OF WORK TOTAL COST AND HOURS	**$195,900**	**1336**

Change Notice Number _____5_____
Contract Number_____ 071B3200103_____

FOR THE CONTRACTOR:	FOR THE STATE:
Deloitte Consulting LLP Firm Name	Signature
Authorized Agent Signature	William Pemble, IT Division Director Name/Title
Authorized Agent (Print or Type)	DTMB Procurement Enter Name of Agency
Date	Date

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. 4

to

CONTRACT NO. 071B3200103

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Hari Mrthy	hamurthy@deloitte.com
200 Renaissance Center, Suite 3900	TELEPHONE	CONTRACTOR #, MAIL CODE
Detroit, MI 48243-1895	(212) 313-2986	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Larry Lemieux	517-241-4547	Lemieuxl@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-241-3215	zukerw@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: **State of Michigan Hub Solution**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 10, 2013	June 9, 2016	2, one year	June 9, 2016
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	Shipment	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:
$3,762,240.00	$13,482,679.00

Effective 9/11/2014 this contract is amended to incorporate the attached SOWs for Release 3, 4, 5 and amend Contract Change Notice 2 to reflect the actual amount for Triage Services of $894,660.00 to support the already approved end date of 9/30/14. In addition, this contract is increased by $3,762,240.00 to support the known remaining committed costs till the end of the contract term:

FY14 Committed Costs

Release 4 and Release Independent Activities (amount added to the contract to support total Release 4 cost)	$1,181,144.00
Total	**$1,181,144.00**

FY15 Committed Costs

Release 5 and Release Independent Activities: Testing and Implementation (Amount added to the contract to support total Release 5 cost)	$251,548.00
Work and Deliverable: H-Training	$132,709.00
Work and Deliverable: L-Knowledge Transfer/Transition	$132,710.00
Triage Services: 12 months @ $96,300 Oct-Sep	$1,155,600.00
Operations: 9 months @ $10,929 Jan-Sep	$98,361.00
Recurring Maintenance and Support Costs: 8 months @ $45,171 Feb-Sep	$361,368.00
Total	**$2,132,296**

FY16 Committed Costs

Operations: 8 months @ $10,929 Oct-May	$87,432.00
Recurring Maintenance and Support Costs: 8 months @ $45,171 Oct-May	$361,368.00
Total	**$448,800.00**

Total FY 14, FY15 and FY16 Committed Costs	**$3,762,240.00**

Other Optional Costs reduced to $0. Additional funds will be added if DTMB Procurement approves a requested SOW/Proposal and executes a Contract Change Notice.

This Change Notice is Per Administrative Board Approval on September 11, 2014.

All other terms, conditions, specifications and pricing remain unchanged. Per vendor and agency agreement and DTMB Procurement approval.

MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET

IT SERVICES

for

State of Michigan Hub Solution

STATEMENT OF WORK

This purchase order Is a release from Contract #071B3200103 ("Contract") between Deloltte Consulting LLP ("Contractor" or "Vendor") anclthe Department of Technology, Management & Budget (DTMB) and Department of Community Health (DCH), collectively referred to as "Stahl". This purchase order, statement of work, and the terms and conditions of the Contract constitute the entire agreement between the Slate and thO Contractor.

Project Title: State of Michigan Hub Solution	Period of Coverage: December 15, 2013 thru March 31, 2014
Requesting Agency: Department of Community Health	Date: December 3, 2013
Agency Project Manager: Dennis Shippy	Phone: (517) 898-4147
DTMB Project Manager: Kimberly Koppsch-Woods	Phone: (617) 373-2776
Contract Information: Vendor: Deloltte Consulting LLP Contract #07183200103	Change Request (CR) #: 811 812 813 613 632 766 767
Attachments: MCP Release 3 Charter	

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

- Identification of scope required for the Medicaid Compliance Program (MCP) development services in support of implementing House 81114714, often referred to as "Healthy Michigan".

BACKGROUND:

The State of Michigan (SOM) Is under contract with Contractor to Implement a SOM Hub Solution which Includes a State Messaging Gateway as the single source of contact between the Federal Data Hub and the State of Michigan for both the health insurance exchange and the Medicaid/CHIP activities. As required under the Contract, the business and technical scope was identified with the responding Contractor approach. Scope was defined through October 1, 2013, and extended through December 31,2013. Further IT services scope has been Identified beyond December 31,2013, and Is included herein.

PROJECT OBJECTIVE:

The purpose of Release 3 is to provide health care coverage to low-Income Michigan citizens who are uninsured or underInsured. Release 3 will also Identify, through data discovery, policies and procedures that could Improve health care quality and stabilize health care costs.

1. Implementation of State of Michigan functionality to meet the system requirements of House Bill4714 often referred to as 'Healthy Michigan Plan."
2. Evaluation of all "Spend-Down' and Group II Fee for Service (FFS) populatlon(s) for re-evaluation to Healthy Michigan Plan (as business appropriate).

SCOPE OF WORK:

Solution Overview

1. Support all R1/R2 Go-Live activities from December 15,2013 to January 26, 2014
2. The solution, referred to as 'Healthy Michigan Plan' or "R3' must be Installed and in operation by 3/15/2014.
3. Contractor and SOM will adhere to the mutually agreed upon schedule.
4. March 16, 2014, R3 Release dellverables will Include the following requirements:
    a. The solution must support web service Interaction and standard SOAP protocols as per design.
    b. The Contractor's solution will use the IBM Message Broker product to transport these transactions lor the SOM Hub.
    c. The SOM Hub Solution shall Integrate with the existing platform to provide access to resources such as the MAGI Eligibility Service as well as provides a link between the existing DCH and DHS case management systems.
    d. The SOM Hub Solution must be fully documented to SOM SEM, PMM, SUITE and CMS ELC standards lor In scope activities and dellverabtes.
    e. Support of a process to re-evaluate applicants who were denied benefits under the Federal Poverty Level (FPL) limit before the Healthy Michigan Plan was in effect. Process will be created In a combination of the SOM Hub solution and Bridges.
    f. Route denied MAGI determinations for special runs of Health Michigan Plan Eligibility back to Bridges only (suppressing denials to FFM for specific converstlon types)
    g. Route determinations for correspondence correctly; special routing is needed based upon the origin of the request lor correspondence
    h. Implement a capacity plan which will handled the expected 400,000 new cases. Following performance Improvements will be Implemented to support the expected case volume
        - Implement CC 811 - Increase throughput for incoming Hub transactions
        - Implement CC 812- Remove togging on XML that Is not needed
        - Implement CC 813- Modify how records are retrieved from MAGI and Decouple the holding tank insert and the GUID status update process
        - Support program level performance testing In the existing staging environment
    I. Create following additional environments for logical separation using the existing virtual machines and hardware infrastructure to support development and delivery of major and minor releases and support emergency fixes. Note this scope was not included In CC 613. CC 613 was created to get the additional RAM, CPU and disk on the existing VMs to allow for logical environment separation. A long term approach for environments will be handled in a separate CC.
        - Pre-Prod Environment
        - Emergency Fix UAT Environment
        - Emergency Fix Dev Environment
        - Minor Release UAT Environment
        - Minor Release SIT Environment
        - Minor Release AIT Environment
        - Major Release Dev Environment

- Major Release UAT Environment
- Major Release SIT Environment
- Major Release AIT Environment
- Major Release Dev Environment

5. March 31, 2014, Release !dependent dellverables will include the following requirements:
   a. Implement Eligibility full determination mapping to populate complete eligibility determination results In a given account transfer packet
   b. Implement parallel processing of TDS calls to Improve performance. SOM HUB will modify the TDS calls flow from serial to parallel processing. Currently the TDS services are called In serially one after other, this process will be modified to call SSA,AHI and VLP process In parallel in separate simultaneous threads to Improve the performance of the account transfer flows. By modifying them through parallel process

c. Transition existing test simulator from Relay server to WMB virtual machines

   d. Implement database compression for all environments for holding tanks data
   e. Implement database archival and recovery process for holding tanks data (See CC 632)
   f. Create HUB short term Operation reporting (See CC 766)
      - Report #1: Daily Hub process summary report
      - Report #2: Dally Hub process summary report by source
      - Include automation of SMTP and Kron job to automatically email the reports on a scheduled basis
   g. Create HUB Long term Operational reporting (See CC 767)
      - Design and build a Datawarehouse for HUB Operational reporting and source data from Production, UAT and Staging
      - Create queries to generate additional operational reports
      - Export the reports data to Excel to manually generate graphs and analysts
      - Include automation of SMTP and Kron job to automatically email the reports on a scheduled basts

A. <u>Detailed Business and Technical Requirements</u>

The Contractor will provide the Requirements, Services and Dellverallles and follow the State and Contractor Roles and Contractor Approach as outlined In Contract Section 1.104(\)(A).

Dellverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(\)(A) of the Contract, and provide the following dellverables:

- Detailed Business Requirements
  - Define Functional Requirements
  - Define Input and Output Requirements
  - Define Performance Requirements
  - Define User Interface Requirements
  - Define System Interface Requirements
  - Define Communication Requirements
  - Define Computer Security and Access Requirements
  - Define Backup and Recovery Requirements
  - Define Preliminary Implementation Requirements
  - Requirements Traceability Matrix (revised(
- Approved Structured Walkthroughs for above documents

D. <u>Application Design</u>

The Contractor will provide the Requirements, Services and Dellverables and follow the State and Contractor Roles and Contractor Approach as outlined In Contract Section 1.104(1)(D).

Deliverable(a)

The Contractor will provide the requirements stated above, In Section 1.104(1)(D) of the Contract, and provide the following deliverables:

- Functional Design:
  - Functional Design Document
  - Maintenance Plan
  - Requirements Specifications [Final]
  - Requirements Traceability Matrix [Updated]
  - Hosting Solution Document
- System Design:
  - Software Configuration Management Plan [Final]
  - System Design Document (Final]
  - Test Plan (Initial]
  - Test Type Approach and Reports [Final]
  - Test Cases [Initial}
- Approved Structured Walkthroughs for above documents.

E. Application Development:

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined In Contract Section 1.104(1)(E).

Deliverable(a)

The Contractor will provide the requirements stated above, In Section 1.104(1)(E) of the Contract; and provide the following dellverables:

- Maintenance Plan (revised]
- Requirements Traceability Matrix (revised]
- Test Type Approach and Reports (revised]
- Test Cases (revised]
- Transition Plan [Initial}
- Installation Plan (Initial]
- Training Plan (Initial}
- Security Plan and Assessment [revised]
- Development baselines
- Operating Documentation
  - User Manual
  - Developer's Reference Manual
- ProjectTest File
- System units and modules
- Approved Structured Walkthroughs for above documents.

F. Testing

The Contractor will provide the Requirements, Services and Dellverables and follow the State and Contractor Roles and Contractor Approach as outlined In Contract Section 1.104(1)(F).

Integration Test completion date: To be mutually agreed within the project plan
System Test completion date: To be mutually agreed within the project plan
User Acceptance Test completion date:

The Contractor will participate in "war room" testing activities, as requested, by the State, to enhance communication and promote Intense collaboration to remedlate discovered testing defects.

At the Program Level, the State will provide an End-to End Testing Plan, which may require remediation of project laval defects. The Contractor will adhere to the Testing Plan.

Deflverable(s)

The Contractor will provide the requirements stated above, In Section 1.104(1)(F) of the Contract, and provide the following dellverables:

- Maintenance Plan (revised]
- Requirements Traceability Matrix {final]
- Test Type Approach and Reports (final]
  - Integration test reports
  - Performance test report
  - System test reports
  - User Acceptance test report
- Test Cases {final]
- Transit!on Plan {revised]
- Installation Plan {final]
- Training Plan (final]
- Security Plan and Assessment [revised)
- Operating Documentation {final}
  - User Manual
  - Developer's Reference Manual

G, Implementation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and contractor Approach as outlined In Contract Section 1.104(1)(G).

H. Training

The Contractor will provide the Requirements, Services and Dellvarables and follow the State and contractor Roles and Contractor Approach as outlined In Contract Section 1.104(1)(H).

I. Qocumentatlon

The Contractor will provide the Requirements, Services and Deliverables and follow the State and contractor Roles and Contractor Approach as outlined In Contract Section 1.104(1)(1).

J. Operation Services

The Contractor will provide the Requirements, Services and Dellverables and follow the State and Contractor Roles and Contractor Approach as outlined In Contract Section 1.104(1)(J). The Contractor will assume Operation Services of the software dellverables upon Implementation.

K. Maintenance and Support

The Contractor will provide the Requirements, Services and Dellverables and follow the State and Contractor Roles and Contractor Approach as outlined In Contract Sec!lon 1.104(1)(K). The Contractor will assume Maintenance and Support of the software dellverabfes upon Implementation.

L. Knowledge Transfer/Transition

The Contractor will provide the Requirements, Services and Deliverabies and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(1)(L).

ASSUMPTIONS:

1. All required stakeholders will be available to provide the necessary requirements and design Inputs.
2. All required stakeholders will be available for defiverables review and approval.

TASKS:

The Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, the Contractor and State will comply with the Contractor Approach as outlined In the application Sections of the Contract under 1.104 Work and Dellverabtes,

DELIVERABLE$:

Dellverabtes will not be considered complete until the Agency Project Manager has formally accepted them.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract.

PROJECT CONTROL AND REPORTS:

Contractor will submlt progress reports as described In the contract.
A bi-weekly progress report must be submitted to the Agency and DTMB Project Managers throughout the life of this project. This report may be submitted with the billing Invoice. Each bi-weekly progress report must contain the following:

1. **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
2. **Dallverables:** Indicate dellverables completed and the Invoice to be submllted.

PAYMENT SCHEDULE:

Other Services as described In Section 1.104(1) (M} Table 4 of the Contract will fund this Statement of Work. The estimate will be made on a fixed cost basis based upon the estimated hours of work In accordance with the schedule In Tabla 4: Other Optional Costs.

Payment will be made on a satisfactory acceptance of each milestone.

Payment	Deliverable	Amount
1	100% upon satisfactory acceptance of R1/R2 Release deliverables • R1/R2 Go-Live activities from December 15, 2013 to January 25, 2014 including any change requests upto 50 person hours work effort.	$130,000.00
Total R1/R2 Release Cost		**$130,000.00**
2	30% upon satisfactory acceptance of the following R3 Release deliverables: • Detail Business Requirements - All • Application Design - All • Application Development – All	$117,000.00
3	30% upon satisfactory acceptance of the following R3 Implementation deliverables: • Testing – All • Training - Written Deliverables Only	$117,000,00
4	40% upon satisfactory acceptance of the following R3 Documentation – All deliverables Only	$166,000.00
Total R3 HMP Release Cost		**$390,000.00**
5	50% upon satisfactory acceptance of the following R3 deliverables: • Application Development – All • Testing – All	$390,000.00
6	50% upon satisfactory acceptance of the following R3 Release Independ deliverables: • Detail Business Requirements - All	$390,000.00

Total R3 Release Independent Cost !!!J0,000.00.

Statement of Work Totai.Cost ··------- --J1,300,000.0

OTMB will pay Contractor upon receipt of properly completed Invoice{s} which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and OTMB Project Manager approvals. All Invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The Invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are Invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.
Payment shall be considered timely If made by the DTMB within forty-five (45) days after receipt of properly completed Invoices.

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

PROJECT CONTACTS:

The designated Agency Project Manager Is:

Dennis Shippy
Michigan Department of Community Health (617)
373·2609
shippyd@m!chlgan.gov

The designated DTMB Project Manager is: Kimberly

Koppsch-Woods
Michigan Department of Technology, Management and Budget
Custom·er Service supporting Department of Community Health, Medicaid Compliance Program
(517} 373·2776
Koppsch·WoodsK@michlqan.gov

DTMB/AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions.

RIGHT TO OWNERSHIP:

The Contract governs Right to Ownership.

AGREEMENT:

Processing through the Department of Technology, Management & Budget, Purchasing Office, Is required to finalize thl Statement of Work and amend the Contract.

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

By: _____ Date:ab-/t{ Date: ;;j ·-

Kimberly Koppsch-Woods, DTMB Program Director
Medicaid Compliance Program

By: _____ @·-ltj

Linda Pung, General Manager

AGREJ: OELOTTE CONSULTING LLP
By: q.)v

7 Ha ih'aran Murthy, Director

Date: tJ/;:<.J ltj,

MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
IT SERVICES
for
State of Michigan Hub Solution (Medicaid)

STATEMENT OF WORK

This Statement of Work is a release from Contract #071B3200103 ("Contract"), Purchase Order ~ between Deloitte Consulting LLP ("Contractor" or "Vendor") and the Department of Technology, Management & Budget (DTMB) and Department of Community Health (DCH), collectively referred to as "State". The purchase order, statement of work, and the terms and conditions of the Contract constitute the entire agreement between the State and the Contractor.

Project Title: State of Michigan Hub Solution	**Period of Coverage:** 04/01/2014-06/30/2014
Requesting Agency: Department of Community Health	**Date:** April 1, 2014
Agency Project Manager: Karen Parker	**Phone:** (517) 241-5555
DTMB Project Manager: Kimberly Koppsch-Woods	**Phone:** (517) 284-7156
Contract Information: Vendor: Deloitte Consulting LLP Contract #071B3200103	**Change Request (CR) #:** CC 960 CC 779 CC 824 CC 932 CC 997 CC 941
Attachments: PMM-0002_MCP_FFM_Bi-Directional_-_Phase_I[1] PMM-0002_MCP_Release_4_Project_Charter PMM-0002_MCP_Release_5_Program_Charter[1]	

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

Contractor system development lifecycle (SDLC) services for the State of Michigan (State) Hub solution (Medicaid) (hereinafter referred to as "SOM Hub") enhancements identified as part of Release 4 and other development activities as prioritized for the Medicaid Compliance Program (MCP).

BACKGROUND:

The State is under contract with Contractor to implement a SOM Hub which includes a State Messaging Gateway as the single source of contact between the Federal Data Hub and the State of Michigan for both the health insurance exchange and the Medicaid/CHIP activities. The SOM Hub has been operational since January 25, 2014. Further IT services scope has been identified and is included herein.

PROJECT OBJECTIVE:

The purpose of Medicaid Compliance Program (MCP) Release 4 is to support the State of Michigan in implementing the following functionality as identified in the Medicaid Compliance Program Release 4 objectives.

1. Release 4:
    a. Presumptive Eligibility

b. Retroactive Eligibility
c. Auto Certification
d. MAGI Rules Exception Reporting

2. Additional development activities as prioritized by MCP.

SCOPE OF WORK:

Solution Overview

Contractor will support R4 design, development, testing and production deployment activities.

Contractor and State will adhere to the mutually agreed upon schedule for R4.

Contractor will support testing, including user acceptance testing of integrated components, performance testing, project level and program level testing.

Contractor will support all WAR room activities.

Release deliverables will include the following requirements:

a. The solution must support web service interaction and standard Simple Object Access Protocols (SOAP) as per design.
b. The Contractor's solution will use the IBM Message Broker product to transport these transactions for the SOM Hub.
c. The SOM Hub shall integrate with the existing platform to provide access to resources such as the MAGI Eligibility Service as well as provides a link between the existing DCH and DHS case management systems.
d. The SOM Hub must be fully documented to SOM SEM, PMM, SUITE and CMS ELC standards for in scope activities and deliverables.
e. Modify Medicaid and CHIP eligibility block in eligibility mapping flow with retroactive eligibility dates.
f. Enhance database security for holding tank tables to ensure the holding tank data access is restricted to the designated owning source systems.
g. Integration testing with other MCP systems for R4
h. Re-verify existing production fixes and perform regression testing

Release 4 Scope includes:

i. Presumptive Eligibility
j. Retroactive Eligibility
k. Auto Certification
l. MAGI Rules Exception Reporting

Release of Identified change controls a – d below are independent of scheduled R4 release date where SOM Hub is required to provide impact or to perform execution as prioritized by the State for the contract time period April 1, through June 30, 2014 with implementation to occur on or before November 30, 2014:

m. CC960 - FFM to State Outbound – Sending backlog of denials
n. CC824 - CMS: New FFM AT defects reported
o. CC997 - FFM Bi-Directional (Phase 1) SOM HUB - AT from FFM is different than State expected, and verification Metadata block is not being converted from 2.3 to 2.0.
p. Other change controls or service requests as deemed necessary by the State:
    - CC941 - Conversion/data handling process for AT packets that have been not been sent to FFM post 25-JAN-2014 (R2 Go Live). These need to be processed from the holding tank and have the new State to FFM transfer rules applied (as implemented in CC779)
    - CC932 - Re-submit Hub exception records to the Hub redo queue, a temporary, daily ER script was created. For long term re-processing of exceptions and to eliminate manual execution of the script each day, the re-submission process must be formalized into a batch job and incorporated as a regular system capability
    - CC779 – Minor Release as FFM requirement regarding existing beneficiaries

The State reserves the right to modify projects and change controls identified for work. Changes will be managed through the established change control process.

Work and Deliverables

A. Detailed Business and Technical Requirements

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(A).

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(A) of the Contract, and provide the following deliverables:

Detailed Business Requirements

- Define Functional Requirements
- Define Input and Output Requirements
- Define Performance Requirements
- Define User Interface Requirements
- Define System Interface Requirements
- Define Communication Requirements
- Define Computer Security and Access Requirements
- Define Backup and Recovery Requirements
- Define Preliminary Implementation Requirements
- Requirements Traceability Matrix [revised]

Approved Structured Walkthroughs for above documents

D. Application Design

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(D).

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(D) of the Contract, and provide the following deliverables:

Functional Design:

- Functional Design Document
- Maintenance Plan
- Requirements Specifications [Final]
- Requirements Traceability Matrix [Updated]
- Hosting Solution Document

System Design:

- Software Configuration Management Plan [Final]
- System Design Document [Final]
- Test Plan [Initial]
- Test Type Approach and Reports [Final]
- Test Cases [Initial]

Approved Structured Walkthroughs for above documents.

E. Application Development:

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(E).

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(E) of the Contract, and provide the following deliverables:

Maintenance Plan [revised]
Requirements Traceability Matrix [revised]
Test Type Approach and Reports [revised]
Test Cases [revised]

Transition Plan [initial]
Installation Plan [initial]
Training Plan [initial]
Security Plan and Assessment [revised]
Development baselines
Operating Documentation

- User Manual
- Developer's Reference Manual

Project Test File
System units and modules
Approved Structured Walkthroughs for above documents.

F. Testing

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(F).

Integration Test completion date: To be mutually agreed within the project plan
System Test completion date: To be mutually agreed within the project plan
User Acceptance Test completion date:

The Contractor will participate in "war room" testing activities, as requested, by the State, to enhance communication and promote intense collaboration to remediate discovered testing defects.

At the Program Level, the State will provide an End-to End Testing Plan, which may require remediation of project level defects. The Contractor will adhere to the Testing Plan.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(F) of the Contract, and provide the following deliverables:

Maintenance Plan [revised]
Requirements Traceability Matrix [final]
Test Type Approach and Reports [final]
- Integration test reports
- Performance test report
- System test reports
- User Acceptance test report

Test Cases [final]
Transition Plan [revised]
Installation Plan [final]
Training Plan [final]
Security Plan and Assessment [revised]
Operating Documentation [final]
- User Manual
- Developer's Reference Manual

G. Implementation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(G).

H. Training

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(H).

I. Documentation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(I).

J. Operation Services

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(J). The Contractor will assume Operation Services of the software deliverables upon implementation.

K. Maintenance and Support

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(K). The Contractor will assume Maintenance and Support of the software deliverables upon implementation.

L. Knowledge Transfer/Transition

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(L). The Contractor will include work outlined herein as part of Knowledge Transfer/Transition.

ASSUMPTIONS:

1. Services defined as "Operations Services" and "Maintenance and Support" within the Contract Sections 1.104(I)(J) and 1.104(I)(K), respectively, are not included in this Statement of Work and will be invoiced separately.

All required stakeholders will be available to provide the necessary requirements and design inputs.

All required stakeholders will be available for deliverables review and approval.

If the Contractor has completed development and testing and if the implementation date of .June 20, 2014 is delayed due to other dependencies , such impacts due to the delay will be managed by the established change control process. Prospective changes in cost will also be managed through the established change control process.

Release 4 scope based on the following changes

a. Hub will participate in requirements and JAD sessions
b. Hub will provide project management support for all Hub activities
c. Hub will perform regression testing to ensure all existing Hub functionality is working
d. Hub will support integration and SIT testing with source systems for all R4 scope items
e. Hub will support program testing for all R4 scope items
f. No code changes for presumptive eligibility requirements
g. No code changes for case change applications
h. No changes to existing verification calls and enrichment of AT packet
i. No changes to AT packet structure. Hub will receive XSD and schematron compliant AT 2.0 version from source systems.
j. No integration changes with MAGI
k. No changes to existing Hub operational reporting
g. There is no requirement for additional hardware or software procurement for R4.

Program testing is assumed to be four weeks in duration.

Current core client facing Deloitte resources for project management, business analysis, development and testing will remain the same to support R4.

TASKS:

The Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, the Contractor and State will comply with the Contractor Approach as outlined in the application Sections of the Contract under 1.104 Work and Deliverables.

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the contract.

PAYMENT SCHEDULE:

Other Services as described in Section 1.104(I) (M) Table 4 of the Contract will fund this Statement of Work. Payment will be made on a fixed cost basis based upon the estimated hours of work in accordance with the schedule in Table 5: Other Services.

Payment will be made on a satisfactory acceptance of each milestone in accordance with the Payment Schedule outlined below and in Revised Attachment D – Contract Pricing.

Release 4: Presumptive Eligibility, Retroactive Eligibility, Auto Certification, MAGI Rules Exception Reporting			
Payment	**Deliverable**	**Amount**	**Hours**
1	20% Upon satisfactory acceptance of the following R4 Release deliverables • Detailed Business Requirements – All • Application Design – All • Application Development – All	$39,148	276
3	60% Upon satisfactory acceptance of the following R4 Release deliverables: • 10% Testing – All	$117,444	828
5	20% Upon satisfactory acceptance of the following R4 Release deliverables: • Implementation • Documentation - All	$39,148	276
Total		**$195,740.00**	**1380**

Release 4: CC 779, 824, 932 941, 960, 997 – Other IT Services (See Appendix B Cost Details for Change Controls Listed) Individual Change Controls can be billed individually according to Appendix B			
Payment	**Deliverable**	**Amount**	**Hours**
2	Upon satisfactory acceptance of the following deliverables • 20% Detailed Business Requirements – All • 30% Application Design – All • 30% Application Development – All	$605,064 ($151,266) ($226,899) ($226,899)	2965
4	Upon satisfactory acceptance of the following deliverables • 10% Testing – All	$75,633	1847
6	Upon satisfactory acceptance of the following deliverables • 5% Implementation • 5% Documentation – All	$75,633	561
Total		**$756,330.00**	**5373**

STATEMENT OF WORK TOTAL COST AND HOURS	**$952,070.00**	**6753**

DTMB will pay Contractor upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense. Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Karen Parker
Michigan Department of Community Health
(517) 241-5555
parkerk7@michigan.gov

The designated DTMB Project Manager is:

Kimberly Koppsch-Woods
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health, Medicaid Compliance Program
(517) 284-7156
Koppsch-woodsk@michigan.gov

The designated DTMB Technology Owner is:

Christopher Rose
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health
(517) 284-7159
Rosec4@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions.

RIGHT TO OWNERSHIP:

The Contract governs Right to Ownership.

AGREEMENT:

Additional processing through the Department of Technology, Management & Budget, Purchasing Office, may be required to finalize this Statement of Work prior to invoice payment.

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

By: _____ Date:_____

Kimberly Koppsch-Woods, Business Relationship Manager
Medicaid Compliance Program

By: _____ Date:_____

Linda Pung, General Manager

AGREED TO: DELOITTE CONSULTING LLP

By: _____ Date:_____

Hariharan Murthy, Director

APPENDIX A

Documents approved and copies are current as of June 25, 2014

PMM-0002_MCP_Release_4_Project_Charter

PMM-0002_MCP_Rel
ease_4_Project_Char

PMM-0002_MCP_Release_5_Program_Charter[1]

PMM-0002_MCP_Rel
ease_5_Program_Cha

PMM-0002_MCP_FFM_Bi-Directional_-_Phase_I[1]

PMM-0002_MCP_FF
M_Bi-Directional_-_Ph

Appendix B

COST DETAILS

CC960 - FFM to State Outbound – Sending backlog of denials			
	Deliverable	**Amount**	**Hours**
	Upon satisfactory acceptance of the following CC 960 deliverables • 20% Detailed Business Requirements – All • 30% Application Design – All • 30% Application Development - All	 $20,460 $30,690 $30,690	308
	Upon satisfactory acceptance of the following CC 960 deliverables • 10% Testing – All	 $10,230	238
	Upon satisfactory acceptance of the following CC 960 deliverables • 10% Implementation • Documentation – All	 $10,230	136
CC 960 Total		**$102,300.00**	**682**

CC824 - CMS: New FFM AT defects reported			
	Deliverable	**Amount**	**Hours**
	Upon satisfactory acceptance of the following CC 824 deliverables • 20% Detailed Business Requirements – All • 30% Application Design – All • 30% Application Development - All	 $36,900 $55,350 $55,350	615
	Upon satisfactory acceptance of the following CC 824 deliverables • 10% Testing – All	 $18,450	492
	Upon satisfactory acceptance of the following CC 824 deliverables • 10% Implementation • Documentation – All	 $18,450	123
CC 824 Total		**$184,500**	**1230**

CC-997 Enhance SOMHUB Pruning logic to identify FFM verifications			
	Deliverable	**Amount**	**Hours**
	Upon satisfactory acceptance of the following CC 997 deliverables • 20% Detailed Business Requirements – All • 30% Application Design – All • 30% Application Development - All	 $10,320 $15,480 $15,480	 172
	Upon satisfactory acceptance of the following CC 997 deliverables • 10% Testing – All	 $5,160	138
	Upon satisfactory acceptance of the following CC 997 deliverables • 10% Implementation • Documentation – All	 $5,160	 34
CC 997 Total		**$51,600**	**344**

CC 941, CC 779-Phase I, CC 932			
	Deliverable	**Amount**	**Hours**
	Upon satisfactory acceptance of the following other service request deliverables (CC 941, CC 779-Phase I, CC 932) • Estimates – All • 20% Business Requirements (as per CC documentation) - All • 30% Application Design - All • 30% Application Development – All	 $83,586 $125,379 $125,379	 1870
	Upon satisfactory acceptance of the following other service request deliverables (CC 941, CC 779-Phase I, CC 932) • 10% Project level Testing (SIT, Regression & Performance)	 $ 41,793	 980
	Upon satisfactory acceptance of the following other service request deliverables (CC 941, CC 779-Phase I, CC 932) • 10% Implementation • Documentation – All	 $ 41,793	 268
Other IT Service Requests Total		**$417,930.00**	**3118**

MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
IT SERVICES
for
State of Michigan Hub Solution (Medicaid)

STATEMENT OF WORK

This Statement of Work is a release from Contract #071B3200103 ("Contract"), Purchase Order ~ between Deloitte Consulting LLP ("Contractor" or "Vendor") and the Department of Technology, Management & Budget (DTMB) and Department of Community Health (DCH), collectively referred to as "State". The purchase order, statement of work, and the terms and conditions of the Contract constitute the entire agreement between the State and the Contractor.

Project Title: State of Michigan Hub Solution	**Period of Coverage:** 04/01/2014-03/31/2015
Requesting Agency: Department of Community Health	**Date:** 07/10/14
Agency Project Manager: Karen Parker	**Phone:** (517) 241-5555
DTMB Project Manager: Kimberly Koppsch-Woods	**Phone:** (517) 284-7156
Contract Information: Vendor: Deloitte Consulting LLP Contract #071B3200103	**Change Request (CR) #:** CC 865 CC 1050 CC 866 CC 1071 CC 960 CC 1156 CC 997 CC 1159 CC 1188 CC 1187 CC 1189

Attachments:
Table of Cost Details of R4 CC 865 866 960 997 1006 1050 1071 1156 1159 1187 1188 1189
Approved PMM-014 for all change controls (CC) references are saved electronically in each change control item:
https://stateofmichigan.sharepoint.com/teams/dtmb/mcp/Lists/Issues%20Risks%20Change%20Controls/All%20Not%20Closed.aspx

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

Extension of contractor system development lifecycle (SDLC) services for the State of Michigan (State) Hub solution (Medicaid) (hereinafter referred to as "SOM Hub") enhancements identified as part of Release 4. Release 4 implementation has been delayed and has necessitated an extended time frame for support. Independent development activites as prioritized for the Medicaid Compliance Program (MCP) are also included in this SOW (Scope of Work, Section 7).

BACKGROUND:

The State is under contract with Contractor to implement a SOM Hub which includes a State Messaging Gateway as the single source of contact between the Federal Data Hub and the State of Michigan for both the health insurance exchange and the Medicaid/CHIP activities. The SOM Hub has been operational since January 25, 2014. Further IT services scope has been identified and is included herein.

PROJECT OBJECTIVE:

Release 4 implementation has been delayed and has necessitated an extended time frame for support through August 2, 2014 of below functionality.
(R4 work detailed in SOW SOM Hub Deloitte R4 CC 779 824 932 941 960 997_Signed 20140702)
The purpose of Medicaid Compliance Program (MCP) Release 4 is to support the State of Michigan in implementing the following functionality as identified in the Medicaid Compliance Program Release 4 objectives.

3. Release 4:
    a. Presumptive Eligibility
    b. Retroactive Eligibility
    c. Auto Certification
    d. MAGI Rules Exception Reporting
4. Additional development activities as prioritized by MCP.

SCOPE OF WORK:

Solution Overview

SOMHUB will support the effort needed for R4 implementation (on 8/2/2014) due to the delay in the scheduled implementation dates. This support is approved with CC 1187 – Delay Release 4 Go-Live Date that includes and is limited to:

Support Program Testing team for any SOMHUB specific defect resolutions

Support MCP team for inputs related to R4 SOM HUB changes

Support deployment and implementation activities for R4 changes on 8/2/2014

Smoke testing of the R4 SOMHUB changes before 8/2/2014

Support the Bridges teams for SOMHUB queries during the testing of CC1185 (included in the R4 delay impact cc1187) - Reinstate Plan First implementation

Release of Identified change controls a – c below are independent of scheduled release date where SOM Hub is required to provide impact or to perform execution as prioritized by the State for the contract time period July 1, through August 31, 2014:

l. CC960 - FFM to State Outbound – Sending backlog of denials (Rework)
implementation to occur on August 2, 2014

m. CC997 - FFM Bi-Directional (Phase 1) SOM HUB - AT from FFM is different than State expected, and verification Metadata block is not being converted from 2.3 to 2.0. (Rework)

n. Other change controls or service requests as deemed necessary by the State:

- CC 865 - Do not retrieve incarceration information from SSA
  implemented in Production on 4/18/14
- CC 866 - Do not validate Citizenship from SSA if applicant does not attest to being a citizen
  implemented in Production on 4/18/14
- CC 1156 - CMS is requesting FFM records be accepted before R5 go-live no 10/4/2014.
  Implemented in Production on 06/27/14
- CC 1050 (includes CC 1006) - Presumptive Eligibility deficiencies (1050)
  Presumptive eligibility results are not accurately reflecting in the reports DB table (1006)
- CC 1159 - DCH needs the ability to analyze FFM records to determine processing order and impacts
- CC 1071 - FFM Bi-Directional (Phase 1) Transfers Process all remaining production AT records
- CC 1188 - Create separate domains for the MiPage and MiSACWIS Mobile projects
- CC 1189 - Create separate domain for the Treasury MiITAS project on the External DataPower Appliances

The State reserves the right to modify projects and change controls identified for work. Changes will be managed through the established change control process.

OUT OF SCOPE:

Independent Change Controls 779, 824, 931, 941 that were included on the prior SOW titled "SOM Hub Deloitte R4 CC 779 824 932 941 960 997 v4 FINAL" signed 08/05/14 remain governed by that SOW are not applicable to this R4 Extension SOW.

Work and Deliverables

Detailed Business and Technical Requirements

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(A).

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(A) of the Contract, and provide the following deliverables:

Detailed Business Requirements

- Define Functional Requirements
- Define Input and Output Requirements
- Define Performance Requirements
- Define User Interface Requirements
- Define System Interface Requirements
- Define Communication Requirements
- Define Computer Security and Access Requirements
- Define Backup and Recovery Requirements
- Define Preliminary Implementation Requirements
- Requirements Traceability Matrix [revised]

Approved Structured Walkthroughs for above documents

Application Design

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(D).

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(D) of the Contract, and provide the following deliverables:

Functional Design:

- Functional Design Document
- Maintenance Plan
- Requirements Specifications [Final]
- Requirements Traceability Matrix [Updated]
- Hosting Solution Document

System Design:

- Software Configuration Management Plan [Final]
- System Design Document [Final]
- Test Plan [Initial]
- Test Type Approach and Reports [Final]
- Test Cases [Initial]

Approved Structured Walkthroughs for above documents.

Application Development:

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(E).

Deliverable(s)

a. The Contractor will provide the requirements stated above, in Section 1.104(I)(E) of the Contract, and provide the following deliverables:

2. Maintenance Plan [revised]
3. Requirements Traceability Matrix [revised]

4. Test Type Approach and Reports [revised]
5. Test Cases [revised]
6. Transition Plan [initial]
7. Installation Plan [initial]
8. Training Plan [initial]
9. Security Plan and Assessment [revised]
10. Development baselines
11. Operating Documentation
    a. User Manual
    b. Developer's Reference Manual
12. Project Test File
13. System units and modules
14. Approved Structured Walkthroughs for above documents.

Testing

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(F).

Integration Test completion date: To be mutually agreed within the project plan
System Test completion date: To be mutually agreed within the project plan
User Acceptance Test completion date:

The Contractor will participate in “war room” testing activities, as requested, by the State, to enhance communication and promote intense collaboration to remediate discovered testing defects.

At the Program Level, the State will provide an End-to End Testing Plan, which may require remediation of project level defects. The Contractor will adhere to the Testing Plan.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(F) of the Contract, and provide the following deliverables:

Maintenance Plan [revised]
Requirements Traceability Matrix [final]
Test Type Approach and Reports [final]
- Integration test reports
- Performance test report
- System test reports
- User Acceptance test report

Test Cases [final]
Transition Plan [revised]
Installation Plan [final]
Training Plan [final]
Security Plan and Assessment [revised]
Operating Documentation [final]
- User Manual
- Developer's Reference Manual

Implementation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(G).

Deliverable(s)

The Contractor will provide the requirements stated above and provide the following deliverables:

- Services to implement the application, including:
    - Configuration
    - Customization
    - Interfaces/Integration.
- Maintenance Plan [final]

- Transition Plan [final]
- Security Plan and Assessment [final]
- Installation Test materials
- Operating documents
- Operational software product.

Documentation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(I).

Deliverable(s)

- User manuals
- Technical manuals

1. A minimum of two (2) copies of the following documentation in an electronic format, online and in hard copy will be provided:
   a) User and Technical Manuals - On-line and Hard Copy;
   b) Data Element Dictionary;
   c) Operations Manual;
   d) All updates of documentation during the term of the Contract, software license and maintenance agreement.
2. 2. The following documentation is provided for all modules and programs:
   a) System-wide documentation and specifications;
   b) Baseline End-User training manuals to be used as a basis for "User Manuals" and online help;
   c) Installation procedure;
   d) Module configuration documents sufficient for configuration maintenance purposes;
   e) Testing scripts;
   f) Specification documentation;
   g) Production migration.
3. The documentation of components, features, and use of the hardware/software shall be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.
4. All system, operational, user, change, and issue documentation must be available in electronic format, published to an intranet website, accessible to State users, and be updated regularly, with unique numerical identifiers for each section and be consistent with the most current version of the application(s) and three (3) previous versions.
5. All system, operations, user, change and issue documentation is to be organized in a format-which is approved by the State. Its form should facilitate updating and allow-for revisions to the documentation to be clearly identified including the three (3) previous versions.
6. The Contractor will develop and submit for State approval complete, accurate, and timely system, operations, and user documentation based on the mutually agreed upon project schedule.
7. The Contractor must notify the State of any discrepancies or errors outlined in the system, operations, and user documentation.

ASSUMPTIONS:

1. Services defined as "Operations Services" and "Maintenance and Support" within the Contract Sections 1.104(I)(J) and 1.104(I)(K), respectively, are not included in this Statement of Work and will be invoiced separately.

All required stakeholders will be available to provide the necessary requirements and design inputs.

All required stakeholders will be available for deliverables review and approval.

If the Contractor has completed development and testing and if the implementation date is delayed due to other dependencies , such impacts due to the delay will be managed by the established change control process. Prospective changes in cost will also be managed through the established change control process.

Release 4 scope based on the following changes

a. Hub will participate in requirements and JAD sessions

b. Hub will provide project management support for all Hub activities
c. Hub will perform regression testing to ensure all existing Hub functionality is working
d. Hub will support integration and SIT testing with source systems for all R4 scope items
e. Hub will support program testing for all R4 scope items
f. Hub will make code changes for presumptive eligibility requirements as per cc1050
g. No code changes for case change applications
h. No changes to existing verification calls and enrichment of AT packet
i. No changes to AT packet structure. Hub will receive XSD and schematron compliant AT 2.0 version from source systems.
j. No integration changes with MAGI
k. No changes to existing Hub operational reporting

g. There is no requirement for additional hardware or software procurement for R4.

Program testing is assumed to be four weeks in duration.

Current core client facing Deloitte resources for project management, business analysis, development and testing will remain the same to support R4.

TASKS:

The Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, the Contractor and State will comply with the Contractor Approach as outlined in the application Sections of the Contract under 1.104 Work and Deliverables.

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them as described in Section 1.500.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract and listed in Section 1.500.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the contract.

PAYMENT SCHEDULE:

Other Services as described in Section 1.104(I) (M) Table 4 of the Contract will fund this Statement of Work. Payment will be made on a fixed cost basis based upon the estimated hours of work in accordance with the schedule in Table 5: Other Services.

Payment will be made on a satisfactory acceptance of each milestone in accordance with the Payment Schedule outlined below and in Revised Attachment D – Contract Pricing.

Release 4: Presumptive Eligibility, Retroactive Eligibility, Auto Certification, MAGI Rules Exception Reporting CC 1187 - Delay Release 4 Go-Live Date			
Payment	**Deliverable**	**Amount**	**Hours**
1	50% upon satisfactory acceptance of the following R4 Release deliverables: • Testing – All	$39,750	430
2	50% upon satisfactory acceptance of the following R4 Release deliverables: • Implementation • Documentation - All	$39,750	100
R4 delay (CC 1187) Total		**$79,500**	**530**

CC 865 866 960 997 1006 1050 1071 1156 1159 1187 1188 1189 (Appendix attached Cost Details for Change Controls listed) Individual Change Controls can be billed individually according to attached Cost Detail			
Payment	**Deliverable**	**Amount**	**Hours**
3	Upon statisfactory acceptance of the following deliverables • 20% Detailed Business Requirements – All • 30% Application Design – All • 30% Application Development - All	 $116,720 $175,080 $175,080	 948 946 946
4	Upon statisfactory acceptance of the following deliverables • 10% Testing – All	 $58,360	 1042
5	Upon statisfactory acceptance of the following deliverables • 10% Implementation • Documentation – All	$67,960	286
Total		**$593,200**	**4168**

STATEMENT OF WORK TOTAL COST AND HOURS	**$672,700.00**	**4834***

*Total hours include 136 from CC1156 where charges were included with cc1071, listed in attached Cost Details for Change Controls listed.

DTMB will pay Contractor upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense. Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Karen Parker
Michigan Department of Community Health
(517) 241-5555
parkerk7@michigan.gov

The designated DTMB Project Manager is:

Kimberly Koppsch-Woods
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health, Medicaid Compliance Program
(517) 373-2776
Koppsch-woodsk@michigan.gov

The designated DTMB Technology Owner is:

Christopher Rose
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health
(517) 284-7159
Rosec4@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions.

RIGHT TO OWNERSHIP:

The Contract governs Right to Ownership.

AGREEMENT:

Additional processing through the Department of Technology, Management & Budget, Purchasing Office, may be required to finalize this Statement of Work prior to invoice payment.

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

By: _____ Date:_____
Kimberly Koppsch-Woods, Business Relationship Manager
Medicaid Compliance Program

By: _____ Date:_____
Linda Pung, General Manager

AGREED TO: DELOITTE CONSULTING LLP

By: _____ Date:_____

Hariharan Murthy, Director

Appendix A

Documents approved and copies are current as of July 31, 2014

Cost Details for Change Controls 865 866 960 997 1006 1050 1071 1156 1159 1187 1188 1189

COST DETAILS OF
R4 CC 865 866 960 9

MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
IT SERVICES
for
State of Michigan Hub Solution (Medicaid)

STATEMENT OF WORK

This Statement of Work is a release from Contract #071B3200103 ("Contract"), Purchase Order ~ between Deloitte Consulting LLP ("Contractor" or "Vendor") and the Department of Technology, Management & Budget (DTMB) and Department of Community Health (DCH), collectively referred to as "State". The purchase order, statement of work, and the terms and conditions of the Contract constitute the entire agreement between the State and the Contractor.

Project Title: State of Michigan Hub Solution	**Period of Coverage:** 08/01/14 – 10/31/14
Requesting Agency: Department of Community Health	**Date:** 07/30/14
Agency Project Manager: Karen Parker	**Phone:** (517) 241-5555
DTMB Project Manager: Kimberly Koppsch-Woods	**Phone:** (517) 284-7156
Contract Information: Vendor: Deloitte Consulting LLP Contract #071B3200103	**Change Request (CR) #:** CC 512 CC 1184 CC 956 CC 1231 CC 1161 CC 1315 CC 1265

Attachments:
Medicaid Compliance Program (MCP) – Release 5 Project Charter – Hub Infrastructure
Table of Cost Details for Change Controls 512 956 1184
Approved PMM-014 for all change controls (CC) references are saved electronically in each change control item:
https://stateofmichigan.sharepoint.com/teams/dtmb/mcp/Lists/Issues%20Risks%20Change%20Controls/All%20Not%20Closed.aspx

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

Contractor system development lifecycle (SDLC) services for the State of Michigan (State) Hub solution (Medicaid) (hereinafter referred to as "SOM Hub") enhancements identified as part of Release 5.

BACKGROUND:

The State is under contract with Contractor to implement a SOM Hub solution which includes a State Messaging Gateway as the single source of contact between the Federal Data Hub and the State of Michigan for both the health insurance exchange and the Medicaid/CHIP activities. The SOM Hub solution has been operational since January 25, 2014. Further IT services scope has been identified and is included herein.

PROJECT OBJECTIVE:

The purpose of Medicaid Compliance Program (MCP) Release 5 is to support the State of Michigan in implementing the following functionality as identified in the Medicaid Compliance Program Release 5 objectives for the timeframe from Sept 1, 2014 till Oct 31, 2014.

5. Release 5 must be installed and in operation by October 25, 2014

6. Contractor and SOM will adhere to mutually agreed upon schedule.

7. Release 5 Change Controls:
    a. CC 956: Alien Verification ESO Long-Term
    b. CC 512-CMS: A new version of the Verify Lawful Presence V.33 is available and V.32 is EOL in Oct.2014
    c. CC 1184: Interim Michigan AT to FFM Solution
    d. CC 1231: Update State Initiated To FFM logic to use correct eligibility and pend Indicators
    e. CC 1265: FFM AT's need to indicate if it is from the backlog of AT's
    f. CC 1315: TDS Simulator needs to be upgraded for VLP
    g. CC 1068: DCT and PE Apps send county code instead of county name in AT

8. Release 5 Continued Support (Work & Deliverables goverened and costs incurred with previous SOWs):
    a. CC824-CMS: New FFM AT defects reported. This is included in R4 SOW (SOW SOM Hub Deloitte R4 CC 779 824 932 941 960 997 v5 Final) and represented on this SOW for continued support.through R5
    b. CC997-FFM Bi-Directional (Phase 1) SOM HUB - AT from FFM is different than State expected, and verification Metadata block is not being converted from 2.3 to 2.0. This is included in R4 SOW (SOW SOM Hub Deloitte R4 CC 779 824 932 941 960 997 v5 Final) and represented on this SOW for continued support through R5
    c. CC 693-Retroactive Eligibility. This is included in R4 SOW (SOW SOM Hub Deloitte R4 CC 779 824 932 941 960 997 v5 Final) and represented on this SOW for continued support through R5.
    d. CC 1071-FFM Bi-Directional (Phase 1) Transfers Process all remaining production AT records. This is included in R4 extension SOW (FINAL SOW SOM Hub Deloitte R4 EXT_CC 865 866 960 997 1050 1071 1156 1159 1187 1188 1189) and represented on this SOW for continued support through R5.

SCOPE OF WORK:

<u>Solution Overview</u>

SOMHUB will support the effort needed for R5 implementation (on 10/04/2014). This support for Release 5 Go-Live Date includes and is limited to:

Support R5 requirements and design, development, testing, project management and deployment activities.

Support integration testing with other systems impacted with R5 changes

Support Program Testing team for any SOMHUB specific defect resolutions

Support MCP team for inputs related to R5 SOM HUB changes

Support production deployment and implementation activities for R5 changes

The State reserves the right to modify projects and change controls identified for work. Changes will be managed through the established change control process.

Work and Deliverables

Detailed Business and Technical Requirements

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(A).

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(A) of the Contract, and provide the following deliverables:

Functional Design:

- Functional Design Document [Updated]
- Requirements Traceability Matrix [Updated]

System Design:

- System Design Document [Final]
- Test Plan [Initial]
- Test Type Approach and Reports [Final]
- Test Cases [Initial]

Approved Structured Walkthroughs for above documents.

Application Design

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(D).

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(D) of the Contract, and provide the following deliverables:

- Requirements Traceability Matrix [Updated]

System Design:

- System Design Document [Final]
- Test Plan [Initial]
- Test Type Approach and Reports [Final]
- Test Cases [Initial]

Approved Structured Walkthroughs for above documents.

Application Development:

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(E).

Deliverable(s)

1. Requirements Traceability Matrix [revised]
2. Test Type Approach and Reports [revised]
3. Test Cases [revised]
4. Development baselines
5. Project Test File
6. System units and modules
7. Approved Structured Walkthroughs for above documents.

Testing

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(F).

Integration Test completion date: To be mutually agreed within the project plan
System Test completion date: To be mutually agreed within the project plan
User Acceptance Test completion date:

The Contractor will participate in “war room” testing activities, as requested, by the State, to enhance communication and promote intense collaboration to remediate discovered testing defects.

At the Program Level, the State will provide an End-to End Testing Plan, which may require remediation of project level defects. The Contractor will adhere to the Testing Plan.

Deliverable(s)

The Contractor will provide the requirements stated above, in Section 1.104(I)(F) of the Contract, and provide the following deliverables:

Requirements Traceability Matrix [final]

Test Type Approach and Reports [final]

- Integration test reports
- Performance test report
- System test reports
- User Acceptance test report

Test Cases [final]

Implementation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(G).

Deliverable(s)

The Contractor will provide the requirements stated above and provide the following deliverables:

- Services to implement the application, including:
  - Configuration
  - Customization
  - Interfaces/Integration.
- Installation Test materials
- Operating documents
- Operational software product.

Documentation

The Contractor will provide the Requirements, Services and Deliverables and follow the State and Contractor Roles and Contractor Approach as outlined in Contract Section 1.104(I)(I).

Deliverable(s)

8. The following documentation is provided for all modules and programs:
   a) System-wide documentation and specifications;
   h) Testing scripts;
   i) Specification documentation;
   j) Production migration.
9. The documentation of components, features, and use of the hardware/software shall be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.
10. All system, operational, user, change, and issue documentation must be available in electronic format, published to an intranet website, accessible to State users, and be updated regularly, with unique numerical identifiers for each section and be consistent with the most current version of the application(s) and three (3) previous versions.
11. All system, operations, user, change and issue documentation is to be organized in a format-which is approved by the State. Its form should facilitate updating and allow-for revisions to the documentation to be clearly identified including the three (3) previous versions.
12. The Contractor will develop and submit for State approval complete, accurate, and timely system, operations, and user documentation based on the mutually agreed upon project schedule.
13. The Contractor must notify the State of any discrepancies or errors outlined in the system, operations, and user documentation.

ASSUMPTIONS:

2. Services defined as “Operations Services” and “Maintenance and Support” within the Contract Sections 1.104(I)(J) and 1.104(I)(K), respectively, are not included in this Statement of Work and will be invoiced separately.

All required stakeholders will be available to provide the necessary requirements and design inputs.

All required stakeholders will be available for deliverables review and approval.

If the Contractor has completed development and testing as approved by the State of Michiganand if the implementation date is delayed due to other dependencies , such impacts due to the delay will be managed by the established change control process. Prospective changes in cost will also be managed through the established change control process.

Current core client facing Deloitte resources for project management, business analysis, development and testing will remain the same to support R5.

TASKS:

The Contractor will coordinate with the State on the necessary tasks to complete the scope of work. At a minimum, the Contractor and State will comply with the Contractor Approach as outlined in the application Sections of the Contract under 1.104 Work and Deliverables.

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them as described in Section 1.500.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract and listed in Section 1.500.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the contract.

PAYMENT SCHEDULE:

Other Services as described in Section 1.104(I) (M) Table 4 of the Contract will fund this Statement of Work. Payment will be made on a fixed cost basis based upon the estimated hours of work in accordance with the schedule in Table 5: Other Services.

Payment will be made on a satisfactory acceptance of each milestone in accordance with the Payment Schedule outlined below and in Revised Attachment D – Contract Pricing.

Project Management, Release Management and Leadership			
Payment	**Deliverable**	**Amount**	**Hours**
1	Project management, release management, impact analysis and all leadership activities for month of Sept 2014 • Project Management services for Release R5 • Project Management Services for M&O activities • Impact analysis for various change controls • Business Analysts support for integration sessions determining impact • Technical leadership and management across various change control items • Quality assurance on R5 scope items and other change controls • Weekly status reporting • Monthly M&O status reporting	$188,700	1140
2	Project management, release management, impact analysis and all leadership activities for month of Oct 2014 • Project Management services for Release R5 • Project Management Services for M&O activities • Impact analysis for various change controls • Business Analysts support for integration sessions determining impactTechnical leadership and management across various change control items • Quality assurance on R5 scope items and other change controls • Weekly status reporting • Monthly M&O status reporting	$188,700	1140
Project management and leadership Total		**$377,400**	**2280**

CC 512, 956, 1161, 1184, 1231, 1265, 1315 (See Appendix attached Cost Details for Change Controls Listed) Individual change Controls can be billed Individually according to Appendix B			
Payment	**Deliverable**	**Amount**	**Hours**
3	Upon satisfactory acceptance of the following deliverables • 20% Detailed Business Requirements – All • 30% Application Design – All • 30% Application Development – All	 $50,847 $76,271 $76,271	1223
4	Upon satisfactory acceptance of the following deliverables • 10% Testing – All	 $37,424	402
5	Upon satisfactory acceptance of the following deliverables • 10% Implementation • Documentation – All	 $25,424	198
CC Total		**$266,237**	**1822**

STATEMENT OF WORK TOTAL COST AND HOURS	**$ 643,637**	**4102**

DTMB will pay Contractor upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense. Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Karen Parker
Michigan Department of Community Health
(517) 241-5555
parkerk7@michigan.gov

The designated DTMB Project Manager is:

Kimberly Koppsch-Woods
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health, Medicaid Compliance Program
(517) 373-2776
Koppsch-woodsk@michigan.gov

The designated DTMB Technology Owner is:

Christopher Rose
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health
(517) 284-7159
Rosec4@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Work Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The Contract governs Work Hours and Conditions.

RIGHT TO OWNERSHIP:

The Contract governs Right to Ownership.

AGREEMENT:

Additional processing through the Department of Technology, Management & Budget, Purchasing Office, may be required to finalize this Statement of Work prior to invoice payment.

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

By: _____ Date:_____

Kimberly Koppsch-Woods, Business Relationship Manager
Medicaid Compliance Program

By: _____ Date:_____

Linda Pung, General Manager

AGREED TO: DELOITTE CONSULTING LLP

By: _____ Date:_____

Hariharan Murthy, Director

Appendix A

Documents approved and copies are current as of August 15, 2014

R5 Project Charter:

Approved -
PMM-0002 Project Ch

Table of Details for Change Control Costs 512 956 1161 1184 1231 1265

Cost Details of R5
CC 5125 956 1184 12

MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
IT SERVICES
for
State of Michigan Hub Solution
STATEMENT OF WORK

This Revised Statement of Work ("Revised SOW") is issued under the terms of the Contract #071B3200103 ("Contract") between Deloitte Consulting LLP ("Contractor" or "Vendor") and the Department of Technology, Management & Budget (DTMB) and Department of Community Health (DCH), collectively referred to as "State".

Project Title: State of Michigan Hub Solution	**Period of Coverage:** 11/1/13 – 9/30/14
Requesting Agency: Department of Community Health	**Date:** August 12, 2014
Agency Project Manager: Karen Parker	**Phone:** (517) 898-4147
DTMB Project Manager: Kim Koppsch-Woods	**Phone:** (517) 284-7156
Vendor: Deloitte Consulting LLP Contract #071B3200103	**Change Request(s):** 1318 C20140812-120527

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

Identification of scope required for Medicaid Compliance Program (MCP) maintenance and support triage Services.
PO 084n4301776 (iTrac C20131104-155041) was issued for one year and funded for nine (9) months, covering November 1, 2013 to July 31, 2014. This updated Statement of Work (SOW) extends Triage Services through September 2014.

$172,360 will be released from Other Services to fund this work.

BACKGROUND:

The State is under contract with Contractor to implement a SOM Hub Solution which includes a State Messaging Gateway as the single source of contact between the Federal Data Hub and the State of Michigan for both the health insurance exchange and Medicaid/CHIP activities. As required under the Contract, the business and technical scope was identified with the responding Contractor approach.

Identification of scope required for Medicaid Compliance Program (MCP) maintenance and support of Triage Services is identified in CC #442.

A SOW (SOW SOM Hub Triage CR 442) was entered into agreement between contractor and the State initiated by PMM-014 MI Hub – Triage Services CR 442 mutually approved on October 30, 2013. The PMM-014 MI Hub – Triage Services CR 442 allocated 5 resource contract personnel; the Department of Budget, Transportation, Management and Budget (DTMB) initially provided one (1) resource and three (3) contract personnel were utilized. Initial cost impact was determined to be $74,700 per month for three (3) contracted resources. In June 2014, the MCP Advance Triage Team lost support of a DTMB resource and the position was backfilled with a contracted resource under this contract.

PO 084n4301776 (iTrac C20131104-155041) was issued for payment of nine (9) months, covering November 1, 2013 to July 31, 2014. The addition of another contracted Business Analyst for the time frame of June 18, 2014 through July 31, 2014 totaled $29,760. Total monthly service charge is $96,300 from August 2014 forward.

Initial funds were allocated for the cost of Extended Business Hours. No support for Extended Business hours was needed and is not forecasted to be needed. Purchase Order was revised to pay expense of the additional contracted resource for the time frame of June 18, 2014 to July 31, 2014 (AOC 084C4301306).

ASSUMPTIONS:

See Assumptions in the PMM-0014 attached to Change Request #442.

SCOPE OF WORK:

This Statement of Work consists of the following scope:

In the event of technology issues at implementation, resources are required to perform triage activities to determine troubleshoot issues, coordinate issue resolution between multiple vendors and perform root cause analysis.

In order to facilitate the technical issue resolution, establishment of TIER 2 Triage support ("Triage Services") through the MCP Advanced Support Team was implemented as part of the Maintenance team. This team is responsible for engaging with Project Level Maintenance Teams to facilitate diagnostics and tracking cross-team impacts. TIER 2 follows a standardized process to review prioritized issues provided by TIER 1 and identify which team owns the resolution.

A more detailed description of the services (work) and deliverables for this service is provided in the Change Request #442. Change Request 1318 funds service for August and September 2014. Triage Services began November 1, 2013.

TASKS:

See Triage Team Roles and Responsibilities in the PMM-014 attached to Change Request #442.

ACCEPTANCE CRITERIA:

Acceptance criteria shall be governed by the Contract.

PROJECT CONTROL AND REPORTS:

Contractor will submit progress reports as described in the contract.

SPECIFIC AGENCY STANDARDS:

Not Applicable.

PAYMENT SCHEDULE:

Other Services as described in Revised, Attachment D – Contract Pricing (Table 5) of the Contract will fund this SOW.

PO Balance (7/31/14)	$20,240
Less August and September 2014 Cost	$192,600
Other Services Value Needed	$172,360

Payment will be made monthly as follows:

Role (from Contract) Additional Resource Requirements	Work Days/Week*	Cost/Month**
Triage Manager (Table 5: Technical Lead)	5 days/week	$31,500
Business Analyst (Table 5: Business Analyst)	5 days/week	$21,600
System Analyst (Table 5: System Analyst)	5 days/week	$21,600
System Analyst (Table 5: System Analyst)	5 days/week	$21,600
	Total Hours	**Total Cost**
TOTAL	N/A	$96,300

*Assuming normal business hours, five days per week for the duration of Tier 2 technical support.
**Based on a minimum of 640 hours per month. (4 contractors x 40 hours per week x 4 weeks)

All invoices must include the purchase order number. DTMB will pay Contractor upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly.

DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

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

EXPENSES:

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

PROJECT CONTACTS:

The DTMB Project Manager is:

Kimberly Koppsch-Woods
Michigan Department of Technology, Management and Budget
Customer Service supporting Department of Community Health, Medicaid Compliance Program
(517) 284-7156
Koppsch-woodsk@michigan.gov

DTMB/AGENCY RESPONSIBILITIES:

Provide detailed requirements and respond promptly to follow up questions.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

The Contract governs Location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Normal business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m., excluding State holidays or furlough days. Work schedule modifications will be mutually agreed to by both the Contractor and State. If required, weekday evening and weekend support ("Extended Hours") will be available by the Contractor. Extended hours must be preapproved by the State.

RIGHT TO OWNERSHIP:

The Contract governs Location

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

By: _____ Date:_____
Linda Pung, General Manager

AGREED TO: STATE OF MICHIGAN, DEPARTMENT OF COMMUNITY HEALTH

By: _____ Date:_____
Karen Parker, Director

AGREED TO: DELOITTE CONSULTING LLP

By: _____ Date:_____
Hari Murthy, Director

This purchase order is a release from Contract Number 071B3200103. This purchase order, statement of work, and the terms and conditions of Contract Number 071B3200103 constitute the entire agreement between the State and the Contractor.

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

May 6, 2014

CHANGE NOTICE NO. 3
to
CONTRACT NO. 071B3200103
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Hari Mrthy	hamurthy@deloitte.com
200 Renaissance Center, Suite 3900	TELEPHONE	CONTRACTOR #, MAIL CODE
Detroit, MI 48243-1895	(212) 313-2986	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Larry Lemieux	517-241-4547	Lemieuxl@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-241-3215	zukerw@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: **State of Michigan Hub Solution**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 10, 2013	June 9, 2016	2, one year	June 9, 2016
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
Net 45	Shipment	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	$9,720,439.00

Effective immediately, this request is to revise Attachment D- Contract Pricing. This request moves contract funds in the amount of $1,076,842.00 from the Operations (Table 3) for $218,593.00 and Recurring Maintenance and Support (Table 4) for $858,249.00 to the Other Optional Cost (Table 5).
This contract under Other Optional Costs (Table 5) now includes a total of $4,759,106.00 available for future enhancements as outlined in the contract. This is not a commitment from the State for further change requests.
The Operations Services (Table 3) commencement date is amended to January 25, 2014.
The Maintenance and Support Costs (Table 4) is amended to commence May 2014 through January 2015.

All other terms, conditions, pricing and specification remain the same. Per vendor and agency agreement and DTMB Procurement approval.

REVISED CCN #3

Attachment D – Contract Pricing

SOM Data Hub

Table 1: Summary Cost Table for SOM Data Hub Solution REVISED CCN #3

SOM Data Hub – Contractor Provided Summary Costs	Cost ($)	Comments
Hardware	n/a	
Software[1] ***(Table 6)***	$0	
Work & Deliverable Costs ***(Table 2)***	$4,423,646	Cost includes the following: • Detail Business Requirements, Application Design, Application Development, Testing, Implementation, Training, Documentation and Knowledge Transfer/Transition
Operations[2] ***(Table 3)***	$131,148	• Operation services will commence upon production deployment of HUB solution on January 25, 2014.
Recurring Maintenance and Support Costs[3] ***(Table 4)***	$406,539	• Maintenance and support services will commence upon completion of HUB solution warranty period. Support begins in May 2014 thru January 2015. The average monthly cost for maintenance and support services comes to $45,171 per month for 9 months of support.
Total Vendor Provided Solution Cost	**$4,961,333**	
Other Optional Costs[4] [5] ***(Table 5)***	$4,759,106	• The cost estimation for other services is provided as a high level budgetary estimate as the scope and requirements are unknown at this time
Total Vendor Provided Solution Cost with Optional Costs	**$9,720,439**	

[1] Change Notice #2: Software (Table 6) reduced to $0; the value of $1,693,961 moved to Other Optional Costs (Table 5).

[2] Change Notice #3: Operations (Table 3) reduced to $131,148 (12 months @ $10,929); the value of $218,593 (20 months @ $10,924) moved to Other Optional Costs (Table 5). Operations Services commencement date amended to January 25, 2014.

[3] Change Notice #3: Recurring Maintenance and Support Costs (Table 4) reduced to $406,539 (9 months @ $45,171); the value of $858,249 (19 months @ $45,171) moved to Other Optional Costs (Table 5). Maintenance and support services amended to commence May 2014 thru January 2015.

[4] Change Notice #2: Other Optional Costs (Table 5) value of $1,988,303 increased by $1,693,961 from Software (Table 1).

[5] Change Notice #3: Other Optional Costs (Table 5) value of $3,682,264 increased by $218,593 from Operations (Table 3); increased by $858,249 from Recurring Maintenance and Support services (Table 4) for a total of $4,759,106.

Table 2: Work and Deliverables Cost

No.	Cost Categories	Cost ($)
A.	Detail Business Requirements	$194,687
B.	IBM WMB Configured in Dev	100,000
C.	IBM WMB Configured in Staging and Prod	155,230
D.	Application Design	$758,750
E.	Application Development	$940,434
F.	Testing	$444,061
G.	Implementation	$1,122,700
H.	Training	$132,709
I.	Documentation	$442,365
L.	Knowledge Transfer/Transition	$132,710
	Total Cost for Sections Above	**$4,423,646**

If the Contractor has completed development and testing and if implementation date of 10/1/2013 is delayed due to other dependencies (e.g. Federal Hub readiness or delay due to MAGI service readiness), such Impacts due to the delay will be managed by the established change control process.

REVISED: CCN #3

Table 3: Operation Services Cost

No.	Scope Clarification	Contractor's Response
1.	Describe when Operational Services will start	Operation services will commence upon production deployment of HUB solution on January 25, 2014.
2.	Describe when the State may be liable for Operational Services charges	State is liable for operational services charges effective SOM HUB solution in production on January 25, 2014
3.	Describe all other costs for Operational Services	$10,929.41 (monthly invoice will be submitted for $10,929 for 12 months beginning January 25, 2014)

Notes:

Change Notice #3: Operations (Table 3) reduced to $131,148 (12 months @ $10,929); the value of $218,593 (20 months @ $10,929) moved to Other Optional Costs (Table 5). Operations Services commencement date amended to January 25, 2014

Table 4: Recurring Maintenance and Support Cost

No.	Scope Clarification	Contractor's Response
1.	Describe when Maintenance and Support will start	Maintenance and Support will commence upon completion of SOM HUB solution warranty period. Support begins in in May 2014 thru January 2015 (9 months).
2.	Describe when the State will be liable for Maintenance and Support charges.	State will be liable for maintenance and support charges upon completion of SOM HUB solution warranty period. Support charges begin in May 2014.
3.	Provide the Monthly Cost for Maintenance	$45,171(The total cost for maintenance and support services comes to $ for 12 months of support. Contractor will submit invoice monthly starting May 2014)
4.	Provide any additional support costs (if any)	$0

Comments:

Change Notice #3: Recurring Maintenance and Support Costs (Table 4) reduced to $406,539 (9 months @ $45,171); the value of $858,249 (19 months @ $45,171) moved to Other Optional Costs (Table 5). Maintenance and support services amended to commence May 2014 thru January 2015.

Table 5: Other Services

Roles	Not-to-Exceed Hourly Rate ($)
1. Project Management	$265
2. Technical Lead	$175
3. Business Analysts	$120
4. System Analysts	$120
5. Programmer/Developers	$100
6. System Administrators	$140
7. Database Administrators	$140
8. Q/A Manager	$140
9. Security Specialist	$120
10. Testers	$90
11. Technical Writers	$120
12. CM Specialists	$120
13. System Architects	$140
14. Network Engineer/Administrator	$140
15. Software Architects	$140
16. Project Assistants	$120
17. Web Developers	$120
18. Application Trainers	$140

This contract includes **$4,759,106**[6] that is available for future enhancements as outlined in the Contract. This is not a commitment from the State for future Change Requests.

As outlined in Section 2.024, scope and price of potential Change Requests will be mutually agreed to by the State and Contractor, and the price of any such Change Requests will determined by the number of hours required by position and the associated position-specific rates.

[6] Change Notice 2 increased the value of Other Optional Costs by moving the full value of Software (Table 6) of $1,693,961 to Other Optional Costs.

Change Notice 3 increased the value of Other Optional Costs by $1,076,842 by moving $218,593 from Operations (Table 3) and $858,249 from Recurring Maintenance and Support services (Table 4) to Other Optional Costs.

Table 6: Solution Licensing Cost

No.	Scope Clarification	Contractor's Response
1.	Describe software and costs of software required as part of the proposed solution	The total solution licensing cost: $0
2.	Include the following for each software identified:	Please see Software solution licensing break down table
	a. Type of license (perpetual, subscription, etc.	Please see Software solution licensing break down table
	b. Number of licenses required	Please see Software solution licensing break down table
	c. Any additional charges to procure additional licenses to meet unspecified requirements	Please see Software solution licensing break down table

Software solution licensing break down:

Software	Environment	Number of Licenses	Type of License	Unit Cost	2 Years support Cost	Total
IBM WebSphere Message Broker	Development	140	PVU	$0	$0	$0
IBM WebSphere Message Broker	Test	280	PVU	$0	$0	$0
IBM Data Power Security and Integration Virtual Appliance XI52	Test	280	PVU	$0	$0	$0
IBM WebSphere Message Broker	Production	560	PVU	$0	$0	$0
IBM Data Power Security and Integration Appliance XI52	Production	4	Appliance	$0	$0	$0
IBM Rational AppScan	Development	6	30 Day Rental	$0	$0	$0
HP Fortify	Test	1	Server	$0	$0	$0

The table above outlines the total Software product licenses required for our solution. This includes the Software product, vendor, type of license, and number of licenses required.

Comments:

Change Notice 2: Software (Table 6) reduced to $0; value of $1,693,961 moved to Other Optional Costs (Table 5). Software procured under a State of Michigan enterprise IBM contract 071B1300071 and PO 084N3205230.

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. 2

to

CONTRACT NO. 071B3200103

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Hari Mrthy	hamurthy@deloitte.com
200 Renaissance Center, Suite 3900	TELEPHONE	CONTRACTOR #, MAIL CODE
Detroit, MI 48243-1895	(212) 313-2986	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Larry Lemieux	517-241-4547	Lemieuxl@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-241-3215	zukerw@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: **State of Michigan Hub Solution**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 10, 2013	June 9, 2016	2, one year	June 9, 2016
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
Net 45	Shipment	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	$9,720,439.00

Effective immediately, Table 6: Solution Licensing Cost is deleted to redact software solution licensing because the State has purchased the licenses and support through another State contract per CHANGE REQUEST #591. As a result, Table 1: Summary Cost Table for SOM Data Hub Solution and Table 5: Other Services are revised. The solution licensing cost of $1,693,961.00 is now reallocated under Table 5: Other Services. This contract under Table 5 now includes a total of $3,682,264.00 available for future enhancements as outlined in the contract. This is not a commitment from the State for further Change requests.

This contract now includes the establishment of Tier 2 Triage support (“Triage Services”) per CHANGE

REQUEST #442, for the time period of 11/1/2013 to 09/30/2014. The cost allocated for such services is $772,300.00, which includes nine (9) months on a fixed cost basis of $74,700.00 per month for support during normal business hours (Monday through Friday 8am to 5pm); and an additional $50,000.00 over the nine (9) month time period as needed for extended hours support (anytime not included in normal business hours). Extended hours must be pre-approved by the State; and timesheets must be completed for services during extended hours. Extended support hours will be invoiced on a time and materials basis per the contract rate card outlined in Table 5 of the Contract.

In addition the attached Project Change Requests, and associated costs, will be deducted from Table 5 as described in the attached pages.

All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement and DTMB Procurement approval.

Project Change Request #508 and #509:

Payment	Deliverable	Amount
1	30% upon satisfactory acceptance of the following deliverables: • Detail Business Requirements • Application Design • Application Development	$19,380.00
2	30% upon satisfactory acceptance of the following deliverables: • Testing	$19,380.00
3	40% upon satisfactory acceptance of the following deliverables: • Implementation	$25,840.00
Total Cost		**$64,600.00**

Project Change Request #274, 400, 419, 474:

Payment	Deliverable	Amount
1	30% upon satisfactory acceptance of the following deliverables: • Detail Business Requirements • Application Design • Application Development	$259,350.00
2	30% upon satisfactory acceptance of the following deliverables for all Change Requests: • Testing	$259,350.00
3	40% upon satisfactory acceptance of the following deliverables for all Change Requests: • Implementation	$345,800.00
Total Cost		**$864,500.00**

Project Change Request #255:

Payment	Deliverable	Amount
1	30% upon satisfactory acceptance of the following deliverables: • Detail Business Requirements • Application Design • Application Development	$18,400.00
2	30% upon satisfactory acceptance of the following deliverables for all Change Requests: • Testing	$18,400.00
3	40% upon satisfactory acceptance of the following deliverables for all Change Requests: • Implementation	$24,720.00
Total Cost		**$61,600.00**

Statement of Work Total Cost	**$990,700.00**

Project Change Request #441:

Payment	Deliverable	Amount
1	30% upon satisfactory acceptance of the following deliverables: • Detail Business Requirements • Application Design • Application Development	$297,675.00
2	30% upon satisfactory acceptance of the following deliverables: • Testing	$297,675.00
3	40% upon satisfactory acceptance of the following deliverables: • Implementation	$396,900.00
Total Cost		**$992,250.00**

Project Change Request #247:

Payment	Deliverable	Amount
1	30% upon satisfactory acceptance of the following deliverables: • Detail Business Requirements • Application Design • Application Development Testing	$3,360.00
2	30% upon satisfactory acceptance of the following deliverables: • Detail Business Requirements • Application Design • Application Development • Testing	$3,360.00
3	40% upon satisfactory acceptance of the following deliverables: • Implementation	$4,480.00
Total Cost		$11,200.00

Statement of Work Total Cost	$11,200.00

REVISED

Attachment D – Contract Pricing

SOM Data Hub

Table 1: Summary Cost Table for SOM Data Hub Solution

SOM Data Hub – Contractor Provided Summary Costs	**Cost ($)**	**Comments**
Hardware	n/a	
Work & Deliverable Costs *(Table 2)*	$4,423,646	Cost includes the following: • Detail Business Requirements, Application Design, Application Development, Testing, Implementation, Training, Documentation and Knowledge Transfer/Transition
Operations *(Table 3)*	$349,741	• Operation services will commence upon production deployment of HUB solution on October 1, 2013
Recurring Maintenance and Support Costs *(Table 4)*	$1,264,788	• Maintenance and support services will commence upon completion of HUB solution warranty period. Support begins in January 2014 thru May 2016. The average monthly cost for maintenance and support services comes to $45,171 per month for 28 months of support.
Total Vendor Provided Solution Cost	**$6,038,175**	
Other Optional Costs *(Table 5)*	$3,682,264	• The cost estimation for other services is provided as a high level budgetary estimate as the scope and requirements are unknown at this time
Total Vendor Provided Solution Cost with Optional Costs	**$9,720,439**	

Table 5: Other Services

Roles	Not-to-Exceed Hourly Rate ($)
1. Project Management	$265
2. Technical Lead	$175
3. Business Analysts	$120
4. System Analysts	$120
5. Programmer/Developers	$100
6. System Administrators	$140
7. Database Administrators	$140
8. Q/A Manager	$140
9. Security Specialist	$120
10. Testers	$90
11. Technical Writers	$120
12. CM Specialists	$120
13. System Architects	$140
14. Network Engineer/Administrator	$140
15. Software Architects	$140
16. Project Assistants	$120
17. Web Developers	$120
18. Application Trainers	$140

This contract includes **$3,682,264** that is available for future enhancements as outlined in the Contract. This is not a commitment from the State for future Change Requests.

As outlined in Section 2.024, scope and price of potential Change Requests will be mutually agreed to by the State and Contractor, and the price of any such Change Requests will determined by the number of hours required by position and the associated position-specific rates.

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. 071B3200103

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Hari Mrthy	hamurthy@deloitte.com
200 Renaissance Center, Suite 3900	TELEPHONE	CONTRACTOR #, MAIL CODE
Detroit, MI 48243-1895	(212) 313-2986	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Larry Lemieux	517-241-4547	Lemieuxl@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-241-3215	zukerw@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: **State of Michigan Hub Solution**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 10, 2013	June 9, 2016	2, one year	June 9, 2016
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
Net 45	Shipment	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	$9,720,439.00

Effective December 6, 2013, this contract is amended to incorporate Project Change Requests 171, 172 and 173. In addition, this contract is amended to include the attached, updated Cost Table 2 in Attachment D. Both amended changes are at a $0 cost. Please also note that the buyer has been changed to Whitnie Zuker. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement and DTMB Procurement approval.

Contract #071B3200103

Attachment D – Contract Pricing

Table 2: Work & Deliverables Cost (Revised 10/16/2013)

No.	Cost Categories	Cost ($)
A.	Detail Business Requirements	$194,687
B.	IBM WMB Configured in Dev	$100,000
C.	IBM WMB Configured in Staging and Prod	$155,230
D.	Application Design	$758,750
E.	Application Development	$940,434
F.	Testing • 90% Upon completion and acceptance of Unit Testing and System Integration Testing (SIT) • 10% Upon completion and acceptance of End to End Testing and UAT	$444,061
G.	Implementation • 80% Upon acceptance, implementation and Go Live of the Production SOM Hub Infrastructure • 20% Upon acceptance, implementation and Go Live of remaining functionality identified for Release 1	$1,122,700
H.	Training	$132,709
I.	Documentation	$442,365
L.	Knowledge Transfer/Transition	$132,710
	Total Cost for Sections Above	$4,423,646

If the Contractor has completed development and testing and if implementation date is delayed due to other dependencies (e.g. Federal Hub or delay due to MAGI service readiness), such impacts due to the delay will be managed by the established change control process.

Form No. DTMB-3522 (Rev. 4/2012)
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. 071B3200103

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Deloitte Consulting LLP	Hari Murthy	hamurthy@deloitte.com
200 Renaissance Center, Suite 3900	TELEPHONE	CONTRACTOR #, MAIL CODE
Detroit, MI 48243-1895	(212) 313-2986	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Larry Lemieux	(517) 241-4547	lemieuxl@michigan.gov
BUYER:	DTMB	Steve Motz	(517) 241-3215	motzs@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION:

State of Michigan Hub Solution

INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Years	6/10/2013	6/9/2016	Two One-Year
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
Net 45	Shipment	N/A	N/A

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

MINIMUM DELIVERY REQUIREMENTS:

N/A

MISCELLANEOUS INFORMATION:

N/A

ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:	$9,720,439.00

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #RFP-SM-C20130208-104258. Orders for delivery will be issued directly by the Department of Technology, Management & Budget through the issuance of a Purchase Order Form.

Notice of Contract #:071B3200103

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

STATE OF MICHIGAN
Department of Technology, Management and Budget
Procurement

Contract No.071B3200103
State of Michigan (SOM) Hub Solution

Buyer Name: Steve Motz
Telephone Number: 517-241-3215
E-Mail Address: motzs@michigan.gov

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Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 Project Request

The State of Michigan (SOM) will implement Michigan specific functionality in partnership with the Federal government to provide Michigan residents with a variety of health insurance options as required by the Affordable Care Act. The SOM will implement a standalone MAGI Determination Service provided by CGI. This service will be utilized by State of Michigan applications making MAGI related determinations and MAGI related redeterminations. Applicants using any of Michigan's current determination services will be used to process applicants coming from the Federal Exchange.

The Michigan technology plan for implementing this solution will focus on leveraging to the extent possible the existing applications, data, business processes and infrastructure already in place within the SOM IT Environment. The SOM is a consolidated IT enterprise with robust processes and services. Implementing this solution should build on these existing pillars as a solid foundation and the proposed solutions should allow for system and process flexibility as well as extensibility, should the State make policy decisions that implement other exchange models in the future.

The (SOM) Department of Technology, Management and Budget (DTMB) supporting the Department of Community Health (DCH), Michigan Department of Licensing and Regulatory Affairs (LARA) and Michigan Department of Human Services (DHS) has issued this Contract.

1.002 Background

SOM Hub Solution
The implementation of the SOM Hub Solution will include a State Messaging Gateway as the single source of contact between the Federal Data Hub and the State of Michigan for both the health insurance exchange and Medicaid/Chip activities. Communication with the Federal Data Hub will utilize NIEM schemas and authentication through VeriSign. This solution will, at a minimum, provide connectivity to the Data Warehouse as well as the individual sources of data directly. Similarly, the Michigan MAGI Eligibility Service will be made available to DHS and DCH systems through this infrastructure as well. The Michigan Medicaid roster will be made available to the Federal Data Hub through a web service also available through this gateway. Similarly, Michigan is expecting the Federal data verification services to be made available to the MAGI Eligibility Service through the gateway.

MAGI Eligibility Service:
CGI is the Contractor responsible for implementation of the MAGI Eligibility Service. The MAGI Eligibility Service will be created to determine MAGI Medicaid eligibility and CHIP eligibility as well as appropriate groups and categories. The MAGI Eligibility Service will determine MAGI Medicaid and CHIP eligibility based on the State's applicable Medicaid and CHIP based income standards, citizenship and immigration status, other eligibility requirements as well as robust and standard verification rules and procedures consistent with 42 CFR parts 435 and 457. This service will possibly utilize verification functions supplied by the Federal Data Hub and accessed through the SOM Hub Solution also requested as part of this RFP. Alternately, it may utilize SOM trusted data sources to verify information related to the determination of MAGI Medicaid and CHIP eligibility. Non-MAGI eligibility will be determined per the existing business process within the State.

The MAGI Eligibility Service must be easily modifiable to incorporate evolving business practices through updates provided by non-technical staff. Possible evolutions of business processes include but are not limited to the possible expansion of population served as well as the ability to identify co-payments for beneficiaries.

This service will be utilized by all current Michigan systems currently performing eligibility determinations and will also be utilized by the Federal Portal for final determination of MAGI Medicaid/CHIP eligibility. All Michigan systems currently performing the eligibility determination function or Medicaid processing function will receive determinations simultaneously regardless of the system or process which requested the determination. For each determination, the data used to make the determination (including data used for the purpose of validation,

the outcome of each decision made by the determination service as well as time stamp information) will be stored in an archive for later use in the administrative hearing process and for use in future eligibility redeterminations. Future eligibility determinations for Medicaid / CHIP will be performed by the MAGI Eligibility Service cyclically and this same service will generate all appropriate electronic inputs for printed materials for re-determinations which cannot be determined automatically.

This contract is for the SOM Hub Solution. The MAGI Eligibility Service is not in scope for this contract.

1.100 Scope of Work and Deliverables

1.101 In Scope

This project consists of the following scope:

A. Detailed Business and Technical Requirements
B. Hardware
C. Software
D. Application Design
E. Application Development
F. Testing
G. Implementation
H. Training
I. Documentation
J. Operation Services
K. Maintenance and Support
L. Knowledge Transfer/Transition
M. Other Services

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

1.102 RESERVED - Out Of Scope

1.103 Environment

The Contractor shall adhere to the Enterprise IT Policies, Standards, and Procedures specifically defined by the State in the Enterprise Architecture Strategic Approach. The Contractor understands and acknowledges that the State has precise methods, policies, standards, procedures, and product criteria, and will use these precise methods, policies, standards, procedures, and product criteria in adhering to the State's applicable IT policies and standards. The Contractor acknowledges that all non-standard development tools may not be used unless a written request is submitted to the State outlining the methodology and applicable use, and the Contractor receives the written approved by DTMB.

The Contractor has read and fully understands the State's IT Policies, Standards, and Procedures.
The Contractor understands that software and hardware used in this solution must be compatible with the State's IT Policies, Standards, and Procedures, and adhere to the DTMB Technology SUITE methodology.
The Contractor has reviewed the State's SUITE Project Management Methodology standards and fully agrees to follow SUITE PMM methodology for delivering all systems engineering, process management controls, project communication, status reporting, security, and any additional supporting processes for in scope activities and deliverables.

The Contractor agrees to comply with the State's Enterprise IT Security policies, standards, procedures, plans, and tools as listed or per the links herein below. The contractor will create detailed plans as listed in the contract and will stay compliant to these plans.

The agreed-upon requirements for Contractor's solution will adhere to the standards and guidelines of HIPAA and Sections 1104 and 1561 of the Affordable Care Act. The Contractor supports and will adhere to the use of

these standards in both vendor use and development of the content usability, accessibility, transparency, data security, communication, and customer privacy.

The Contractor has reviewed and understands the guidelines stated in the Sections 1104 and Section 1561 of the Affordable Care Act. The Contractor's solution will meet the current requirements of the ACA and this will be limited to the Hub scope listed in this contract.

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).

Enterprise IT Policies, Standards and Procedures:
http://www.michigan.gov/dmb/0,1607,7-150-56355-107739--,00.html

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

IT Strategic Plan:
http://www.michigan.gov/itstrategicplan

IT eMichigan Web Development Standard Tools:
http://www.michigan.gov/documents/som/Look_and_Feel_Standards_302051_7.pdf

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

Agency Specific Technical Environment
In any development, Michigan will comply with standards endorsed or adopted by the Secretary of HHS pursuant to Sections 1104 and 1561 of the ACA, HIPAA transaction standards, National Institute of Standards and Technology (NIST) publications for security and controls, and all standards to ensure accessibility as well as security and privacy standards are consistent with Federal law including the Patient Protection and Affordable Care Act, Section 508, 504 and Title II of the Americans with Disabilities Act. Michigan will collaborate with other states using the NIEM framework.

The SOM Hub Solution must be deployed so as to facilitate communication with all business partners.

1.104 Work and Deliverable

0. Solution Overview

- The solution must be installed and in operation by 10/1/2013.
- The following table describes how the Hub solution meets CMS's seven Critical Success Factors:

#	CMS Success Factor	Hub Solution
1	Ability to accept application data	Hub will support providers pushing the application data for determining MAGI eligibility hosted by the MAGI determination service
2	MAGI rules engine	Hub will support subscribers calling the MAGI Determination Service which uses a MAGI rules engine and routing and returning results to business partners

3	MAGI Conversion	Business function out of scope for this project
4	Providing CMS with the state income thresholds, eligibility flexibilities, URL, call center #, etc.	Business function out of scope for this project
5	Connections w/ the Federally Facilitated Exchange (technically and legally, e.g. the MOU)	Hub will support receiving data from the Federally Facilitated Exchange and will support supplying data to the Federally Facilitated Exchange
6	Connections w/ the Federal Data Services Hub (both technically and legally)	Hub will support subscribers calling the FDSH services
7	MEC check- existing Medicaid/CHIP enrollment	Hub will support subscribers calling the service to expose Michigan enrollment information.

- The Contractor will provide SOM Hub Infrastructure to operate an Enterprise Service Bus (ESB) that is capable of routing, queuing, logging and meeting minimum security requirements.
- The Contractor's solution will use the IBM WebSphere Message Broker for linking multiple systems and hub together. It will accept calls from Bridges, MiBridges, MAXSTAR, and the Administrative Hearings system to invoke specific functions such as calling data partners for data verification services. The results of the requested function/service are routed back to the calling system. The procured licensed portion of NextGen includes pre-built services with the Federal Data Hub hosted on the Enterprise Service Bus (ESB).
- Contractor and SOM will adhere to the mutually agreed upon schedule.
- October 1, 2013 deliverables will include the following requirements:
    - The solution must support web service interaction and standard SOAP protocols as per design.
    - The Contractor's solution will use the IBM Message Broker product to transport these transactions for the SOM Hub.
    - The SOM Hub Solution shall integrate with the existing platform to provide access to resources such as the Data Warehouse and MAGI Eligibility Service as well as provides a link between the existing DCH and DHS case management systems.
    - The SOM Hub Solution must be fully documented to SOM SEM, PMM, SUITE and CMS ELC standards for in scope activities and deliverables.

SOM HUB SOLUTION OVERVIEW

The Contractor recognizes the importance of security, auditing, high performance and heterogeneous integration requirements for the SOM, and as a result the SOM Hub solution includes IBM's DataPower Security and Integration appliance. Systems that interact with the SOM Hub will interface via the IBM WebSphere Message Broker (through the DataPower Security appliance) and the function called is routed to the appropriate service.

WebSphere Message Broker will support seamless integration with IBM DataPower appliance to create a secure communication gateway for data which is either coming into or going out of the SOM Hub solution. It supports multiple transport protocols such as SOAP/HTTPS, JMS and RMI, to meet the SOM security standards.

I. Services and Deliverables To Be Provided

A. Detail Business and Technical Requirements

High level business requirements will be provided by the State of Michigan to the Contractor. These requirements will include relevant information from the Federal CALT site and will be consolidated into a SEM402 which is the standard SOM SUITE Requirements Specification document.

The primary goal of this stage is to develop a basis for mutual understanding between the business owner/users and the project team concerning the requirements for the project. The result of this understanding is a mutually approved Requirements Specification that becomes the initial baseline for product design and a reference for determining whether the completed product performs as the system owner requested and expected. All system requirements, (e.g., software, hardware, performance, functional, infrastructure, etc.) should be included.

This stage involves analysis of the business owner/users' business processes and needs, translation of those processes and needs into formal requirements, and planning the testing activities to validate the performance of the product.

Contractor Approach

The Contractor approach for defining, reviewing, and documenting system requirements shall comply with activities described in the SEM Requirements Definition and Functional Design phases. The high level business requirements provided by the SOM will be reviewed with stakeholders and elaborated to produce detailed business requirements.

State and Contractor Roles

The follow table lists the deliverables for the Detailed Business Requirements phase and the roles for both the State and Contractor.

Contractor will install the pre-built services at project startup and will deliver mutually agreed upon scope and available data service integrations by October 1, 2013.

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Detailed Business Requirements • Define Functional Requirements • Define Input and Output Requirements • Define Performance Requirements • Define User Interface Requirements • Define System Interface Requirements • Define Communication Requirements • Define Computer Security and Access Requirements • Define Backup and Recovery Requirements • Define Preliminary Implementation Requirements	This deliverable documents SOM Hub requirements and includes, at a minimum, the deliverable components described in the Contract.	• Provide initial high-level requirements • Identify staff participating in requirement review meetings • Schedule requirement review meetings in line with project schedule • Participate in review meetings • Review submitted Detailed Business Requirements deliverable and provide feedback • Approve Detailed Business Requirements deliverable	Facilitate meetings to review requirements with SOM staff • Document requirements • Prepare Detailed Business Requirements deliverable using a format that aligns with the SUITE methodology • Submit Detailed Business Requirements deliverable for review • Revise deliverable based on SOM feedback • Submit deliverable for approval
Requirements Traceability Matrix [revised]	The Requirements Traceability Matrix provides a comprehensive list of requirements. The matrix is used throughout the project to trace requirements to system design components and to use/test cases.	• Review the submitted Requirements Traceability Matrix and provide feedback • Approve the Requirements Traceability Matrix	• Prepare the Requirements Traceability Matrix using a format that aligns with the SUITE methodology • Revise the Requirements Traceability Matrix based on SOM feedback • Submit the deliverable for approval
Approved Structured Walkthroughs for above documents.	Meetings led by Contractor staff that provide a high level review of the deliverable to the SOM review of the documents.	• Identify SOM that participate in the walkthroughs • Schedule the walkthrough • Participate in the walkthrough	• Prepare an agenda for the walkthrough • Facilitate the walkthrough • Document any issues or next steps

Deliverable(s)

The Contractor will provide the requirements stated above and provide the following deliverables:

- Detailed Business Requirements
  - Define Functional Requirements
  - Define Input and Output Requirements
  - Define Performance Requirements
  - Define User Interface Requirements
  - Define System Interface Requirements
  - Define Communication Requirements
  - Define Computer Security and Access Requirements
  - Define Backup and Recovery Requirements
  - Define Preliminary Implementation Requirements
- Requirements Traceability Matrix [revised]
- Approved Structured Walkthroughs for above documents.

Acceptance Criteria
Acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

B. Hardware
The Infrastructure solution must be available and fully functional by **mutually agreed upon schedule**.

Contractor Approach
The following table provides the proposed configuration for development, test and production environments for the SOM Hub Solution. The Contractor proposed a solution based on the assumption that the VCOE is using Intel chipsets with a 2 socket, 8 core CPU configurations. The Contractor will adjustment the server architecture to utilize either one of the three standard virtualization tiers or a custom tier in the VCOE.

The table that follows includes an annotation (Reuse VCOE) for software Contractor will be reusing the VCOE. An annotation of (Node x) will indicate a highly available (HA) configuration. Finally, an annotation of (Hardware) will be used to indicate proposed hardware for the SOM Hub Solution. The Contractor will be using Suse Linux on all virtual servers.

Virtual Environment Configuration				
Environment	**Software**	**vCPU**	**RAM**	**Storage (GB)**
Development	IBM WebSphere Message Broker (Reuse VCOE)	2	8	20
Test	IBM WebSphere Message Broker (Reuse VCOE)	4	16	20
Test	Oracle 11g Database	2	4	25
Test (Virtual Appliance)	IBM DataPower Security and Integration Virtual Appliance XI52	4	8	100
Production (Hardware)	IBM DataPower Security and Integration Appliance XI52 (Node 1)	N/A – this is an appliance	N/A – this is an appliance	N/A – this is an appliance
Production (Hardware)	IBM DataPower Security and Integration Appliance XI52 (Node 2)	N/A – this is an appliance	N/A – this is an appliance	N/A – this is an appliance
Production	IBM WebSphere Message Broker (Node 1) (Reuse VCOE)	4	32	140
Production	IBM WebSphere Message Broker (Node 2) (Reuse VCOE)	4	32	140
Production	Oracle 11g Database	4	8	50

Database

The Contractor will implement the Oracle 11g Database on hardware provided by the State. The Contractor recommends additional virtual servers for the Test and Production environments, in the table above, to meet the database requirements of the solution. The solution reuses the SOM's current database backup and recovery infrastructure for business continuity.

Operating System

The Contractor will use Suse Linux that is currently being used in the SOM VCOE today as the operating system for the SOM Hub Solution. While the software products proposed for the solution, described in the Software section below, can run on the most current version of Linux, the proposed software products are supported on older versions of Linux also.

DataPower Hardware Appliances

The Contractor will use IBM's DataPower Integration Appliance XI52 which is a security and integration gateway appliance for delivering common message transformation, integration, and routing functions.

The DataPower XI52 appliance provides the following capabilities:

- Message-level security and access control functionality. Messages can be filtered, validated, encrypted, and signed enabling secure integration with applications
- Supports security standards and technologies including WS-Security, WS-Policy, WS-SecurityPolicy, WS-ReliableMessaging, WS-SecureConversation, WS-Trust, SAML, and LDAP
- Works as an XML/SOAP firewall and provides protection against several threats such as XML Denial of Service(XDOS), SQL injections, malware and virus detection on XML attachments
- Provides XML acceleration and data transformation between various data formats, including wire-speed XML transformation, text, binary, and custom formats
- Logging and audit trail capabilities
- Centralizes policy management, monitoring and administration

The Contractor will use two (2) DataPower appliances (IBM Data Power Integration Appliance XI52) in the production environment and one (1) DataPower virtual appliance (IBM Data Power Integration Appliance XI52 Virtual Edition) for the development environment.

State and Contractor Roles
The Contractor's SOM Hub Solution will need both Contractor and the SOM to work closely in setting up the hardware and virtualization environments for the solution per the mutually agreed upon project schedule. The following table describes the roles that are played by the Contractor and the State.

Activity	Contractor Role	State Role
Hardware Infrastructure	• Identify and size processing, memory and storage requirements for physical 64 bit x86 servers for Development, Test and Production environments	• Review and accept Contractor recommendation • Obtain and setup physical hardware in the VCOE as per specifications provided
Virtualization Infrastructure	• Identify and size processing, memory and storage requirements for virtualization components for Development, Test and Production environments • Validate virtualization environment once it has been configured and setup by the State	• Review and accept Contractor recommendation • Configure and setup VMware based virtual servers in the VCOE as per specifications provided
Security Architecture	• Identify and size security and integration Gateway requirements for Test and Production environments • Validate security and integration Gateway appliances once installed and configured by the State	• Review and accept Contractor recommendation • Procure security and integration Gateway appliances as per specifications provided • Install and configure security and integration Gateway appliances in Test and Production environments
Database Infrastructure	• Identify and size database virtual server requirements, for processing, memory and storage for Development, Test and Production environments • Validate database virtual servers once configured and setup by the State	• Review and accept Contractor recommendation • Configure and setup database virtual servers as per specifications provided • Setup backup and recovery mechanisms for databases to be the same as currently used at the VCOE
Infrastructure Upgrades	• Coordinate with planned infrastructure upgrades	• Review and accept Contractor recommendation • Define and share upgrade/technology life cycle management plans

Acceptance Criteria
Acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

C. Software
The State of Michigan is seeking the software or software as-a-service to fully implement a SOM Hub Solution to communicate with:

- The Federal Data Hub
- Federal Trusted Data Sources
- The MAGI Eligibility Service. The Michigan Administrative Hearing Service
- Michigan document imaging services
- Michigan trusted sources of data
- Internal and external eligibility determination and enrollment systems

Contractor Approach

Proposed Solution

NextGen includes services to connect to the Federal verification services of which six are already system tested and available for smoke testing with the Federal Data Services Hub (FDSH).

The Contractor's SOM Hub solution, based on the NextGen solution, uses an SOA using IBM WebSphere Message Broker model for interfacing with the Federal Data Hub and external SOM systems, business intelligence software for advanced reporting, and a secure integration Gateway appliance to provide security and integration. The modular nature of our architecture will allow the Contractor to configure components in a way to meet the validated business requirements of the SOM. The following sub- sections describe the technical architecture, components, and software for the SOM Hub solution in detail.

Technical Architecture

The Contractor supports the SOM by providing a solution architecture that is implemented on industry leading software, logical isolation, reusable components, and is built using SOA guidelines. The logical architecture separates the major technical aspects of the system into conceptual layers to maintain separation of concerns, reducing complexity and increasing modularity, encapsulation, extensibility and maintainability.

The solution centralizes internal and external interface communication by reusing the SOM's existing WebSphere Message Broker (WMB) to host web services for the SOM Hub Solution. It uses IBM WebSphere DataPower Appliance XI52 to provide for security and integration gateway services such as SSL authentication, policy enforcement and routing, validation and auditing of XML messages.

Contractor will leverage the existing State infrastructure in VCOE for hosting the SOM Hub Solution and to provide for virtualization, storage, connectivity and directory services support.
Contractor uses IBM Rational Requisite Professional for requirements tracking. IBM Rational Application Developer (RAD) is used in our solution for software development on desktops and Sonar are used for UML modeling and code quality, respectively, on desktops.

Contractor will use IBM Rational Suite of products: ClearCase and ClearQuest for issue and configuration management, respectively. Contractor uses ClearCase and ClearQuest client software for desktop installation. It is assumed that the State will provide workstations and client software for the workstations. Contractor will leverage the SOM's existing build and deployment system based on ANT scripting. Contractor will leverage the State's existing SharePoint system for sharing and collaboration.

Enterprise WebSphere Message Broker

Contractor will use IBM WebSphere Message Broker (WMB) as the Enterprise WebSphere Message Broker for the SOM Hub Solution. WMB supports seamless integration with IBM DataPower Integration Appliance XI52 that is used as a secure communication gateway for service deployment in the solution. It supports multiple transport protocols such as SOAP/HTTPS, JMS and RMI.

SIEM Solution

Contractor will use the State's existing Security Information & Event Management (SIEM) tool for integration with the SOM Hub solution. Our approach utilizes a combination of available native system capabilities and builds additional required capability to process audit logs to appropriately collect, correlate and monitor defined events captured in these audit logs. The access to logs will be limited to the security infrastructure team. The logs are transferred to the SIEM server over a secure connection. Scope will be limited to making Hub operational data available to SIEM tool.

List of Software

The following table provides a list of software that is necessary to build and run the SOM Hub Solution as per the scope defined in this SOW. The software list provides information about each product and its purpose in the technical solution. All listed software is installed in a server environment except when specifically indicated to be for a desktop environment in the table that follows.

Software Name	Purpose
IBM WebSphere Message Broker	Contractor will use the State's WebSphere Message Broker as the Enterprise WebSphere Message Broker for the SOM Hub Solution. WMB allows the proposed solution to communicate with internal and external interfaces
IBM WebSphere DataPower Security and Integration Appliance XI52	Contractor will use DataPower XI52 as a security and integration gateway appliance to provide message transformation, routing and integration functions; provide security and access control; to provide XML acceleration; and to centralize policy management.
Oracle	Contractor will use a current Oracle database and Contractor will create a separate instance for data persistence for the SOM Hub Solution.
Rational Requisite Pro	Contractor will use Requisite Pro for requirements management for the SOM Hub Solution.
Rational ClearQuest Client	Contractor will use Rational ClearQuest client software on desktops for integrated defect management and change tracking (defects, enhancements, testing, etc.), through a flexible, fully customizable, automated workflow. ClearQuest is accessed through a local application or over the Web, and allows for real-time reports and metrics to aid business decisions. (Desktop)
Rational ClearCase Client	Contractor will use Rational ClearCase client software on desktops for integrated version controlling of system source files. ClearCase aids in workspace management, allows for parallel development, and provides detailed traceability and auditing. (Desktop)
IBM Rational Application Developer	This tool integrates with the other Rational products to seamlessly allow developers to link their code changes back to the original defect/enhancement request, and the original requirement(s). (Desktop)
IBM Rational AppScan	Contractor will use IBM AppScan tool to conduct automated application vulnerability assessment in order to identify the application vulnerabilities. (Desktop)
HP Fortify	Contractor will use HP Fortify tool to perform automated security code review in order to identify the code level vulnerabilities. (Desktop)
ANT	This tool offers a customized build and deployment process tool using COTS tools allowing the State to build components of SOM Hub Solution using a unified build process.
Sonar	Contractor will use Sonar to manage code quality. Sonar is a Web-based application that manages code quality with regards to architecture & design, comments, coding rules, potential bugs, complexity, unit tests and duplications. (Desktop)
SmartBear SoapUI Professional	Contractor will use SoapUI for functional web services testing in the SOM Hub Solution. SoapUI is a free and open source cross-platform functional testing solution. SoapUI helps create and execute automated functional, regression, compliance, and load tests. (Desktop)
SmartBear LoadUI Professional	Contractor will use LoadUI for load testing of web services in the SOM Hub Solution. LoadUI is an open source, free and cross-platform solution, including web load testing, automated testing and stress testing. (Desktop)
TechSmith SnagIT 10	SnagIt is a screen capture program that can also capture video display and audio output. (Desktop)
Microsoft Visio Standard Edition	Microsoft Visio is a 2-D object drawing, diagramming and flowcharting software (Desktop)
Microsoft Office Standard Edition	Microsoft Office is used for creation of business and technical documents (Desktop)

State and Contractor Roles

The Contractor's SOM Hub Solution will need both Contractor and the SOM to work closely in setting up the software technology environments for the solution per the mutually agreed upon project schedule. The following table describes the roles that are played by the Contractor and the State in achieving this goal.

Activity	Contractor Role	State Role
New Server Software Setup	• Identify new server software products and number of licenses for Development, Test and Production environments • Validate new server software setups in Development, Test and Production environments once State has completed procurement, installation and configuration • Install and configure new server software products on virtual servers in Development, Test and Production environments	• Review and accept Contractor recommendation • Procure new server software products and licenses as per specifications provided •
Existing (Reuse) Server Software Setup	• Identify existing server software products in the VCOE to be reused and number of licenses for Development, Test and Production environments • Validate additional installations for existing server software for reuse in Development, Test and Production environments once State has completed installation and configuration • Install and configure existing server software products, identified for reuse, on additional virtual servers, if needed as per specifications provided, in Development, Test and Production environments.	• Review and accept Contractor recommendation • Procure additional licenses for existing server software products, if needed, as per specifications provided •
New Desktop Software Setup	• Identify desktop software products and number of licenses for Development, Test and Production environments • Validate desktop software setups in Development, Test and Production environments once State has completed procurement, installation and configuration	• Review and accept Contractor recommendation • Procure desktop software products and licenses as per specifications provided • Install and configure desktop software products on workstations, as per specification provided, in Development, Test and Production environments. It is assumed that the State will provide the necessary workstations and all client software to be installed on the workstations

Activity	Contractor Role	State Role
Security Architecture	• Identify and size security and integration Gateway requirements for Test and Production environments • Validate security and integration Gateway appliances once installed and configured by the State	• Review and accept Contractor recommendation • Procure security and integration Gateway appliances as per specifications provided • Install and configure security and integration Gateway appliances in Test and Production environments
Database Setup	• Identify database configuration for reuse of the SOM's existing Oracle 11g data repository for Development, Test and Production environments • Validate databases once configured and setup by the State	• Review and accept Contractor recommendation • Configure and setup databases for reuse of the SOM's existing Oracle 11g data repository as per specifications provided • Setup database backup and recovery mechanisms to be the same as currently used at the VCOE
Software Upgrades	• Co-ordinate with planned software upgrades	• Define and share upgrade/technology life cycle management plans
Solution Development	• Develop and implement the solution in the Development environment to meet the SOM's requirements	• Support solution development by addressing and troubleshooting infrastructure and software setup issues
Solution Testing	• Test the solution for quality acceptance in the Test environment to meet the SOM's requirements. Report defects found during testing • Manage, investigate and resolve all defects reported during testing activities • Participate and support User Acceptance Testing of the Hub solution in the Test environment. Report defects found during testing.	• Support solution testing by addressing and troubleshooting infrastructure and software setup issues. • Overall solution User Acceptance Test coordination across all the systems.
Performance Testing	• Provide specifications to SOM for a performance test environment. This can be the same as the Production environment or a standalone environment that is identical to Production • Carry out performance and load testing of the solution in a performance test environment. Troubleshoot and resolve performance issues identified	• Setup a performance test environment as per specifications provided • Support performance testing by addressing and troubleshooting infrastructure and software setup issues
Solution Roll Out to Production	• Support solution deployment to production by providing necessary documentation, scripts, etc. to the SOM • Deploy the solution to Production environment after successful completion of all testing activities	• Setup solution monitoring in the Production environment as currently used in the VCOE
Post Implementation Support	• Manage, investigate and resolve any solution related issues reported in the Production environment	• Report any issues or defects encountered in the Production environment after solution roll out • Investigate and resolve any hardware, VCOE and firewall issues in production and in lower environments

Deliverable(s)
The Contractor will provide the requirements stated above and provide the following deliverables:

- Procurement of software through purchase
- Installation of software

Acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

D. Application Design

1. Functional Design - describes the logical system flow, data organization, system inputs and outputs, processing rules, and operational characteristics of the product from the user's point of view. The functional design is not concerned with the software or hardware that will support the operation of the product or the physical organization of the data or the programs that will accept the input data, execute the processing rules, and produce the required output. The focus is on the functions and structure of the components that comprise the product. **Completion date per the mutually agreed upon schedule.**
2. System Design - The goal of this stage is to translate the user-oriented functional design specifications into a set of technical, computer-oriented system design specifications; and to design the data structure and processes to the level of detail necessary to plan and execute the Construction and Implementation Stages. General module specifications should be produced to define what each module is to do, but not how the module is to be coded. Effort focuses on specifying individual routines and data structures while holding constant the structure and interfaces developed in the previous stage. Each module and data structure is considered individually during detailed design with emphasis placed on the description of internal and procedural details. The primary work product of this stage is a system design that provides a blueprint for the coding of individual modules and programs. This will be completed at a mutually agreed upon schedule.

Contractor Approach
The Contractor understands that application design consists of functional and system/technical design that become the blueprint for development of the SOM Hub Solution. The functional design is focused on gathering the function and structure of the components of the solution without a major focus on the technical perspective of the system.

The Application Design phase follows the gathering of business requirements. During the requirements phase, a mutual understanding between the State staff and Contractor concerning the requirements of the project is achieved. This results in a final business requirements document that is an initial baseline for the functional and system design. During application design, the SOM Hub functional and technical leads identify any dependencies across functions and modules in order to plan for development and subsequent testing. Communication of the execution plan for a business requirement in a manner that is easily understood by non-technical stakeholders is a key part of the design.

The Contractor understands that the completion date is critical for the functional design that describes the logical system flow, data organization, system inputs and outputs, processing rules, and system operational characteristics.

Detailed requirements (business and system), use cases, and the requirements traceability matrix produced in the Requirements Gathering and Validation phase serve as inputs to the Functional Design phase. The Contractor will use the State of Michigan (SOM) SUITE methodology, specifically the Systems Engineering Methodology (SEM) to develop the functional design. The approach transforms user requirements or the “what to do” obtained and approved by stakeholders, into a functional design, the “how to do it,” that satisfies business needs while minimizing risk to existing system functionality.

Deliverables

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Functional Design Document	The Functional Design Document that is created using inputs from the State and expanding upon requirements. It summarizes the proposed changes and includes sufficient detail for development. It also describes the logical system flow, data organization, system inputs and outputs, processing rules, and operational characteristics of the product from the user's point of view.	• Provides input into the functional requirements • Signs off on the Functional Design document • Facilitates coordination with external stakeholders • Attends Functional Design deliverable walkthrough	• Conducts deliverable walkthrough • Obtains approval on the Functional Design Document • Develop a detailed plan outlining the approach to gather complete requirements from the clients and proposing a functional design that addresses the business requirements and also acts as a document used for system and technical design
Maintenance Plan	The Maintenance Plan details various maintenance activities for the solution including: • Process for planned and unplanned outage notification • Process for performing routine maintenance during a specified planned weekly maintenance period • Plan to maintain system availability during planned and unplanned maintenance • Plan to handle emergency maintenance situations that may be required to bring down the system by giving, when possible, advance notice, before the system is taken down for maintenance • Plan to maintain reliable business operations without interruption or delay • Describes a recommended delivery schedule for interface data generation, report distribution, file creation, and other services	• Provides input into the maintenance activities • Signs off on the Maintenance Plan • Facilitates coordination with external stakeholders • Attends Maintenance Plan deliverable walkthrough	• Conducts deliverable walkthrough • Obtains approval on the Maintenance Plan • Develop a detailed plan outlining the approach for various types of maintenance activities including process for planned and unplanned outage notification, plan on how to maintain system availability during maintenance, plan for emergency maintenance situations, plan to maintain reliability, and recommended maintenance delivery schedule

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Requirements Specifications [Final]	The Requirements Specification (final version) describes the essential functional requirements including the procedures by which it can be determined that the requirements have been met. Specifications help avoid duplication and inconsistencies, allow for accurate estimates of necessary work and resources, act as a negotiation and reference document for engineering changes, provide documentation of configuration, and allow for consistent communication among those responsible.	• Provides input into the requirements specifications • Signs off on the Requirements Specifications document • Facilitates coordination with external stakeholders • Attends requirements specifications deliverable walkthrough	• Conducts deliverable walkthrough • Obtains approval on the Requirements Specification Document • Validating whether each requirement of the state has been addressed in the requirements process and how the functional design will implement the proposed changes
Requirements Traceability Matrix [Updated]	The updated Requirements Traceability Matrix (updated from prior version) maps the requirements to the newly created or updated Uses Cases and Activity Diagrams. Requirements traceability supports bidirectional verification of how requirements are met during the design phase. Forward traceability supports the progressive refinement of requirements into design specifications while backward traceability confirms that no specification is implemented unless meant to support a key requirement.	• Provides input into the requirements traceability matrix • Signs off on the Requirements Traceability Matrix • Facilitates coordination with external stakeholders • Attends Requirements Traceability Matrix deliverable walkthrough	• Conducts deliverable walkthrough • Obtains approval on the Requirements Traceability Matrix • Develop a detailed plan to maintain and track all the requirements of the state and also make modifications if necessary during the design process based on state's needs
Hosting Solution Document	The Hosting Solution Document that outlines the approach to hosting the Hub solution in Michigan's existing Virtual Center of Excellence (VCOE) including a list of virtual servers and their hardware specifications.	• Provides input into the Hosting Solution Document • Signs off on the Hosting Solution Document • Facilitates coordination with external stakeholders • Attends Hosting Solution Document deliverable walkthrough	• Conducts deliverable walkthrough • Obtains approval on the Hosting Solution Document

System Design

During the system design stage, functional design specifications are translated into a set of technical, computer-oriented system design specifications. It also includes designing the data structure and processes to the level of detail necessary to plan and execute the Development and Implementation stages. The system design acts as a blueprint for the coding of individual modules and program.

Deliverables

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Requirements Traceability Matrix [Revised]	The revised Requirements Traceability Matrix (revised from prior version) maps the requirements to the newly created or updated Uses Cases and Activity Diagrams. Requirements traceability supports bidirectional verification of how requirements are met during the design phase. Forward traceability supports the progressive refinement of requirements into design specifications while backward traceability	• Provides input into the requirements traceability matrix • Signs off on the Requirements Traceability Matrix • Facilitates coordination with external stakeholders • Attends Requirements	• Manages Requirements Traceability Matrix • Conducts deliverable walkthrough • Obtains approval on the Requirements Traceability Matrix • Develop a detailed plan to maintain and track all the

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
	confirms that no specification is implemented unless meant to support a key requirement.	Traceability Matrix deliverable walkthrough	requirements of the state and also make modifications if necessary during the design process based on clarified business requirements

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Software Configuration Management Plan [Final]	The Software Configuration Management Plan (final version) manages the tracking, versioning, and deploying of software as it is configured and customized. The software configuration tool will allow the framework and development teams to share source files and perform parallel development through its ability to lock files, track version history, and perform merges.	• Provides input into Software Configuration Management Plan activities • Conducts deliverable walkthrough • Attends Software Configuration Management Plan deliverable walkthrough • Provide agreement on overall approach	• Develops Software Configuration Management Plan • Obtains approval on the Software Configuration Management Plan • Co-ordinates with the state and external agencies to assist in documenting the Software Configuration Management Plan
System Design Document [Final]	The System Design Document (final version) is a set of technical, computer-oriented system design specifications that define the data structure and processes and serves as a blueprint for the coding of individual modules and programs.	• Provides input into the System Design Documentation • Approves the System Design Documentation • Facilitates coordination with external stakeholders • Attends System Design Document deliverable walkthrough	• Develop System Design Document - to elaborate upon business requirements and produce a system design that translates the functional requirements into logical system flow, data organization, system inputs and outputs, processing rules and operational characteristics • Conducts deliverable walkthrough • Obtains approval on the System Design Document
Test Plan [Initial]	The Test Plan (initial version) includes timelines, resources allocation and effort required to complete a full cycle of testing which includes unit, integration, quality and user acceptance testing.	• Provides inputs on the test plan • Approves the Test Plan	• Develops Test Plan - a detailed plan to manage and organize testing efforts that address the needs of the proposed changes • Conducts deliverable walkthrough • Obtains approval on the Test Plan Document

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Test Type Approach and Reports [Final]	The Test Type Approach and Reports (final version) deliverable consolidates the approved testing scope, approach, success criteria, expected results, actual results and final results to support the decision to proceed to the next test type or implementation stage.	• Provides inputs on Test Type Approach and Reports • Approves the Test Type Approach and Reports	• Develops Test Type Approach and Reports • Conducts deliverable walkthrough • Obtains approval on the Test Type Approach and Reports Document
Test Cases [Initial]	Test Cases (initial version) describe an input, action or event and an expected response, to determine if a feature of an application is working correctly. The basic objective of writing test cases is to validate the testing coverage of the application.	• Provides inputs on the test cases • Approves Test Cases documentation	• Develops Test Cases • Conducts deliverable walkthrough • Obtains approval on the Test Cases Document

Acceptance Criteria
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

E. Application Development
Construction involves coding, validation and unit testing by a developer. Any hardware or software procured to support the construction effort is installed or modified. Plans are developed for the installation of the operating environment hardware and software. A training program is designed and a Training Plan that describes the system is produced. The activities in this stage result in the transformation of the system design into the first complete executable representation of the product. If required, the source code or COTS “glue” code, including suitable comments, is generated using the approved program specifications. The source code is then grouped into logical units and all high-level language units are compiled into object code. Unit testing is performed to determine if the code satisfies the program specifications and is complete, logical, and error free. The operating documentation is also produced. The operating documentation is required for installing, operating, and supporting the product through its lifecycle. **This will be completed on a mutually agreed upon schedule.**

Contractor Approach
The Contractor will leverage the State of Michigan’s (SOM) SUITE approach, and the customized SOM HUB plans to expedite the development process. The Contractor’s development team, following the SUITE approach, brings development assets including code libraries, code artifacts, reusable service-oriented capabilities, technical frameworks and accelerators to jumpstart the SOM Hub Solution.

The Contractor will provide deliverables as listed in this SOW.

During the development phase, the Contractor will take full advantage of the application’s use of framework tools to minimize development of redundant components. The Contractor will also leverage code generation techniques that support code re-use to augment manual code development. The Contractor’s Quality Assurance team will review design documents and conducts code inspections to confirm that application development follows the guidelines established during initial phases of the project. The following table lists some of the key activities.

Key Activities	Description
Develop Code	The activity involves generating source and object code, executables, and scripts for the software modifications. Developers write the source code in accordance with the programming standards established in collaboration with the State and according to the specifications documented in design artifacts.
Unit Testing	Unit testing is used to verify the input and output for each module. Successful testing indicates the validity of the function or sub-function performed by the module and confirms traceability to the design.
Code Review	This activity includes automated and manual security source code reviews in order to identify code level vulnerabilities. Automated code review will be performed by integrating with HP's Fortify code scanning tool.
Secure Code Review	This activity includes performing a controlled security vulnerability assessment of the application web services environment to identify application web services vulnerabilities. The application vulnerability assessment will be performed using IBM's AppScan tool.
Application Vulnerability Assessment	This activity includes performing controlled security vulnerability assessment of application web services environment to identify application web services vulnerabilities. Application vulnerability assessment will be performed using IBM AppScan tool.
Development Traceability	Traceability confirms that the development artifacts are directly related to the design artifacts. Any traceability gaps identified are managed through the change control process.
Use of Tools	The Contractor will use automated tools to track defects and enhancements, detailed traceability and auditing, and allow developers to develop, assemble, and test java code.

Develop Code

An iterative development process is used to build solutions based on the Functional and System designs. Development staff are assigned specific system components that allows the project to track resource utilization and developer responsibilities. This supports associating supporting requirement and design documentation required to complete development. The State's preferred development tracking tool, ClearQuest, is used to assign and track progress.

The Release Planning Management committee utilizes ClearQuest to group components into scheduled releases, where similar or dependent functionality can be logically grouped for the purposes of development, testing assignments, and code migration through the environments. The Contractor will track the status of components following completion of quality assurance checks, and promote the components to the appropriate test environment.

Code artifacts that are created or modified during the development phase are checked into ClearCase. ClearCase is the version control software utilized by the State of Michigan (SOM) and delivers an audit trail of the changes between code versions. It also aids flexibility by allowing development staff to reserve code files for modification, enabling multiple concurrent changes, and enforcing review and merging once the updated file is ready to be checked in. A detailed version tree provides development staff with a historical view and file changes and links to the CQ activities documenting the business and technical requirements that prompted the updates.

Unit Testing

The unit testing process follows a Software Development Plan that details the scope, approach, process, and testing tools so that unit testing is adhered to by all developers. During unit testing, the Contractor will test to confirm that the basic building blocks of the SOM Hub Solution conform to the system design specifications. Developers are required to complete a Unit Test Checklist for each component they develop or modify.

Quality assurance involves tasks such as code review, unit test review and Detailed Functional and Technical Requirements Traceability Matrices review to confirm completeness, consistency, and traceability of the development artifacts. In addition, this task confirms that the development deliverables maintain adherence to programming standards, trace back to requirements, provide

coverage of the specifications, compliant to functional and technical requirements, are maintainable, and are efficient in terms of quality and run time.

The code generated by the developers is unit tested before promoting to the test environments for testing. The unit test approach defined in the development deliverables is used to develop and execute the unit test cases. Unit test data is created and setup using a repeatable process for continuous testing of software code. The unit test results are documented and published with all stakeholders. Unit testing tools such as JUnit for unit testing code artifacts are used. Unit test data is designed to simulate all the end conditions for unit testing. Stubs are created for unit testing interfaces that are still in development.

Code Review

The Contractor will employ multiple techniques to enforce coding standards, established mutually with the State of Michigan (SOM). These include but are not limited to peer reviews, automated tools, and QA audits. The Contractor will also create reports to document their compliance with coding standards and coverage across the code base.

The Contractor will employ the use of manual reviews to confirm that in-line code documentation and code comments meet coding standards and guidelines. After the developer completes unit testing, development peers and the QA Team review the code. Peer reviewers and the QA team members perform reviews with checklists to confirm the use of in-line and code comments. If the application code does not meet coding standards, the peer reviewer and the QA Team will document the results of the review and work with the developer and team lead to resolve issues before the code changes are promoted to any other environments.

Secure Code Review

The Contractor recommends the use of the HP Fortify tool for secure code review. The Contractor will integrate information security into the Systems Development Life Cycle (SDLC) of the application development phase by including automated and manual source code reviews in order to identify code level vulnerabilities. Automated code review will be performed by integrating with HP's Fortify code scanning tool. Manual code reviews will be performed to help eliminate false positives identified by the automated code scanning tool and also for helping to identify vulnerabilities which are not identified by the automated code scanning tool.

Static Code scanning will be performed on the application custom code during the application development or once the code is developed, in order to identify code level vulnerabilities such as vulnerabilities related to Authentication, Authorization, Input and output Validation, Error/exception Management, hard coded strings used in the code, Business logic flaws etc. This code review will identify common coding vulnerabilities such as Open Web Application Security Project (OWASP) vulnerabilities in software development processes, including cross-site scripting (XSS), injection flaws (SQL injection, LDAP and XPATH injection), malicious file execution, unsecure direct object references, and cross-site request forgery (CSRF). The Contractor will provide the recommendations and mitigation strategy to remediate the identified vulnerabilities and to improve the security posture of the application source code.

Application Vulnerability Assessment

The Contractor recommends the use of the IBM AppScan tool to perform a controlled security vulnerability assessment of the application web services environments with the primary goal of identifying vulnerabilities present in the application web services and recommend mitigations to make applications/web services under the scope of engagement more secure.

The Contractor will perform both unauthenticated user (black-box) and authenticated user (grey-box) testing. Unauthenticated user testing will involve assessment of web services without having the application user credentials. Authenticated user testing will involve assessment of web services with the application user credentials or simulating the application user.

This application vulnerability assessment will be performed before the user acceptance testing takes place and gets deployed into the production environment to identify web service specific vulnerabilities related to unauthorized access, data integrity and confidentiality attacks including resource hijack, XML flood, coercive parsing, recursive elements, jumbo payloads, replay attack, message tampering, XPATH injection, SQL injection, and message snooping.

The Contractor will perform both automated and manual application vulnerability assessments in order to identify application vulnerabilities. Automated assessment will be performed by integrating with the IBM AppScan tool. Manual assessments will be performed to help eliminate false positives identified by the automated assessment tool and also for identifying vulnerabilities which are not identified by the automated assessment tool.

Development Traceability

The development process starts with the design artifacts created during the detailed design phase. The design artifacts in turn were created using the defined requirements. This confirms traceability of software code when development is initiated. Also during the development process the Contractor will continuously review and trace the development artifacts to the design artifacts to continue confirming traceability. Any traceability gaps identified are managed through the change control process.

Security Plan, Security Risk Assessment and Privacy Impact Assessment

The Contractor will leverage a System Security Plan to assist in the successful implementation of the security infrastructure for the SOM Hub Solution. The security plan will be the foundation upon which the Contractor will incorporate security activities such as privacy impact assessment, security risk assessment, compliance components and security technical requirements as well the policies, procedures and oversight activities to address the security requirements for the overall solution.

The Security Plan will outline the management, operational, and technical controls necessary for security and privacy compliance and risk mitigation against security and privacy threats and vulnerabilities. To conduct the security risk assessment, the Contractor will utilize an established toolset, Security Risk Framework, which is designed to make it both easier to manage as well as streamline the compliance management process on an ongoing basis. The Contractor's Security Risk Framework will provide a single source of applicable security and privacy risk rationalized controls that are derived after linking requirements, risks, controls, and test procedures to the functions and operations of the Hub Solution.

The Contractor will use a combination of both our understanding and experience of applicable Federal and State regulatory policies, standards guidelines, as well as State policies. The Contractor will use their privacy process to identify and design security and privacy controls to meet the applicable privacy/confidentiality requirements. For example, one of the key Contractor activities performed during the design phase of the project is a Privacy Impact Assessment of the solution's business functions to understand the data flows of sensitive information throughout the SOM Hub Solution. This analysis will provide insights into privacy control points that need to be addressed through the use of process and technology controls.

Tools

The Contractor will use the following standard tools in compliance with State requirements to complete the application design and development activities.

Tool Name	Purpose
IBM Rational ClearQuest	Tool for change tracking (defects, enhancements, testing, etc.). ClearQuest is accessed through a local application or over the web, and allows for real-time reports and metrics to aid business decisions.
IBM Rational ClearCase	Tool for version controlling the system source files, aids in workspace management, allows for parallel development, and provides detailed traceability and auditing.
IBM Rational Application Developer	Tool for developers to develop, assemble, and test java code. This tool integrates with the other Rational products to allow developers to link their code changes back to the original defect/enhancement request, and the original requirement(s).

Tool Name	Purpose
IBM Rational AppScan	The Contractor will use IBM AppScan tool to conduct automated application vulnerability assessment in order to identify the application vulnerabilities. (Desktop)
HP Fortify	The Contractor will use HP Fortify tool to perform automated security code review in order to identify the code level vulnerabilities. (Desktop)

The contractor will be required to produce deliverables as listed in this SOW.

Deliverable Name	Deliverable Description	Responsibility	
		The State	**Contractor**
Maintenance Plan [Revised]	The Maintenance Plan (revised from prior version) details various maintenance activities for the solution including: • Process for planned and unplanned outage notification • Process for performing routine maintenance during a specified planned weekly maintenance period • Plan to maintain system availability during planned and unplanned maintenance • Plan to handle emergency maintenance situations that may be required to bring down the system by giving, when possible, advance notice, before the system is taken down for maintenance • Plan to maintain reliable business operations without interruption or delay • Describes a recommended delivery schedule for interface data generation, report distribution, file creation, and other services	• Provides input into the maintenance activities • Approves the Maintenance Plan • Facilitates coordination with external stakeholders • Attends Maintenance Plan deliverable walkthrough	• Conducts deliverable walkthrough • Obtains approval on the Maintenance Plan • Develop a detailed Maintenance Plan outlining the approach for various types of maintenance activities including process for planned and unplanned outage notification, plan on how to maintain system availability during maintenance, plan for emergency maintenance situations, plan to maintain reliability, and recommended maintenance delivery schedule
Requirements Traceability Matrix [Revised]	The revised Requirements Traceability Matrix (revised from prior version) maps the requirements to the newly created or updated Uses Cases and Activity Diagrams. Contractor's requirements traceability supports bidirectional verification of how requirements are met during the design phase. Forward traceability supports the progressive refinement of requirements into design specifications while backward traceability confirms that no specification is implemented unless meant to support a key requirement.	• Provides input into the requirements traceability matrix • Approves the Requirements Traceability Matrix • Facilitates coordination with external stakeholders • Attends Requirements Traceability Matrix deliverable walkthrough	• Manages the Requirements Traceability Matrix • Conducts deliverable walkthrough • Obtains approval on the Requirements Traceability Matrix. • Develop a detailed plan to maintain and track all the requirements of the state and also make modifications if necessary during the design process based on state's needs.
Test Type Approach and Reports [Revised]	The Test Type Approach and Reports (revised from prior version) deliverable consolidates the approved testing scope, approach, success criteria, expected results, actual results and final results to support the decision to proceed to the next test type or implementation stage.	• Provides inputs on Test Type Approach and Reports for implementation of the SOM Hub solution • Signs off on the Test Type Approach and Reports documentation	• Develops Test Type Approach and Reports • Conducts deliverable walkthrough • Obtains approval on the Test Type Approach and Reports Document
Test Cases [Revised]	Test Cases (revised from prior version) describe an input, action or event and an expected response, to determine if a	• Provides inputs on the test cases for implementation of the SOM Hub solution	• Develops Test Cases • Conducts deliverable walkthrough

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
	feature of an application is working correctly. The basic objective of writing test cases is to validate the testing coverage of the application.	• Signs off on the Test cases documentation	• Obtains approval on the Test Cases Document
Transition Plan [Initial]	The Transition Plan (initial version) is a detailed approach to confirm that SOM will have the knowledge and skills to appropriately maintain the system. The Transition Plan will provide the framework for training technical resources how to maintain the system to accomplish their day-to-day job duties. This Plan will require coordination with the PM support staff and the SOM project team representative, and must include: • Identify the level of training needed by each technical resource • Itemize detailed training activities, materials and deliverables as well as procedures and processes	• Provides input into transition planning activities • Attends Transition Plan deliverable walkthrough • Provide agreement on overall approach	• Develops Transition Plan • Conducts deliverable walkthrough • Obtains approval on the Transition Plan • Facilitates coordination with external stakeholders • Provide a schedule for transition • Itemize detailed transition activities, materials and deliverables as well as procedures and processes • Include an approach for transitioning of the solution to SOM after the SOM Hub Solution has been implemented

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Installation Plan [Initial]	The Installation Plan (initial version) is a document that provides the Installation approach and the Instructions on installation steps.	• Provides input into Installation Plan activities • Attends Installation plan deliverable walkthrough • Provide agreement on overall approach • Provide a schedule for installation	• Develops Installation Plan • Conducts deliverable walkthrough • Obtains approval on the Installation Plan • Facilitates coordination with external stakeholders
Training Plan [Initial]	The Training plan (initial version) is a document that: • Identifies each training group and documents training needs • Provides the basic outline for materials to address the training needs of each group including the tools that will be used to create these materials • Identifies a schedule for development of training materials and delivering training content • Documents a process to evaluate training and incorporate feedback to continually improve training delivery.	• Provides input into Training Plan activities • Attends Training plan deliverable walkthrough • Provide agreement on overall approach	• Develops Training Plan • Conducts deliverable walkthrough • Obtains approval on the Training Plan • Facilitates coordination with external stakeholders • Provide a schedule for publishing the training plan

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Security Plan and Assessment [Revised]	The Security Plan and Assessment (revised version) details the security activities such as policies, procedures, training, security technical components, compliance related activities, as well the overall oversight activities to address the requirements for the overall SOM Hub Solution • Includes System Identification, Management Controls, Operational Controls and Technical Controls identified in our Security Risk Framework to support regulatory requirements and mitigate risks • Document potential and actual security incidents in a security report that will contain incident identification times and the nature of each potential security incident	• Provides input into the security activities • Signs off on the Security Plan and Assessment • Facilitates coordination with external stakeholders • Attends Security Plan and Assessment deliverable walkthrough	• Develops Security Plan and Assessment • Conducts deliverable walkthrough • Obtains approval on the Security Plan
Development Baselines	Development Baselines act as a reference point in the software development life cycle marked by the completion and formal approval of a set of predefined work products. The objective of a baseline is to reduce a project's vulnerability to uncontrolled change by fixing and formally change controlling various key deliverables (configuration items) at critical points in the development life cycle. Baselines are also used to identify the aggregate of software and hardware components that make up a specific release of a system	• Signs off on the Development Baseline Documents • Facilitates coordination with external stakeholders • Provides inputs to the development baseline documents	• Document Development Baselines • Conducts deliverable walkthrough • Obtains approval on the Development Baseline

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Operating Documentation -User Manual Developer's Reference Manual	The operating documents describe the process that includes how system is to be monitored for health, performance, and availability including drill-down analysis, reporting, and resolution against SLAs and KPIs. As well as: • Outline the problem escalation process, including defining problem severity levels, response time requirements, and outcomes for each level. Contractor will work with the SOM Hub Solution Project Manager to resolve issues noting that the SOM Hub Solution Project Manager has the final authority on the issue resolution • Describe various types of support needed for the SOM Hub Solution staff roles and responsibilities • Describe the handling of trouble tickets and problem escalation, including timeframes, report contents, and notifications to the SOM Hub Solution, State, and users	• Signs off on the Operating Documentation • Facilitates coordination with external stakeholders	• Provide the operating documents that describe the Service Management Process, the problem escalation process, support staff roles and responsibilities, and issue handling
Project Test File	The Contractor provides the state with the Project Test Files that acts as a baseline to validate the testing coverage of the application	• Signs off on the Project Test File • Provides inputs and review Project Test Files	• Provides the state with the Project Test File deliverable • Conducts walkthrough for the deliverable

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
System units and modules	The Contractor provides the state with the System units and modules deliverable that describes all the units and modules that are created during the implementation of the SOM Hub Solution. It is a critical document during the Application Development phase as it helps understand the functional areas in the system and also provides tracking ability for future changes	• Signs off on the System units and modules • Provides inputs and review deliverable • Communicates and Co-ordinates with external stakeholders that are required for review and inputs.	• Provides the state with the System units and modules deliverable • Conducts walkthrough for the deliverable

State and Contractor Roles

The table that follows outlines the key deliverables for the SOM Hub Solution implementation and identifies the division of responsibilities between the Contractor and the State.

Application Development	Contractor Responsibility	State Responsibility
Periodic reviews of the output from the development iterations to demonstrate overall progress and status of the implementation phase. These reviews will be conducted at the SOM's option and may be conducted by the State's project team members.	✓	✓
Conduct quality assurance reviews in addition to periodic SOM stakeholder reviews to confirm adherence to project development standards and guidelines.	✓	
Customize and/or develop the different classes, code components, interfaces, common services and implementation logic as defined in the technical design.	✓	
Confirm the application development deliverables for completeness, consistency, and traceability. Also confirm the deliverables maintain adherence to programming standards, provide complete coverage of the specifications, are maintainable, and perform as expected.	✓	
Create and update system documentation (e.g., development, training, security, design, requirements, etc.) for the SOM Hub Solution	✓	

Deliverable(s)

The Contractor will provide the requirements stated above and provide the following deliverables:

- Maintenance Plan [revised]
- Requirements Traceability Matrix [revised]
- Test Type Approach and Reports [revised]
- Test Cases [revised]
- Transition Plan [initial]
- Installation Plan [initial]
- Training Plan [initial]
- Security Plan and Assessment [revised]
- Development baselines
- Operating Documentation
    - User Manual
    - Developer's Reference Manual
- Project Test File
- System units and modules
- Approved Structured Walkthroughs for above documents.

Acceptance Criteria
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

F. Testing
Testing activities focus on interfaces between and among components of the product, such as functional correctness, system stability, overall system operability, system security, privacy and sensitive information control, and system performance requirements (e.g., reliability, maintainability, and availability). Testing performed incrementally provides feedback on quality, errors, and design weaknesses early in the integration process. In this stage, components are integrated and tested to determine whether the product meets predetermined functionality, performance, quality, interface, and security requirements. Once the product is fully integrated, system testing is conducted to validate that the product will operate in its intended environment, satisfies all user requirements, and is supported with complete and accurate operating documentation. User Acceptance Testing (UAT) follows System Testing, and solicits feedback from users to make any final adjustments to the programming before releasing the product for implementation.

Integration Test completion date: To be mutually agreed within the project plan.
System Test completion date: To be mutually agreed within the project plan
User Acceptance Test completion date: 9/15/2013

Contractor Approach
The Contractor will facilitate regular and open communication and collaboration with State of Michigan (SOM) business and technical leads, and testing team members to provide timely support through to the completion of the testing phase.

The Contractor shall follow the testing stages defined in the State's SUITE, tailored specifically to the SOM Hub project needs. These processes will be augmented with skilled team members who have the experience to apply this structured testing framework.

Unit Testing
The Contractor will adhere to SUITE's defined entrance criteria, artifacts to be provided, and exit criteria for this phase of testing. The Contractor's development team creates and executes unit test scripts as components are developed so that each individual component is fully exercised and adds software stability to testing environments. When issues are discovered, the Contractor will correct issues in a unit test with an iterative process until the issue is resolved. Any issues that are discovered in unit test are documented in ClearQuest with problem statements, root cause, and resolutions providing insight to the State of Michigan (SOM) as to the types of issues found in this stage of testing. This information can be referenced in later test phases should similar or related issues be identified.

Throughout this process, the Contractor will perform Quality Assurance code inspections that focus on early testing to identify and address issues early in the SDLC. This process cuts the cost of quality by preventing errors from reaching QAT and UAT test environments where issues are costlier to correct.

Following unit testing, the code enters into a peer review regimen in which the Contractor assigns senior developers to assess code conformance to function, standards, and performance. Finally, the Contractor will conduct quality control audits to assess completeness of the preceding tasks.

Each unit test condition and result is documented in ClearQuest and provides traceability between unit test results system requirements. Documentation provides the steps executed, test cases used, expected results, and actual results.

Integration Testing
Integration testing verifies that functional requirements for full integration with other groups are in place for testing. ClearQuest will be used to capture testing scenarios completed during integration testing. This information is valuable to the further testing phases for the individual deployment but also for future testing efforts for related code changes in the same system area. In this way the Contractor will

build a testing scenario suite that allows their teams to continue to improve efficiency in their testing efforts for application maintenance activities.

System Testing (Quality Assurance)

System testing is performed in accordance with the Quality Assurance Test (QAT) Plan established for each scheduled release. System Testing is the process of testing the software and required hardware/network infrastructure as a whole. The Contractor will validate the system by simulating the numerous variations of user process flows (both positive and negative), user or application security and system initiated use cases (both positive and negative), and other application requirements. The Contractor will confirm that the tested requirements are met in a manner consistent with the system requirements. System testing is performed in a separate environment to work diligently toward a stable test environment. The Contractor's approach also includes testing both manual and automated processes to confirm a valid test. By involving selected end users in these tests, early validation of functionality is achieved.

There are various aspects of system testing that are performed to address the components in the SOM Hub Solution. The Contractor will create and use a Quality Assurance Test Plan to track the progression of quality assurance testing for a release and report on the status of that testing at various points in the release. The table that follows lists the types of system tests the Contractor will perform.

Type of Testing	Expected Results	Benefits to the State
Documentation and Procedure	• Alignment of Requirement and Design artifacts • Process flows reflect newly updated functionality • Batch sequence instructions reflect any newly created or modified batch process flow(s)	• State of Michigan (SOM) business and technical leads have accessible resources when processing questions arise
Functions/Requirements	• SOM Hub Solution functions per requirements	• Functionally rich application aligned to SOM's business requirements
Operational	• System availability in the production environment	• The System is fully operational after every release
Installation (Implementation)	• Testing of installation capabilities on required platforms	• Successful deployments
Security	• Existing system security enforces appropriate authentication	• Sensitive client data is secure

Closely following to the SUITE and CMMI frameworks, this testing phase validates system response timing, performance, security, and the functional accuracy of logic and numerical calculations under normal and high-load conditions. Query and report capabilities are exercised and validated. Operating documentation is verified for completeness and accuracy.

System test scenarios and results will be documented in ClearQuest and linked to the Change Implementation record, enforcing traceability to the requirements and development items for the activity. The Contractor will follow SUITE processes to identify, triage, and resolve issues identified during system testing. The testing team will work in collaboration with DHS, DCH, and DTMB to evaluate failed test scenarios, determine the appropriate resolution, consulting SMEs as required for clarification, and allocate the necessary development resources to expedite issue resolution. The Contractor's procedures shall follow the complete SDLC to avoid any further discrepancies or issues in the testing environments by complete verification and validation of additional changes.

Regression Testing

Regression Testing will be completed for each iteration of new code that is introduced to the new environment. The Contractor's approach will include the process of selective retesting of the system and system components to verify that the modifications have not caused an unintended effect and that the system still complies with the specified requirements. This approach allows issues or defects to be identified at the time that new code is introduced instead of during UAT testing. Test scripts are reviewed and shared between the Contractor and the State of Michigan (SOM) testing teams, in coordination with the State's SMEs, to confirm compliance with policy and business processes.

Regression testing will be performed in the QAT environment in conjunction with system test scenarios. As the release is delivered as a baseline, grouping all system functionality into a consolidated package for subsequent testing phases, the success of regression tests in the QAT environment is critical to confirm that a stable build is delivered to UAT and eventually the Production environment. Regression test results are communicated to the Release Planning Management committee and reported in each release status report.

Load Testing

Performance and Load Test will be used to verify the performance of the entire system. The objective of load testing is to exercise the SOM Hub Solution under load and stress conditions, to observe and analyze performance characteristics, and to identify load-related problems.

The Contractor's approach will follow a rigorous process for load and stress testing regarding test planning, design, execution, and reporting. The Contractor will load test the SOM Hub Solution by simulating current production transaction volumes and mix. The Contractor will also initiate a stress test to the SOM Hub Solution to measure the peak load before application response time goes beyond SLAs. Capacity planning uses these stress tests as inputs into a capacity plan that helps recalibrate the capacity model.

Application Vulnerability Assessment

The Contractor will perform controlled security vulnerability assessment of application web services environments with the primary goal of identifying vulnerabilities present in application web services and recommend mitigations to make applications/web services under the scope of engagement more secure. The Contractor will perform both unauthenticated user (black-box) and authenticated user (grey-box) testing. Unauthenticated user testing will involve assessment of web services without having the application user credentials. Authenticated user testing will involve assessment of web services with the application user credentials or simulating the application user.

This application vulnerability assessment will be performed before the user acceptance testing takes place and gets deployed into the production environment to identify web service specific vulnerabilities related to unauthorized access, data integrity and confidentiality attacks, such as Resource hijack, XML flood, Coercive parsing, Recursive elements, Jumbo payloads, Replay attack, Message tampering, XPATH injection, SQL injection, and Message snooping.

The Contractor will perform both automated and manual application vulnerability assessment in order to identify the application vulnerabilities. Automated assessment will be performed by integrating with IBM AppScan tool. Manual assessments will be performed to eliminate false positives identified by the automated assessment tool and also for identifying vulnerabilities which are not identified by the automated assessment tool.

User Acceptance Testing Support

The User Acceptance Testing (UAT) planning process will start early in the project planning stages and well before the actual execution of UAT scripts. It will be developed by detailing a systematic approach to work plan development, acceptance criteria, test script development, test data identification and creation, test execution, defect tracking, correction, approval and documentation of all results.

State and Contractor Roles

The table below outlines the testing deliverables for the SOM Hub Solution implementation and identifies the division of responsibilities between the Contractor and the State.

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Maintenance Plan [Revised]	The Maintenance Plan (revised from prior version) details various maintenance activities for the solution including: • Process for planned and unplanned outage notification • Process for performing routine maintenance during a specified planned weekly maintenance period • Plan to maintain system availability during planned and unplanned maintenance • Plan to handle emergency maintenance situations that may be required to bring down the system by giving, when possible, advance notice, before the system is taken down for maintenance • Plan to maintain reliable business operations without interruption or delay • Describes a recommended delivery schedule for interface data generation, report distribution, file creation, and other services	• Provides input into the maintenance activities • Approves the Maintenance Plan • Facilitates coordination with external stakeholders • Attends Maintenance Plan deliverable walkthrough	• Develops the Maintenance Plan • Conducts deliverable walkthrough • Obtains approval on the Maintenance Plan
Requirements Traceability Matrix [Final]	The final Requirements Traceability Matrix (final version) maps the requirements to the newly created or updated Uses Cases and Activity Diagrams. Contractor's requirements traceability supports bidirectional verification of how requirements are met during the design phase. Forward traceability supports the progressive refinement of requirements into design specifications while backward traceability confirms that no specification is implemented unless meant to support a key requirement.	• Provides input into the requirements traceability matrix • Approves the Requirements Traceability Matrix • Facilitates coordination with external stakeholders • Attends Requirements Traceability Matrix deliverable walkthrough	• Manages the Requirements Traceability Matrix • Conducts deliverable walkthrough • Obtains approval on the Requirements Traceability Matrix. • Develop a detailed plan to maintain and track all the requirements of the state and also make modifications if necessary during the design process based on state's needs.
Test Type Approach and Reports [Final] **- Integration Test reports** **- Performance Test reports** **- System test reports** **- User acceptance test report**	The Test Type Approach and Reports (final version) deliverable consolidates the approved testing scope, approach, success criteria, expected results, actual results and final results to support the decision to proceed to the next test type or implementation stage.	• Provides inputs on Test Type Approach and Reports • Signs off on the Test Type Approach and Reports documentation	• Develops Test Type Approach and Reports • Conducts deliverable walkthrough • Obtains approval on the Test Type Approach and Reports Document
Test Cases [Final]	Test Cases (final version) describe an input, action or event and an expected response, to determine if a feature of an application is working correctly. The basic	• Provides inputs on the test cases • Signs off on the Test cases documentation	• Develops Test Cases • Conducts deliverable walkthrough • Obtains approval on the Test

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
	objective of writing test cases is to validate the testing coverage of the application.		Cases Document
Transition Plan [Revised]	The Transition Plan (revised from prior version) is a detailed approach for SOM to gain the knowledge and skills to appropriately maintain the system. Transition Plan provides the framework for training technical resources to maintain the system to accomplish their day-to-day job duties. Plan will require coordination with the PM support staff and SOM project team, and must include: • Identify the level of training needed by each technical resource • Itemize detailed training activities, materials and deliverables as well as procedures and processes	• Provides input into transition planning activities • Attends Transition Plan deliverable walkthrough • Provide agreement on overall approach	• Develops Transition Plan • Conducts deliverable walkthrough • Obtains approval on the Transition Plan • Facilitates coordination with external stakeholders • Provides a schedule for transition • Itemizes detailed transition activities, materials and deliverables as well as procedures and processes • Includes an approach for transitioning of the solution to SOM after the SOM Hub Solution has been implemented
Installation Plan [Final]	The Installation Plan (final version) is a document that provides overall installation approach and instructions to installation.	• Provides input into Installation Plan activities • Attends Installation plan deliverable walkthrough • Provide agreement on overall approach Provide a schedule for installation	• Develops Installation Plan • Conducts deliverable walkthrough • Obtains approval on the Installation Plan • Facilitates coordination with external stakeholders
Training Plan [Final]	The training plan is a document that: • Identifies each training group and documents training needs • Provides the basic outline for materials to address the training needs of each group including the tools that will be used to create these materials • Identifies a schedule for development of training materials and delivering training content • Documents a process to evaluate training and incorporate feedback to continually improve training delivery.	• Provides input into Training Plan activities • Attends Training plan deliverable walkthrough • Provide agreement on overall approach	• Develops Training Plan • Conducts deliverable walkthrough • Obtains approval on the Training Plan • Facilitates coordination with external stakeholders • Provide a schedule for publishing the training plan

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Security Plan and Assessment [Revised]	The Security Plan and Assessment (revised version) details the security activities such as policies, procedures, training, security technical components, compliance related activities, as well the overall oversight activities to address the requirements for the overall SOM Hub Solution • Includes System Identification, Management Controls, Operational Controls and Technical Controls identified in our Security Risk Framework to support regulatory requirements and mitigate risks • Document potential and actual security incidents in a security report that will contain incident identification times and the nature of each potential security incident	• Provides input into the security activities • Signs off on the Security Plan and Assessment • Facilitates coordination with external stakeholders • Attends Security Plan and Assessment deliverable walkthrough	• Develops Security Plan and Assessment • Conducts deliverable walkthrough • Obtains approval on the Security Plan • Provides documentation on potential and actual security incidents in a security report
Operating Documentation [Final] - User Manual - Developer's Reference Manual	The operating documents (final version) describe the process that includes how system is to be monitored for health, performance, and availability including drill-down analysis, reporting, and resolution against SLAs and KPIs. As well as: • Outline the problem escalation process, including defining problem severity levels, response time requirements, and outcomes for each level. The process will include Contractor will work with the SOM Hub Solution Project Manager to resolve issues noting that the SOM Hub Solution Project Manager has the final authority on the issue resolution • Describe various types of support needed for the SOM Hub Solution staff roles and responsibilities • Describe the handling of trouble tickets and problem escalation, including timeframes, report contents, and notifications to the SOM Hub Solution, State, and users	• Signs off on the Operating Documents • Facilitates coordination with external stakeholders	• Provide the Operating Documentation that describe the Service Management Process, the problem escalation process, support staff roles and responsibilities, and issue handling

Deliverable(s):

The Contractor will provide the requirements stated above and provide the following deliverables:

- Maintenance Plan [revised]
- Requirements Traceability Matrix [final]
- Test Type Approach and Reports [final]
    - Integration test reports
    - Performance test report
    - System test reports
    - User Acceptance test report
- Test Cases [final]
- Transition Plan [revised]
- Installation Plan [final]
- Training Plan [final]

- Security Plan and Assessment [revised]
- Operating Documentation [final]
    - User Manual
    - Developer's Reference Manual.

G. Implementation

Implementation of the product is initiated after all application testing has been successfully completed. This stage involves the activities required to install the software, databases, or data that comprise the product onto the hardware platform at the site(s) of operation. The activities associated with this stage should be performed each time the product is installed at a production site. User training may be required to complete the implementation process. **Implementation completion date: 10/1/2013.**

State and Contractor Roles

The below table identifies the SOM and Contractor roles in terms of implementation activities:

Responsibility	Contractor	The State
Meet deliverable and quality deadlines in development, testing and QAT environments and deliver the software solution components to SOM higher environments (staging, production)	✓	
Provide necessary operations documentation to support the installation and configuration of software solutions, including COTS packages, in staging and production environments	✓	
Install software components and configure software in staging and production environments	✓	
Perform smoke test of application in higher environments (staging, production)	✓	✓
Integration with external systems including coordination/ management of other entities as needed. Installing certificates, establishing connection between SOM infrastructure and FFM, FDSH, any additional internal or external systems. Resolving any connectivity issues with the external systems and SOM Hub solution.		✓
Modify any current or new application being modified to provide or consume the data exchanges available by the HUB, Service provider or subscriber applications will modify their application to be compliant with the message standard. (For eg. MAGI Determination Service - will provide data in NIEM XML, Bridges will be modified to consume MAGI Determination Service NIEM XML)		✓
Provide support regarding staging- and/or production-related configuration issues	✓	
Resolve staging/production software related configuration issues	✓	
Report any implementation or post-implementation related issues or defects		✓
Provide post-implementation support to confirm environment stability	✓	

Implementation Deliverables and Responsibilities

The table that follows outlines the key implementation deliverables for the SOM Hub Solution implementation.

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Maintenance Plan [Final]	The Maintenance Plan (final version) details various maintenance activities for the solution including: • Process for planned and unplanned outage notification • Process for performing routine maintenance during a specified planned weekly maintenance period • Plan to maintain system availability during planned and unplanned maintenance • Plan to handle emergency maintenance situations that may be required to bring down the system by giving, when possible, advance notice, before the system is taken down for maintenance • Plan to maintain reliable business operations without interruption or delay • Describes a recommended delivery schedule for interface data generation, report distribution, file creation, and other services	• Provides input into the maintenance activities • Signs off on the Maintenance Plan • Facilitates coordination with external stakeholders • Attends Maintenance Plan deliverable walkthrough	• Develop Maintenance Plan • Conducts deliverable walkthrough • Obtains approval on the Maintenance Plan
Transition Plan [Final]	The Transition Plan (final version) is a detailed approach to confirm that SOM will have the knowledge and skills to appropriately maintain the system. The Transition Plan will provide the framework for training technical resources how to maintain the system to accomplish their day-to-day job duties. This Plan will require coordination with the PM support staff and the SOM project team representative, and must include: • Identify the level of training needed by each technical resource • Itemize detailed training activities, materials and deliverables as well as procedures and processes	• Provides input into transition planning activities • Attends Transition Plan deliverable walkthrough • Provide agreement on overall approach	• Develops Transition Plan • Conducts deliverable walkthrough • Obtains approval on the Transition Plan • Facilitates coordination with external stakeholders • Provides a schedule for transition
Security Plan and Assessment [Final]	The Security Plan and Assessment (revised version) details the security activities such as policies, procedures, training, security technical components, compliance related activities, as well the overall oversight activities to address the requirements for the overall SOM Hub Solution • Includes System Identification, Management Controls, Operational Controls and Technical Controls identified in our Security Risk Framework to support regulatory requirements and mitigate risks • Document potential and actual security incidents in a security report that will contain incident identification times and the nature of each potential security incident	• Provides input into the security activities • Signs off on the Security Plan and Assessment • Facilitates coordination with external stakeholders • Attends Security Plan and Assessment deliverable walkthrough	• Develops Security Plan and Assessment • Conducts deliverable walkthrough • Obtains approval on the Security Plan • Provides documentation on potential and actual security incidents in a security report

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Installation Test Materials	The Installation Test Materials includes demonstrations of system processing through all steps, load testing and results, staff readiness testing, and communications testing.	• Sign off on the Installation Test Materials	• Provide the Installation Test Materials that outline the test results through all steps of the system
Operating Documents	The operating documents describe the process that includes how system is to be monitored for health, performance, and availability including drill-down analysis, reporting, and resolution against SLAs and KPIs. As well as: • Outline the problem escalation process, including defining problem severity levels, response time requirements, and outcomes for each level. The process will include Contractor will work with the SOM Hub Solution Project Manager to resolve issues noting that the SOM Hub Solution Project Manager has the final authority on the issue resolution • Describe various types of support needed for the SOM Hub Solution staff roles and responsibilities • Describe the handling of trouble tickets and problem escalation, including timeframes, report contents, and notifications to the SOM Hub Solution, State, and users	• Signs off on the Operating Documents • Facilitates coordination with external stakeholders	• Provide the Operating Documents that describe the Service Management Process, the problem escalation process, support staff roles and responsibilities, and issue handling

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Operational Software Product	The Operational Software Product consists of the approved and functional solution that is delivered by Contractor to SOM. This includes: • All software files necessary to build and deploy the solution to the staging and production environments • Any configuration-related files and instructions on the reference values needed for these files	• Prepare and configure the environment(s) necessary to deploy and make operational the software product • Receive and deploy the operational software product into staging and test environments	• Provide the complete components required to deploy and install the operational software product • Provide support and guidance as needed in terms of the operational software deployment and configuration
Operational Readiness Assessment and Review Report	The Operational Readiness Assessment and Review Report will document the results of the Operational Readiness Assessment and Review prior to the operational cutover of the SOM Hub Solution Project. This report will also describe and summarize recommendations resulting from the Operational Readiness Assessment and Review. The report will include, but not be limited to, the following content: • Site preparation assessment • Status of equipment to be used • Staff readiness • Inventory of supplies • Completeness of procedures and processes • Review of prior implementations (where applicable)	• Signs off on the Operational Readiness Assessment and Review Report • Facilitates coordination with external stakeholders • Attends Operational Readiness Assessment and Review Report deliverable walkthrough	• Develops Operational Readiness Assessment and Review Report • Conducts deliverable walkthrough • Obtains approval on the Operational Readiness Assessment and Review Report

The following table describes the total list of data exchanges which will be delivered for the Hub project on 10/1. Any additional data exchanges will be considered out of scope and will be managed by established project change control process.

Service	Service Provider	Service Subscriber(s)	Purpose
FFM Account Transfer	FFM	MAGI Determination service	To send the FFM application to SOM MAGI Determination Service
FFM Account Transfer Acknowledgement	MAGI Determination Service	FFM	To acknowledge the transfer of account
MAGI Account Transfer	MAGI Determination Service	BRIDGES MAXSTAR MAHS	To forward the account referral to BRIDGES and/or Maxstar for processing.
MAGI Request	BRIDGES MAXSTAR	MAGI Determination Service	To send non FFM referral accounts(walk-in, Self-service, mailed-in, faxed-in) Medicaid account for MAGI eligibility
MAGI Response(result service)	MAGI Determination Service	BRIDGES MAXSTAR MAHS CHAMPS	To send the response for the MAGI Request service.
Bridges Account Referral	BRIDGES MAXSTAR	FFM	To send the result of accounts referred and also to do a Account referral for denied Medicaid cases to FFM for QHP determination
SSI Composite • SSN	FDSH	MAGI Determination Service, MAXSTAR	Verification for SSA based elements

• Death Indicator • Citizenship • Incarceration • Monthly & Annual Title II Benefits • Quarters of Coverage			
VLP Composite • Non-immigrant status • Immigrant status and • U.S. Citizenship for naturalized and derived citizen status when SSA Composite Service verification failed • VLP Step 1 • Get Case Details • Close Case	FDSH	MAGI Determination Service ,MAXSTAR	Verification for non-citizens
Verify Annual Household Income and Family Size • Social Security Benefits • Unearned Income • Quarterly Wage • Unemployment Insurance • Annual Household Income (used for reasonable compatibility) • Family Sizes	FDSH	MAGI Determination Service ,MAXSTAR	Verification for income and household
MEC data service	CHAMPS	FFM, Bridges, Maxstar	To get data related to Medicaid eligibility check.
State trusted data source	State trusted data source (7)	MAGI Determination Service ,MAXSTAR	The state may decide to use State trust data sources for data verification. The 7 data sources will be finalized during the requirements phase.
Acknowledgment service	All service subscribers	All service providers	SOM Hub will support acknowledgment service from service subscriber to service providers

For any current or new application being modified to provide or consume the data exchanges available by the HUB, the State will be responsible to modify that program to be compliant with the message standard. (For example, MAGI Determination Service - will provide data in NIEM XML, Bridges will be modified to consume MAGI Determination Service NIEM XML).

Deliverable(s)

The Contractor will provide the requirements stated above and provide the following deliverables:

- Services to implement the application, including:
  - Configuration
  - Customization
  - Interfaces/Integration.
- Maintenance Plan [final]
- Transition Plan [final]
- Security Plan and Assessment [final]
- Installation Test materials

- Operating documents
- Operational software product.

Contractor must provide system interfaces/integration to the following applications:

Name of application: Federal Data Hub
Details of interface NIEM XML

Name of application: State Messaging Gateway
Details of interface NIEM XML

Name of application: MAGI Eligibility Service
Details of interface NIEM XML

Name of application: Eligibility Determination Systems (Bridges, MiBridges)
Owner of application DHS
Details of interface NIEM XML

Name of application: Eligibility Determination Systems (MAXSTAR)
Owner of application DCH
Details of interface NIEM XML

Name of application: Medicaid Processing Systems (CHAMPS,)
Owner of application (if external to the agency) DCH
Details of interface NIEM XML

Name of application: Dispute Resolution - Currently MAHS, evolutionary migration planned
Owner of application (if external to the agency) LARA
Details of interface NIEM XML

Name of application: Document Imaging Service
Owner of application (if external to the agency) Shared Service
Details of interface NIEM XML

Name of application: FPE Reporting
Details of interface NIEM XML

Acceptance Criteria
Acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

H. Training
Training will address both the knowledge and the skills required to operate and use the system effectively. The design of the training must accomplish the following objectives:

- Provide trainees with the specific knowledge and skills necessary to perform their work.
- Prepare training materials that will sell the product as well as instruct the trainees. The training should leave the trainees with the enthusiasm and desire to use the new product.
- Account for the knowledge and skills the trainees bring with them, and use this information as a transition to learning new material.
- Anticipate the needs for follow-on training after the product is fully operational, including refresher courses, advanced training, and repeats of basic courses for new personnel.
- Build in the capability to update the training as the product evolves.

Training will involve the system owner and key users in the planning to determine the education and training needs for all categories of users (managers, users, and maintenance staff).

Upgrades and new versions to the system that affect Hub end-user functionality include training to in scope user population for the SOM Hub solution at no additional cost (e.g., classroom or online training, training flier, release features, etc.) during the life of the contract.

Training for the in scope user population for the SOM Hub solution is provided in a variety of formats for product installation, use, and administration for a variety of levels (e.g., basic, advanced, refresher).

All training manuals, training plans and other documentation provided become the property of the SOM.

Contractor Approach

The following table provides a description of how Contractor's training approach supports these objectives.

Objective	How Contractor will meet this objective
Provide trainees with the specific knowledge and skills necessary to perform their work.	• Training is role based and includes exercises that mimic processes and procedures that users and technical staff are expected to perform daily
Prepare training materials that will sell the product as well as instruct the trainees. The training should leave the trainees with the enthusiasm and desire to use the new product.	• Training demonstrates efficiencies of the new system and focuses on processes that enhance customer service delivery

Objective	How Contractor will meet this objective
Account for the knowledge and skills the trainees bring with them, and use this information as a transition to learning new material.	• An early assessment is performed and is used to understand and leverage current user knowledge and skills. Training can then focus on new learning needed to successfully use/operate/maintain SOM Hub Solution functionality
Anticipate the needs for follow-on training after the product is fully operational, including refresher courses, advanced training, and repeats of basic courses for new personnel.	• Training is role based and focuses on the specific knowledge required by trainees • The training curriculum includes refresher training delivered post implementation providing additional user support
Build in the capability to update the training as the product evolves.	• As the SOM Hub Solution evolves, through the life of the contract, additional training necessary to continue efficient and effective operation and maintenance is conducted

For the Hub solution, training will be provided for the following groups:

- 1 training class for up to 5 users on the Hub for configuring routing and creating transformations
- 2 training classes on infrastructure support training. One is conducted prior to go live with initial turnover of materials. A second session is conducted so SOM participants may ask questions.
- 1 training class for up to 10 users on system administration training for State personnel who will be responsible for ongoing maintenance and administration of the system, including security

The SOM will identify trainees who are required to attend the agreed upon classes and provide accommodations for training.

All training manuals, training plans and other documentation developed by Contractor become the property of the SOM.

Analyze Phase of the SOM Hub Solution Training Program

In the Analysis/Design phase, the Contractor will complete a training needs assessment to identify the needs of each training group. Based on this assessment, the Contractor will design training materials and develop the plan to deliver the training curriculum. During the training needs assessment, the Contractor collects the following information.

Information Category	Information Collected/Documented	How Contractor Collects the Information
Learning Needs	• SOM staff that require SOM Hub Solution training organized into logical training audience groups • System knowledge, skills, and abilities each audience group needs to use/maintain/operate the system effectively	• Review of SOM job descriptions • Meetings (as necessary) with System Development Team members
Learning Preferences	• SOM staff preference for course design and training material design	• Interviews with SOM technical staff leaders
Lessons Learned	• Lessons learned from SOM's previous system training efforts to assess what worked well and where improvements are made • Lessons learned from recent implementations in other states	• Review of the SOM's previous training feedback
Infrastructure Needs and Availability	• Facilities and hardware/software requirements • Availability of facilities	• 1-2 working sessions and interviews with SOM staff

The key output from the training needs assessment is documentation of each required training class, the number of trainees and a list of required skills/knowledge transfer requirements. Based on this information, the Contractor will document the training curricula and design training materials for each training group. Training could include:

Training Type	What Does This Look Like?	Training Outcome
Instructor-Led classroom training	• Trainees attend classes to become acquainted with new technology and related technical procedures	• Users experience the new system for themselves with the support of a trained SOM Hub Solution instructor. • Staff acquire the knowledge necessary to support technical and system administration tasks
Practice in Non-Production Environment	• Trainees have access to a non-production environment to practice and build upon the skills they gained in classroom training.	• This practice allows users to practice at their own pace and gain confidence in their ability to use/maintain/operate the SOM Hub Solution
Shadowing	• Technical staff shadow Contractor counterparts, learning to perform technical tasks	• Shadowing provides an opportunity to experience new tasks in a setting in which they are actually performed

The final outcome of the Assess and Design Phase is the formal SOM Hub Solution Training Plan that:

- Identifies each training group and documents training needs
- Provides the basic outline for materials to address the training needs of each group including the tools that will be used to create these materials
- Identifies a schedule for development of training materials and delivering training content
- Documents a process to evaluate training and incorporate feedback to continually improve training delivery

Development Phase of the SOM Hub Solution Training Program

The second step in the ADDIE methodology is Develop. During material development, the Contractor considers “on the job” learning styles. The Contractor’s approach to training includes a “teach me, show me, do together, and do alone (with coaching)” adult learning methodology and the materials will be developed to reflect this approach. In this way, end-users learn to become independent and gain the self-confidence they need to successfully use and operate the SOM Hub Solution.

Training Material	Format	Description
Student Guides for Classroom Training	Hard Copy	Student guides provide the information needed for a student to complete a classroom training session. This includes background material required to perform the SOM Hub Solution tasks including objectives, common questions/answers, classroom training scenarios, demonstration information, and exercise data for hands-on practice during training.

Training Material	Format	Description
Instructor Guides for Classroom Training	Hard Copy	In addition to the content of the student guide, instructor guides provide additional information and detailed lesson plans including the training subject, purpose, objective, expectations, target group, necessary equipment, and handout materials. The use of standard instructor materials helps promote consistency in the training content delivered to the audiences and can be re-used by SOM trainers to deliver SOM Hub Solution training.
Quick Reference Tip Sheets	On-Demand	Quick Reference Tip sheets (QRTs) are typically one- to two-page guides for less complicated, but repetitive system tasks or to share information on the most common tasks that users will complete.

Implementation Phase of the SOM Hub Solution Training Program

Outputs created in the training development phase are delivered in this phase for trainings required. A list of the major activities and a description of each are depicted in the table below.

Implementation Activity	Description
Finalize Logistics	Training logistics, including securing facilities and equipment, scheduling of user training courses, and participant registration are finalized.
Execute Instructor-Led Training	Classroom training is conducted to cover critical functionality as well as topics that are more complex. For the SOM, this training will be conducted for all of the training audiences that have been identified in the Contract.
Provide Opportunities for Job Shadowing	Trainees practice required skills with Contractor technical resources.

The training plan will identify the detailed schedule for providing classroom training and is dependent on the rollout of SOM Hub Solution functionality. The schedule is prepared to allow for a “just-in-time” approach where the maximum amount of elapsed time between delivery of the training and system implementation at a trainees’ work site does not exceed the recommended 30 days. The plan also incorporates job shadowing so technical staff has the opportunity to practice skills required to operate, maintain and use the SOM Hub Solution.

Evaluation Phase of the SOM Hub Solution Training Program

The Contractor will use user feedback and apply lessons learned to improve the quality of their training approach, curriculum, and materials. The Contractor will collect training evaluation feedback via surveys. Working with the Office of Workforce Training Development, the Contractor will then analyze the feedback, target the areas where training material updates are needed, and include these improvements in training for future system releases.

State and Contractor Roles

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Train-the-Trainer	• Training is delivered to SOM trainers • Instructor Guides are delivered	• Review materials and provide feedback • Identify trainers to be trained • Schedule Train-the-Trainer classes • Participate in class • Evaluate training	• Prepare materials • Revise materials based SOM feedback • Deliver training • Revise material based on training evaluation
End User	• Classroom training is delivered to end users based on agreed upon roles and identified training needs • Student Guides and other agreed upon materials are delivered	• Review materials and provide feedback • Identify trainees • Schedule classes • Participate in class • Evaluate training	• Prepare materials • Revise materials based SOM feedback • Deliver training • Revise material based on training evaluation

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Technical for state individuals who will be working with the services	• System training is delivered to technical staff • Student Guides are delivered • Shadowing with Contractor technical staff is performed	• Review materials and provide feedback • Identify trainees • Schedule classes • Participate in class • Evaluate training • Participate in job shadowing opportunities	• Prepare materials • Revise materials based SOM feedback • Deliver training • Revise material based on training • Provide job shadowing opportunities
System administration training for State personnel who will be responsible for ongoing maintenance and administration of the system, including security.	• System training is delivered to technical staff • Student Guides are delivered • Shadowing with Contractor technical staff is performed	• Review materials and provide feedback • Identify trainees • Schedule classes • Participate in class • Evaluate training • Participate in job shadowing	• Prepare materials • Revise materials based SOM feedback • Deliver training • Revise material based on training evaluation • Provide job shadowing opportunities

Deliverable(s)

At a minimum the Contractor will provide the requirements stated above and provide the following deliverables:

- Train the trainer
- End user training
- Technical training for state individuals who will be working with the services
- System administration training for State personnel who will be responsible for ongoing maintenance and administration of the system, including security.

Acceptance Criteria

Acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

I. Documentation

The Contractor will provide all documentation produced during the course of this project, including, but not limited to the items listed below.

Contractor Approach

<u>Documentation Deliverables</u>

The Contractor will work with State of Michigan (SOM) to create, update, and maintain documentation for the SOM Hub Solution. The Contractor will create initial documentation for each deliverable and present them to the state staff. Throughout the requirements process, each documentation is updated in accordance to the requests of the State, major stakeholders, and end users. The Contractor will create a final version of each deliverable with the inputs and feedback from the relevant stakeholders so as to meet the acceptance criteria of the State.

The State will be deeply involved throughout the Software Engineering Methodology (SEM) and play an important role in the development of these deliverables. The State is responsible for reviewing and accepting the final product of each of these deliverables as per the mutually agreed upon project schedule.

User and Technical Manuals

The User and Technical Manuals provide general information about the solution, an introduction to critical concepts and terminology, key features within the solution, and descriptions of the functions that can be performed.

The Contractor will create these manuals throughout the project life cycle. These manuals will be created with the input of JAD participants, focus groups and by the development and technical team. The final product will minimize any learning curve and enhance the maintenance of the system.

Data Element Dictionary

The Data Element Dictionary associates database fields with the fields on the user and system interfaces, thus establishing a logical relationship between each field and database element for the SOM Hub solution. Database tables, reference tables, and metadata about each table and column into a single view are linked in the Data Element Dictionary. The Contractor will create a new Data Element Dictionary for the new SOM Hub Solution Included in the Data Element Dictionary are tables, elements, and the relationships between them.

Operations Manual

The Operations Manual provides standard operating procedures with detailed descriptions of SOM Hub system processes and services. Constant maintenance of the manual with the updated processes, workflows, and user and system interfaces to reflect the changes throughout the project life cycle helps the State to effectively maintain the SOM Hub Solution. The Contractor will create a new Operations Manuals for the SOM Hub Solution.. Input of the State staff and stakeholders will be emphasized when creating the final document.

Documentation for Modules and Program Development

The Contractor will provide documentation for all modules and programs available in electronic, online and in hard copy format. The following table depicts how the Contractor will meet the SOM documentation deliverables:

Deliverable	How Contractor Meets SOM Requirements
System-wide Documentation and Specifications	• The Contractor will provide system-wide documentation that describes system administration procedures, program executable, hardware/software requirements, installation procedures, backup and recovery procedures, archival and restoration procedures, and contingency procedures.
Baseline End-User training manuals to be used as a basis for "User Manuals" and online help	• The Contractor will provide end-user training manuals that provide step-by-step process for business scenarios, terminology definitions and it includes screen shots and instructions pertaining to a particular business flow or an end-to-end scenario.
Installation Procedure	• Contractor's SOM Hub solution leverages multiple COTS products, from reputable vendors with prior SOM experience. Each of these vendors provides extensive libraries of support for their products.
Module configuration documents sufficient for configuration maintenance purposes	• The Contractor will provide documentation which outlines the configuration that is needed for each module, to perform on-going maintenance. This documentation includes items such as password management, to confirm that the Contractor will conform to State of Michigan (SOM) policies.
Testing scripts	• The Contractor will provide the State with a set of testing scripts, which can be automatically executed against one of the test instances of the application. These scripts are designed to regression test the majority of application functionality, in a repeatable manner to validate the functionality.
Specification Documentation	• The Contractor will provide the State with specification documentation which outlines the overall system specifications. These documents are built around the requirements, provided by the State, and are used as the basis for all project development.
Production Migration	• The Contractor will provide documentation and assistance for each production migration. This documentation contains all steps that must be performed (such as builds, deployments, one-time SQL script application, configuration, etc.). It also contains responsible agencies for each task.

Meeting SOM Hub Solution Documentation Requirements

The following table details how Contractor's documentation approach meets SOM Hub Solution documentation requirements.

SOM Hub Solution Documentation Requirements	How Contractor meets the requirement
The documentation of components, features, and use of the hardware/software shall be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.	• Contractor completes documentation with troubleshooting and FAQ in mind • The configuration for the solution for the SOM is detailed around components, features and use of hardware/software
All system, operational, user, change, and issue documentation must be available in electronic format, published to an intranet Web site, accessible to State users, and be updated regularly, with unique numerical identifiers for each section and be consistent with the most current version of the application(s) and three (3) previous versions.	• Contractor will use configuration management practices and approaches that have been used successfully for SOM to date to meet the version management requirements
All system, operations, user, change and issue documentation is to be organized in a format-which is approved by the State. Its form should facilitate updating and allow-for revisions to the documentation to be clearly identified including the three (3) previous versions.	• Contractor will work with SOM to configure the out of the box solution documentation as needed to meet SOM approval
The Contractor must develop and submit for State approval complete, accurate, and timely system, operations, and user documentation.	• Contractor understands the needs to be timely with our documentation and the Contractor will leverage the NextGen documentation as an accelerator
The Contractor must notify the State of any discrepancies or errors outlined in the system, operations, and user documentation.	• Contractor will communicate frequently with SOM on any discrepancies the Contractor identify in documentation

The State will review and accept the final product of each of the deliverables. The Contractor will create each deliverable with final State approval in mind and with the collaboration of both the major stakeholder and end users.

Deliverable(s)

The Contractor will provide the requirements stated above and provide the following deliverables:

- User manuals
- Technical manuals
  1. A minimum of two (2) copies of the following documentation in an electronic format, online and in hard copy will be provided:
     a. User and Technical Manuals - On-line and Hard Copy;
     b. Data Element Dictionary;
     c. Operations Manual;
     d. All updates of documentation during the term of the Contract, software license and maintenance agreement.
  2. The following documentation is provided for all modules and programs:
     a. System-wide documentation and specifications;
     b. Baseline End-User training manuals to be used as a basis for “User Manuals” and online help;
     c. Installation procedure;
     d. Module configuration documents sufficient for configuration maintenance purposes;
     e. Testing scripts;
     f. Specification documentation;
     g. Production migration.
  3. The documentation of components, features, and use of the hardware/software shall be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.
  4. All system, operational, user, change, and issue documentation must be available in electronic format, published to an intranet website, accessible to State users, and be updated regularly, with unique numerical identifiers for each section and be consistent with the most current version of the application(s) and three (3) previous versions.

5. All system, operations, user, change and issue documentation is to be organized in a format-which is approved by the State. Its form should facilitate updating and allow-for revisions to the documentation to be clearly identified including the three (3) previous versions.
6. The Contractor will develop and submit for State approval complete, accurate, and timely system, operations, and user documentation based on the mutually agreed upon project schedule.
7. The Contractor must notify the State of any discrepancies or errors outlined in the system, operations, and user documentation.

Acceptance Criteria
Acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

J. Operation Services
The Contractor's software solution shall provide 99.99% availability with the potential for data loss limited to a single transaction per service interruption Additional development work may occur after the initial implementation. This availability is limited to configuration and development done by the Contractor for the Hub solution. This doesn't include network failures, infrastructure failures, unavailability of service subscriber and providers Contractor will provide monthly operational report from the logs which will be used to measure the contractor's solution availability.

Contractor Approach
The Contractor will use a State hosted option for mission critical services and the SOM Hub Infrastructure solution. The State will host the solution, and the Contractor will work with the State for Operation Services. After implementation, the Contractor will collaboratively work with the SOM to identify problems, develop a corrective action, plan and prioritize resolution activities, take the needed actions to resolve issues, and review the status and outcome. The Contractor will base their plan on a developed methodology that aligns with SUITE and the complexity of a given change. The plan shall support the strategic alignment of resources to common business areas to increase reuse and includes CMMI Level 3 and SUITE processes to reduce cost of delivery across the State's enterprise. The Contractor understands that additional development may occur following the initial implementation and has identified the necessary state-hosted development environments in the Hardware section of the Contract.

State and Contractor Roles
The following table describes Contractor's approach to working with SOM to operate the solution within Michigan's environments.

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
Hosting Plan	The hosting deliverable describes the details of the platforms and hardware involved in keeping the system running. The proposed solution will be hosted on State of Michigan's Virtual Center of Excellence's virtualization environment using VM Ware for hosting the solution. The deliverable includes: • Platforms on which the solution is hosted. • The technical details and configuration details • Process for planned and unplanned outage notification	• Secondary • Provides input into the Hosting activities • Owns and coordinates with VM Ware on the maintenance • Attends deliverable walkthrough	• Primary • Prepares deliverable and conducts deliverable walkthrough • Facilitates coordination with external stakeholders
Systems Management Plan	Systems Management deliverable will contain the details about the systems that are used, the software and the hardware information regarding those and the plan to maintain them.	• Secondary • Attends deliverable walkthrough • Signs off on the deliverable	• Primary • Provide the complete systems details required to manage the solution. • Provide support and

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
	The deliverable includes: • Systems involves and operation of the Hub Solution. • The technical and configuration details • Process for planned and unplanned outage notification • Software necessary to build and deploy the solution to the staging and production environments • Any configuration-related files and instructions on the reference values needed for these files	• Facilitates coordination with external stakeholders	guidance as needed in terms of the system management and configuration
Disaster recovery Strategy/Plan	A detailed approach to confirm that SOM will have the knowledge and skills to appropriately take action in case of any unforeseen downtime to the solution. The disaster recovery deliverable will contain the disaster recovery plan. It will provide the overview for steps for the technical resources on how to handle the situation, the communication plan to escalate the issue to the right resources. This deliverable will require coordination with the PM support staff and the SOM project team representatives, and must include: • Identify the steps needed by the technical resource • Include System Identification, Management Controls, Operational Controls and Technical Controls to support SOM and help mitigate risks	• Secondary • Provides input into the plan • Signs off on the Disaster recovery Plan • Facilitates coordination with external stakeholders • Attends deliverable walkthrough	• Primary • Conducts deliverable walkthrough • Obtains approval on the Disaster recovery Plan • Provides a detailed disaster recovery plan that includes the definition of policies and procedures required for SOM Hub Solution, a description of implementation activities, to support information resources and infrastructure • Provide documentation on potential and actual incidents in a disaster recovery report
Plan for Security administration services	The Security Administrative services details the security activities (policies, procedures, training, security technical components, compliance related activities) and the overall oversight activities to address the requirements for overall SOM Hub Solution • Includes System Identification, Management Controls, Operational Controls and Technical Controls identified in our Security Risk Framework to support regulatory requirements and mitigate risks • Document potential and actual security incidents in a security report that will contain incident identification times and the nature of each potential security incident	• Secondary • Provides input into the security activities • Signs off on the Security Plan and Assessment • Facilitates coordination with external stakeholders • Attends Security administrative services deliverable walkthrough	• Primary • Drafts Security administration services deliverable • Prepares and conducts deliverable walkthrough • Obtains approval on the Security administrative services and security plan • Provide documentation on potential and actual security incidents in a security report
Storage Services approach	• Plan for transactions across the SOM Hub and strategy for data quality assurance and control	• Secondary • Provides input into the data storage services • Signs off on the Storage plan • Facilitates coordination with external stakeholders	• Primary • Develop a detailed plan outlining the approach to storing data • Prepares and conducts deliverable walkthrough • Obtains approval on the

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
		• Attends Storage Plan deliverable walkthrough	• deliverable •
Hardware Management Plan • Remote management with hardware at a State site • On-site management with hardware at a State site •	The Hardware Management deliverable details various maintenance activities for the solution including: • Process for planned and unplanned outage notification • Process for performing routine maintenance during a specified planned weekly maintenance period • Plan to maintain system availability during planned and unplanned maintenance • Plan to handle emergency maintenance situations that may be required to bring down the system by giving, when possible, advance notice, before the system is taken down for maintenance • Plan to maintain reliable business operations without interruption or delay	• Secondary • Provides input into the management activities • Signs off on the Hardware Management Plan • Facilitates coordination with external stakeholders • Attends Maintenance Plan deliverable walkthrough	• Primary • Develop a detailed plan outlining the approach for various types of management activities • Conducts deliverable walkthrough • Obtains approval on the Hardware Management Plan

Deliverable(s)
The Contractor will provide the requirements stated above and provide the following deliverables:

- Hosting Plan
- Systems management Plan
- Disaster recovery Strategy/Plan
- Plan for Security administration services
- Storage services Plan

Acceptance Criteria
Acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

K. Maintenance and Support
The Contractor's solution(s) should be extensible beyond the initial implementation. Contractor solutions shall include proposals for concurrent maintenance, support and additional development. Sections A through N (below) apply to servers, storage or any other physical infrastructure, software as service and licensed software installed within the State of Michigan enterprise.

a. Maintenance programs commence at the end of the warranty period.
b. All maintenance is performed by qualified personnel familiar with the hardware.
c. Remote diagnostic capabilities are provided.
d. Maintenance is available on an annually renewable contract.
e. The software maintenance program includes all future software updates and system enhancements applicable to system modules licensed without further charge to all licensed users maintaining an annually renewable software support contract.
f. Help desk support is available 24 x 7 x 365, with escalation as necessary to senior technical/engineering staff, and then to higher management and/or senior management.
g. Maintenance service options are provided including 24 x 7 x 365 service, onsite service, 2-(emergency), 4-, and 8-hour and next day response times.
h. Calls for service will be returned within 2 hours.
i. Guaranteed parts availability within the service response window at all times.
j. Emergency assistance is available 24 hours a day, seven days a week, at no additional cost to the State.

k. A Web-enabled help desk interface is provided at no additional cost.
l. The State will be provided with information on software problems encountered at other locations, along with the solution to those problems, when such information is relevant to State software.
m. Support is provided for superseded releases and back releases still in use by the State.
n. For the first year and all subsequent Contract years, the following services are provided for the current version and one previous version of any Software provided with the deliverables, commencing upon installation of the deliverables or delivery of the Software:
    1. **Error Correction.** Upon notice by State of a problem with the Software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.
    2. **Material Defects**. The State will be notified of any material errors or defects in the deliverables known, or made known to Contractor from any source during the Contract term that could cause the production of inaccurate, or otherwise materially incorrect, results and shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.
    3. **Updates**. All new releases and bug fixes (collectively referred to as "Changes") for any software deliverable developed or published by Contractor and made generally available to its other customers at no additional charge will be provided to the State at no additional charge.

The services for servers, storage or any physical device as well as commercial software maintenance and support will be provided by the OEM/COTS providers as per the maintenance agreement between the State and OEM/COTS providers/vendors.

Contractor Approach
System administration and licensing activities shall occur according to existing policies. The Contractor will work with the State team to assist in the initial set-up and configuration of software, then taking a joint team approach to ongoing maintenance.

Maintenance of Hardware and Software
The solution shall include an architecture which is flexible, scalable and deployable. The systems will be based on open standards and not tied to a specific product or propriety platform. As a combined team, the Contractor will work closely with the State staff in all aspects of infrastructure and environment related activities to address key technical challenges.

Support
The Contractor will support the implemented high-availability SOM Hub Solution. These standards will help to provide Michigan with a common threshold for all of the commercial software across the State in areas such as support, licensing, and maintenance.

Error Correction. The Contractor understands that it is important to have a single production error fix process across the enterprise so that the Contractor can implement an efficient system that will help the State achieve its objectives.

Material Defects. The Contractor understands the requirement to inform the State of production operations issues, problems, and corrective actions through structured management reports. The Contractor shall provide timely and detailed reporting of any significant production problems to the stakeholders. The Contractor will facilitate processes and procedures to support this function and allow for open and immediate communication with respect to any problem and determined resolution.

Updates. The State requires the latest and the best of the software that are used as a part of the SOM Hub Solution. The Contractor will facilitate release management between the State and the COTS provider to include software upgrades and bug fixes (collectively referred to as "Changes".) These upgrades come along with the maintenance agreements of the respective software vendors.

The Contractor will include a comprehensive set of processes, tools, and artifacts to define, design, develop, test, and deploy system enhancements and maintain the solution. The Contractor will support CMMI Level 3 enablement and is complemented with the SUITE Project Management Methodology.

The Contractor's system maintenance activities are:

- Defect and incident fixes
- Maintenance Requests
- Minor Enhancements
- System Performance Fixes

The Contractor will address these system maintenance activities depending on the criticality of the request, business need, and current business and user impacts, effort level involved in completing the request, availability of an interim business process, and the need for scheduled release or immediate release of the code to production.

The Contractor will maintain and support the configuration settings and modules developed for the SOM Hub Solution by the contractor. Maintenance and support will be provided during normal work hours 8:00 am – 5:00 pm Monday through Friday. State will be responsible to prioritize work requests, defects and any minor enhancements. Help Desk for the Hub Solution will be State's responsibility. The services for servers, storage or any physical device as well as commercial software maintenance and support will be provided by the OEM/COTS provider as per the maintenance agreement between the state and OEM/COTS provider/vendor. Contractor will provide up to 250 hours of on call support for Tier 2 support to resolve any Severity 1 issues during non-working hours and weekend. Contractor will provide the contact numbers, email of the maintenance and support staff.

State and Contractor Roles

The following table details support deliverable requirements and shall pertain to COTS components of Contractor's solution. These requirements are fulfilled by the software companies of the proposed components.

SOM's Support Requirement	Description	Responsibility of Contractor	Responsibility of COTS Provider	Responsibility of SOM
Solution Support	Maintenance and support for the Hub solution deployed by the contractor during the normal working hours and on call support during non-working hours and weekends.	✓		
Tier 1 – Help Desk	Tier 1 Help desk for the Hub Solution.			✓
Infrastructure Support	Support for VCOE, Infrastructure, Security, and network.			✓
Help Desk Support	Help Desk		✓	
Technical Support	Maintenance programs commence at the end of the warranty period		✓	
	All maintenance is performed by qualified personnel familiar with the hardware		✓	
	Remote diagnostic capabilities are provided		✓	
	Maintenance is available on an annually renewable contract		✓	
	The software maintenance program includes all future software updates and system enhancements applicable to system modules licensed without further charge to all licensed users maintaining an annually renewable software support contract		✓	
	Help desk support is available 24 x 7 x 365, with escalation as necessary to senior		✓	

SOM's Support Requirement	Description	Responsibility of Contractor	Responsibility of COTS Provider	Responsibility of SOM
	technical/engineering staff, and then to higher management and/or senior management			
	Maintenance service options are provided including 24 x 7 x 365 service, onsite service, 2- (emergency), 4-, and 8-hour and next day response times		✓	
	Calls for service will be returned within 2 hours		✓	
	Guaranteed parts availability within the service response window at all times		✓	
	Emergency assistance is available 24 hours a day, seven days a week, at no additional cost to the State		✓	
	A Web-enabled help desk interface is provided at no additional cost		✓	
	The State will be provided with information on software problems encountered at other locations, along with the solution to those problems, when such information is relevant to State software		✓	
	Support is provided for superseded releases and back releases still in use by the State		✓	
	For the first year and all subsequent Contract years, the following services are provided for the current version and one previous version of any Software provided with the deliverables, commencing upon installation of the deliverables or delivery of the Software		✓	

Deliverable(s)
The Contractor will provide the requirements stated above and provide the following deliverables:

- Maintenance of the SOM Hub Solution
- Support
  - Technical

Acceptance Criteria
Acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

L. Knowledge Transfer/Transition
The Contractor will be required to perform informal training for state staff on platform issues, applications and interfaces. This includes, but is not limited to:

- Provide a plan that will lay out a sequence of events where the Contractor provides training to DTMB staff and assists in implementation of the solution. The goal is for DTMB staff to be able to undertake full support of the application over time.
- Transition support to DTMB staff for implemented solutions.

Contractor Approach
To support the requirements of this section, the Contractor will develop a detailed SOM Hub Solution Transition Plan that describes the tasks, activities, schedule and resources required to successfully transition maintenance and support operations of the SOM Hub Solution to DTMB. Integral to this plan is knowledge transfer that provides training on the skills, knowledge and abilities required to assume maintenance and operations responsibilities. The Contractor will work in close collaboration with DTMB to identify required

training, and develop training materials and operations documentation to support the transition. Training may include both instructor led courses and on-the-job shadowing of Contractor resources.

Transition Plan

The Contractor will provide a transition plan that documents the proposed schedule, activities, and resource requirements associated with the transition tasks. It will incorporate lessons learned from prior transition efforts, as well as the lessons learned during the development of the SOM Hub Solution. It enables a streamlined transition strategy for SOM while preserving key current processes and documentation. The Contractor's transition plan will include the following content:

Deliverable Section	Contractor's Approach to the Transition Plan
Introduction and Assumptions	This section outlines the purpose and objectives of the document. In addition, any project assumptions related to the transition effort are described in this section.
Approach to Transition	The approach section provides an overview of the three phases of the transition period and the methods and tools that will be used by the project team.
Transition Risk and Issue Management Process	Confirms the established process for capturing, documenting, reviewing, and reporting upon risks and issues associated with the Transition process. In addition, this process will also describe the general approach to addressing risks and issues as they are identified.
Transition Objectives and Success Criteria	This section documents the specific objectives identified by DTMB, along with detailed metrics for assessing that the transition process was completed successfully for each component identified in the Transition Plan.
Transition Components	This section provides a detailed list of the tools, methods, procedures, and documentation that are part of the scope of Transition Services.
Transition Services	This section describes the specific methodologies and services that will be used to execute the Transition process.
Transition Resources	This section of the SOM Hub Solution Transition Plan lists the required resources for successful execution of the transition process across DTMB and our team, as well as any other stakeholders that are required to participate in the Transition process. Included within this section is a description of the required skill sets and qualifications for each of the positions included within the scope of the transition.
Detailed Transition Tasks	This section of the plan addresses the specialized functional and technical transition tasks. It describes and defines the critical tasks that need to occur in order to facilitate a smooth and orderly transition of functions. In addition, it outlines the resources that are required as part of the transition services and identify the "transition to" resources required for the transition, including those from DTMB and the Contractor team. It also identifies training that may be required to enable DTMB staff to assume maintenance and operations responsibilities
Timelines and Work Plan	The timelines and work plan section of the document defines the transition activity timeframes and provides a high-level Gantt chart to represent the transition services. In addition, a detailed work plan of the transition services will be included.

Transition Timeline

Transition activities shall occur informally throughout the duration of the project. The Contractor will work with DTMB staff on a continual basis in order to achieve the goals of the SOM Hub Solution. This approach will ease the final transition process. At contract end, formal Transition activities will be undertaken to complete the Transition process. The timeline will begin approximately 12 months prior to the end on the contract period. An outline of the expected time schedule is as follows:

Time frame	Contractor Support of System Support Transition Events
12 months prior to contract end	• Assess project experiences that may impact the approach to the transition effort • Identify Contractor transition manager and DTMB transition lead • Develop competency evaluation criteria to measure effectiveness of skill proficiency • Submit SOM Hub Solution Transition Plan • Identify and finalize resources from Contractor team and DTMB • Review and finalize transition work plan • Finalize transition logistics
6 months prior to contract end	• Begin transition activities - system demonstrations, walkthroughs • Conduct skill proficiency evaluations

Time frame	Contractor Support of System Support Transition Events
	• Review documentation and procedures • Participate in project meetings • Initiate formal DTMB training
90 days prior to contract end	• DTMB team members begin to perform maintenance and operations tasks with Contractor oversight • Evaluate results of skill proficiencies and determine gaps
30-days prior to contract end	• Begin to compile transition results report • Turnover all system and project repository documentation • DTMB lead and independently perform project functions • Finalize transition close-out procedures • Review transition results

Approach to Knowledge Transfer

Contractor's approach to knowledge transfer begins with comprehensive system documentation. Classroom training, on the job training and job shadowing/mentoring are used to provide training and practice to State staff.

- **Classroom Training**. The Contractor will provide formal training to support transfer for relevant skills in a classroom setting. Training objectives are based on number of DTMB resources the topic applies, complexity of tool, and breadth of skills gap. The Contractor will work with DTMB SOM Hub Solution staff to determine which Tools, Techniques, Technical Processes or Procedures are appropriate for structured training. Formal training and should be conducted "just-in-time" so that specialized knowledge that staff will need to perform for the SOM Hub Solution Project activities will be fresh in their minds as they begin to use it.
- **Job Shadowing/Mentoring**. The Contractor will focus on providing on the job training by emphasizing learning by doing and actively engaging DTMB SOM Hub Solution staff members. The Contractor will provide knowledge transfer to DTMB technical staff beginning with the development phase of the project continuing through the implementation phase, providing both on-the-job training and extensive mentoring while the system is supported in a production environment.
- **System Documentation**. The Contractor will provide a tailored electronic documentation system to support user training, answer business processes questions, and facilitate system maintenance. Documentation provides another source of Contractor's SOM Hub Solution information. The Contractor will develop or leverage previously developed system documentation to be used as part of the knowledge transfer process and as ongoing reference materials by DTMB SOM Hub Solution staff. These materials will be developed and maintained using document standards established as part of the project management activities. Over the course of the project, system documentation will be updated to reflect system changes and new functionality.

State and Contractor Roles

Knowledge Transfer/Transition Deliverables

The following is a description of transition deliverables to be submitted and the State and Contractor responsibilities associated with each.

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
SOM Hub Solution Transition Plan	• Plan documenting tasks, schedule and resources required to transition maintenance and operations to DTMB	• Review plan and provide feedback	• Create the plan • Revise based on SOM feedback • Execute Contractor tasks in the plan
Complete training and operational materials to enable SOM	• Operations and maintenance training materials • Operations documentation	• Review training materials • Identity trainees • Schedule classes • Participate in classes • Participate in job	• Develop training materials • Revise materials based on SOM feedback • Conduct training • Provide opportunities for

Deliverable Name	Deliverable Description	Responsibility	
		The State	Contractor
staff to maintain the implemented solution in reasonable situations.		shadowing • Review and comment on operations documentation	job shadowing • Create operations documentation • Revise operations documentation based on feedback

Deliverable(s)
The Contractor will provide the requirements stated above and provide the following deliverables:

- Complete training and operational materials to enable SOM staff to maintain the implemented solution in reasonable situations.

Acceptance Criteria
Acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

M. Other Services (Agency to add any additional services and software to be required)
Michigan may choose to implement additional policies, procedures, integration and rules in the future and may opt to change the partnership model with the Federal government. Upon request, the Contractor shall architect and staff future functionality.

Contractor Approach
Contractor understands that the State may choose to implement additional policies, procedures, integration and rules in the future and may opt to change the partnership model with the Federal government. The State also needs to fulfill federal and state mandated policy/system changes, improve existing processes and functionality, and achieve new initiatives. These system enhancements may require additional requirements definition, design, development and testing of the SOM Hub Solution. In order to manage anticipated changes, the State will maintain a pool of hours, to be used at its discretion to support implementation of any required business changes or desired enhancements to the solution.

Deliverable(s)
At a minimum the Contractor will provide the requirements stated above and provide the following deliverables:

- Future development services to meet new requirements (reserve bank of hours)
- Proposed plan to identify, estimate, perform impact analysis and track future requirements.

Acceptance Criteria
Acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

II. Requirements

Technical/General System Requirements – See Attachment A
Technical/general system requirements will identify what the solution or product must run on or integrate with, including any standards that must be met, security requirements, service levels and interface;

Technical/general system requirements will also identify the general framework in which the system or product must work, such as: capacity requirements (number of users, concurrent users, number of transactions to be handled, peak usage), documentation, audit and backup and recovery.

Functional Requirements – See Attachment A
Functional requirements identify what the product or system must do to enable performance of work tasks and any applicable service levels.

1.200 Roles and Responsibilities

1.201 Contractor Staff, Roles, And Responsibilities

A. Contractor Staff

The Contractor shall commit that staff identified in this Contract will actually perform the assigned work.

The Contractor has identified Hariharan Murthy as the Single Point of Contact (SPOC).

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

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:

Key Personnel Member	Position Requirements
NAME - Mark Murphy, PMP SOM Data Hub Project Manager	• Minimum of seven (7) years of experience managing application development and implementation projects of similar size • Minimum of Three (3) years of PM experience in supporting, installing and configuring an enterprise service bus • Certification: PMP or equivalent industry recognition • Minimum of Three (3) years of State of Michigan SEM, SUITE and PMM experience or similar environments with other clients • Strong business acumen related especially to health care implementations
NAME - Gajendra Prasad Sankaranaryana, PMP SOM Data Hub Technical Lead	• Minimum of seven (7) years of experience implementing application development and implementation projects of similar size • Minimum of Three (3) years of technical leadership experience in supporting, installing and configuring the proposed enterprise service bus • Certification: Technical certification(s) in proposed solution(s) highly desirable • Minimum of Three (3) years of technical leadership in a highly structured SDLC • Strong technical acumen related especially to health care implementations

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

- Manage all defined Contractor responsibilities in this Scope of Services.
- Manage Contractor's subcontractors, if any
- Develop the project plan and schedule, and update as needed
- Serve as the point person for all project issues
- Coordinate and oversee the day-to-day project activities of the project team
- Assess and report project feedback and status

- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures
- Prepare project documents and materials
- Manage and report on the project's budget.

The Contractor will provide a SOM Data Hub *Technical Lead* to interact with the designated personnel from the State to insure a smooth integration of the proposed system. The project manager/technical lead will coordinate all of the integration activities of the Contractor solution and ensure the solutions requirements are met. The Contractor's technical lead responsibilities include, at a minimum:

- Manage all defined Contractor technical deliverables in this Scope of Services.
- Manage Contractor's subcontractors sub-solutions if any
- Develop the architecture and design of the solution
- Serve as the point person for all project technical issues
- Coordinate and oversee the day-to-day project technical activities of the project team
- Assess and report project feedback and status on technical deliverables
- Escalate technical issues, technical risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Manage the configuration management and impact analysis functions
- Prepare project technical documents and materials.

Contractor will provide 3 FTE's for Maintenance and operation services. State will manage these resources during the maintenance and operations services period.

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 *(Lansing Michigan)*

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

- Meetings will be held in the Lansing, Michigan area
- Key personnel will be provided work space within State of Michigan facilities. Non-key personnel will be supplied office space by the Contractor.

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:

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

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

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

1.202 State Staff, Roles, And Responsibilities

The State will provide the following resources for the Contractor's on site use on this project:

- Meeting space
- Minimal clerical support
- The State of Michigan will provide Virtual Private Network (VPN) access to the project development resources in order for them to perform development, testing, and production support activities in a timely manner. Remote access will be provided on a 24x7 basis for the Contractor project team throughout the duration of this project.

The State project team will consist of Executive Subject Matter Experts (SME's), project support, and a Department of Technology Management and Budget (DTMB) and Agency project manager:

Executive Subject Matter Experts

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

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

State Project Manager- (DTMB and Agency)

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

The State's Project Manager will provide the following services:

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

1.300 Project Plan

1.301 Project Plan Management

Project Plan

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

1. In particular, the Project Plan will include a MS Project plan or equivalent
    a. A description of the deliverables to be provided under this Contract.
    b. Target dates and critical paths for the deliverables required in this Contract.
    c. Identification of roles and responsibilities, including the organization responsible. Contractor is to provide a roles and responsibility matrix. (RACI Chart)
    d. The labor, hardware, materials and supplies required to be provided by the State in meeting the target dates established in the Project Plan.
    e. Internal milestones
    f. Task durations.
2. The Project Plan shall include 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/milestones by the identified date may be subject to liquidated damages as identified in Article 2.

As per RFP requirements, for each major deliverable, we have provided a RACI Chart that identifies roles and responsibilities of the various teams. This is a preliminary RACI Chart that delineates initial responsibilities. A more detailed version of this chart will be maintained as part of the Project Management Plan throughout the duration of the project. The terms used in the RACI Chart are:

- **Responsible.** The role or team that is primarily responsible for performing or overseeing the creation of the deliverable or work product
- **Accountable.** The role or team that is answerable for the content of the deliverable or work product (only one per row below)
- **Consulted.** The role(s) or team(s) that participate in creation of the deliverable or work product (frequently knowledge leaders)
- **Informed.** The role(s) or team(s) to whom the deliverable or work product will be communicated

Deliverable/Work Product	Responsible	Accountable	Consulted	Informed	Comments
Hardware Specifications/ Requirements	Contractor	Contractor	SOM - DTMB	SOM - DTMB	
Hardware Provisioning/ Procurement	SOM - DTMB	SOM - DTMB	Contractor	Contractor	
Software Specifications/ Requirements	Contractor	Contractor	SOM - DTMB	SOM - DTMB	
Software Procurement	–Contractor	Contractor	SOM - DTMB	SOM - DTMB	
Software Installation	Contractor	Contractor	SOM - DTMB	SOM - DTMB	
High Level Business Requirements	SOM	SOM	SOM	Contractor	SOM to provide an SEM402
Detailed Business/ Technical Requirements	Contractor	Contractor	SOM	SOM	
Requirements Traceability Matrix	Contractor	Contractor	SOM	SOM	
Application Design and Documentation (Functional and System)	Contractor	Contractor	SOM	SOM	
Application Development and Documentation	Contractor	Contractor	SOM	SOM	
Testing and Documentation	Contractor	Contractor	SOM	SOM	
Training and Documentation	Contractor	Contractor	SOM	SOM	
Provide and Implement Services and Documentation	Contractor	Contractor	SOM	SOM	Per 1.104.G – Includes Federal Data Hub, State Messaging Gateway, MAGI Eligibility Service, Eligibility Determination Systems (Bridges, MiBridges), Eligibility Determination Systems (MAXSTAR), Medicaid Processing Systems (CHAMPS), Dispute Resolution - Currently MAHS, Document Imaging Service, FPE Reporting
Integration Coordination with External Agencies	SOM	SOM	Contractor	Contractor	Per 1.104.G – Includes Federal Data Hub, State Messaging Gateway, MAGI Eligibility Service, Eligibility Determination Systems (Bridges, MiBridges), Eligibility Determination Systems (MAXSTAR), Medicaid Processing Systems (CHAMPS), Dispute Resolution - Currently MAHS, Document Imaging Service, FPE Reporting
General Documentation	Contractor	Contractor	SOM	SOM	
Operating Documentation	Contractor	Contractor	SOM	SOM	
Knowledge Transfer/ Transition	Contractor	Contractor	SOM	SOM	
Operation Services	Contractor	Contractor	SOM	SOM	
Maintenance and Support	Contractor	Contractor	SOM	SOM	

RACI Chart.

Orientation Meeting

Within (5) calendar days from execution of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract. The meeting will be held in Lansing, Michigan,

at a date and time mutually acceptable to the State and the Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

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

Project Control

1. The Contractor will carry out this project under the direction and control of the DTMB Project Control Office (PCO on behalf of (DCH, DHS, and LARA).
2. The State will require the Contractor to attend regular project meetings, 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.
3. The Contractor will manage the scope of this Contract 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:
    b. Staffing tables with names of personnel assigned to Contract tasks.
    c. Contractor will provide project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed for within the next ninety (90) calendar days, updated monthly.)
4. Graphs showing critical events, dependencies and decision points during the course of the Contract.
    a. 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.
    b. As defined by the PCO and for the duration of the project, all Contractor project management
5. Standards, communications, and tracking must be followed including but not limited to: Project Reporting (by submitted every two (2) calendar weeks or as requested and approved by the PCO for the duration of the project; Issue Management (affecting schedule, scope, cost, or quality); Risk Management; Scope Management; Quality Management; project Change Management.

6. Within (5) working days of the execution of the Contract, the Contractor will submit to the State project manager(s) for final approval of the project plan. This project plan must be in agreement with Article 1, Section 1.104 Work and Deliverables, and must include the following:
    - The Contractor's project organizational structure.
    - The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions of Key Personnel other than due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
    - The project work breakdown structure (WBS) showing sub-projects, activities and tasks, and resources required and allocated to each.
    - The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the WBS.
8. The Contractor will manage the scope of the Contract 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 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 (10) business 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.

The State of Michigan requires that the Contractor completely comply with the SOM Software Engineering Methodology, Project Management Methodology and SUITE processes as well as to supply the documents required for Center for Medicaid Services (CMS) approval. These documents include but are not limited to:

- Information Security Risk Assessment
- Performance Measurement Plan
- Project Management Plan
- Privacy Impact Statement
- Release Plan
- Training Plan
- Financial Management Plan
- Staff Management Plan
- Configuration Management Plan
- Change Management Plan
- Quality Management Plan
- Communications Plan
- Risk Management Plan
- System Security Plan

The complete list of artifacts to be produced by the Contractor, approved by the State and delivered to CMS can be found in the **Attachment C** - IT Enterprise Lifecycle Artifact Addendum.

Contractor will map the SOW deliverables to the Attachment C – IT ELC within 10 days of the project start. The scope of the ELC artifacts will be limited to Hub scope. State will be responsible for compiling various ELC projects deliverables to program deliverable for CMS gate review and approval. Any ELC deliverables which are not identified as part of the SOW deliverable identified by the Contractor will need to be reviewed and evaluated to be included in scope; any such deliverable which takes over 8 hours to create will be managed through the established change control process.

1.302 Reports

Reporting formats must be submitted to the State's Project Manager for approval within (5) business days after the execution of 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. The Contractor will provide the following reports on a mutually-agreeable frequency:

- Weekly Project status
- Updated project plan
- Summary of activity during the report period
- Accomplishments during the report period
- Deliverable status
- Schedule status
- Action Item status
- Issues/Risks
- Change Control
- Repair status
- Maintenance Activity

Contractors who are awarded State contracts that are funded by $25,000 or more of federal funds are subject to FFATA reporting requirements. Although not required at the time of bid submission, if the bidder is awarded a Contract that meets the reporting requirements of the FFATA, the Contractor will be required to provide its DUNS number; parent organizations DUNS number; location and primary place of performance information, and possibly, executive compensation information. FFATA requirements and Duns information can be found at: https://www.fsrs.gov/ and http://www.dnb.com/ .

1.400 Project Management

The Contractor will adhere to the PMM methodology and provide PMM documentation for activities and deliverables in the scope of this contract as requested.

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:

Escalation Level	Position	Description of Responsibility
Level 1	Business Leads	Analyze cause, impact and potential resolution. Resolve or escalate issues based on impact of proposed solution.
Level 2	Project Managers	Analyze impact of the issue on the scope, schedule and resources within the project. Recommend resolution and escalate if it is a high impact to the overall project plan. Weekly review open issues and report status
Level 3	Executive Subject Matter Experts (SME's)	Review proposed resolutions for issues that have high impact and approve updates required to project plan.

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 execution of this 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.

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, Procurement Buyer, who will make recommendations to the DTMB Chief Procurement Officer regarding ultimate approval/disapproval of change request. If the DTMB Chief Procurement Officer agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the DTMB-Procurement Buyer will issue an addendum to the Contract, via a Contract Change Notice. **Contractors who provide products or services prior to the issuance of a Contract Change Notice by DTMB-Procurement risk non-payment for the out-of-scope/pricing products and/or services.**

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

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

1.500 Acceptance

1.501 Criteria

A 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 will be provided. 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.

B 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, 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.

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.

C 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.

D Process for Approval of Written Deliverables

The State Review Period for Written Deliverables will be the number of days 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 must 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.

The State and Contractor understand the aggressive timeline for the SOM Hub project and will make all reasonable efforts to accelerate the delivery and review timelines.

E 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 thirty (30) 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**.

The State of Michigan will evaluate each contracted deliverable against relevant existing standards;

- SDLC documentation will be evaluated to validate against the acceptance criteria are met
- Project Management documentation will be evaluated against PMM standards
- Design will be evaluated to validate that known requirements are met and that the design is extensible to meet future requirements
- Architecture and implementation plans will be evaluated to validate State of Michigan enterprise standards are met
- Each deliverable will be evaluated to validate Michigan, Federal and trusted data source security and privacy standards are met per the mutually agreed requirements and design
- Each requirement will be required to be unit, system and user acceptance tested and a plan put in place by the Contractor.
- All deliverables will be evaluated against the mutually agreed upon the acceptance criteria

1.502 Final Acceptance

Final acceptance will be granted upon;

- Successful completion user acceptance testing and all prerequisite SDLC tasks leading up to the completion of UAT.
- Delivery and acceptance of all contracted deliverables through the implementation phase.

1.600 Compensation and Payment

1.601 Compensation And Payment

Method of Payment

The project will be paid (Firm Fixed Price). **Attachment D – Contract Pricing,** provides a detailed breakdown of the Contractor pricing.

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

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 Contract Administrator with the reduced prices within fifteen (15) Business Days 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. Statement that Travel and Expenses will not be billed to the State
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.

The State may pay maintenance and support charges on a monthly basis, in arrears. Payment of maintenance service/support of less than one (1) month's duration shall be prorated at 1/30th of the basic monthly maintenance charges for each calendar day.

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

1.602 RESERVED

Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of three (3) years. All outstanding Purchase Orders must also expire upon the termination (cancellation 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, will 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 period.

2.003 Legal Effect

Contractor shall show acceptance of this Contract by signing two copies of the Contract and returning them to the Contract Administrator. 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 assumes no liability 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), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.004 Attachments, Appendices & Exhibits

All Attachments, Appendices 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 will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, 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 also 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 will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract, which 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, DCH, LARA, and DHS (the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The Purchasing Operations Contract Administrator for this Contract is:

Steve Motz, Buyer
Purchasing Operations
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
MotzS@michigan.gov
(517) 241 -3215

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:

See Section 2.023.

2.023 Project Manager

The following individual will oversee the project:

Larry Lemieux
(517) 241-4547
lemieuxl@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, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the Services/Deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed price justification.

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 and/or a delivery schedule adjustment. 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, and the Contractor shall not be required to perform the additional services/deliverables in the absence of a mutually agreed Change Order or Contract Modification applicable to the additional services or deliverables.

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 should require 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 it be of the opinion that this 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 will 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.

(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 must 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: Steve Motz
State of Michigan
Purchasing
Operations
Attention:
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor: See signature page for contact information

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

2.028 Covenant of Good Faith and Cooperation

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

Each party shall reasonably cooperate with the other party in the performance of the Contract, including provision by the State of timely access to data, information, and its personnel. The State shall be responsible for the performance of its obligations as set forth in the Statement of Work and for the accuracy and completeness of data and information provided to the Contractor. Contractor's performance is dependent upon the timely and effective satisfaction of the State's responsibilities hereunder.

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; provided, however, nothing herein shall preclude Contractor from referencing the Contract and services in past performance qualifications included in other proposals.

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. The State must 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, development 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 will use reasonable efforts to 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 or otherwise as mutually agreed by the parties in the Contract or applicable Purchase Order. Contractor must 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

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in this Contract (as modified or supplemented pursuant to any agreed Change Orders, Contract Modifications or Purchase Orders).

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 for fixed price services will show details as to prices by Service/Deliverable component. Invoices for Services performed on a time and materials basis will show, for each labor category, the number of hours of Services performed during the billing period 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.

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

(d) All invoices should reflect actual work done. Specific details and format of invoices and payments will be agreed upon between the Contract Administrator and the Contractor prior to initiation of the Services 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 will occur only upon the specific written direction from Purchasing Operations.

The specific payment schedule for any Contract(s) entered into by the State and the Contractor(s) will be mutually agreed 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 any 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 RESERVED - Final Payment

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 will be made by electronic fund transfer (EFT).

2.050 Taxes

2.051 Employment Taxes

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes.

2.052 Sales and Use Taxes

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. For purchases made directly by the State of Michigan, the State is exempt from State and Local Sales Tax. 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, partners or principals of Contractor or its affiliates (directly or indirectly, at any tier) (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) Key Personnel must be dedicated as defined in the Statement of Work to the Project.

(b) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State will not unreasonably reject any proposed Key Personnel.

(c) Contractor must not remove any Key Personnel from their assigned roles on the Contract (unless such Personnel's role is complete as defined in the Statement of Work) 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, and resignation or for cause or other 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. . The State will approve replacements of Key Personnel provided that such replacement is of a substantially similar skill-set and reasonably acceptable experience. 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.

(d) The Contractor must notify the State project manager 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. If the State objects, the Contractor will work with the State to mutually agree on a resolution.

(e) The Contractor shall not assign any personnel to work at a State facility prior to such personnel completing the State's required background checks.

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 determined to not be performing in accordance with the Contract. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on

legitimate, good faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

2.064 Contractor Personnel Location

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

2.065 Contractor Identification

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

2.066 Cooperation with Third Parties

Contractor agrees to cause its personnel and the personnel of any Subcontractors to reasonably cooperate with the State and its agents including the State's Quality Assurance personnel. As reasonably requested by the State in writing in advance, the Contractor will provide to the State's agents reasonable access to Contractor's Project personnel and facilities where the Services are being performed to the extent the access relates to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the 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 State performing its responsibilities and the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties will include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with the Project Plan is likely to delay the timely achievement of any Contract tasks.

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

2.072 State Consent to delegation

Contractor 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 will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

2.073 Subcontractor bound to Contract

In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the applicable terms (including Flow Down per section 2.074) of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor 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 will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract 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 will provide only the equipment and resources identified in the Statements 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 must have reasonable access to, and unless agreed otherwise by the parties in writing must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

2.090 Security

2.091 Background Checks

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

All Contractor personnel will 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 will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working. To the extent any of these security requirements are modified by the State following execution of this Contract, and such modification impacts Contractor's costs or ability to comply with the requirements, Contractor shall either have a right to an equitable adjustment to cover such additional costs or shall be relieved of compliance with the additional requirements.

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 will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of State Confidential Information (including information originally provided by the Federal Government), whether suspected or actual, other than as provided for by the Contract within 10 business 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

The parties acknowledge and agree that the following Section does not currently apply to Contractor as PCI data is not currently being processed, transmitted or stored. The following section only applies to Contractors with access to credit/debit card cardholder data. If processing, transmission, or storage of credit/debit cardholder data becomes a part of the scope of Contractor's responsibilities, the provisions of this Section 2.093 will be applicable, provided however that Contractor will be entitled to a Change Order addressing any associated increase in risk and level of effort.

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

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

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

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

2.100 Confidentiality

2.101 Confidentiality

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

2.103 Exclusions

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

2.104 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 must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other work site, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress created under this Contract. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must 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 must 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 must 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 must maintain at least until the end of the Audit Period all pertinent records (including time sheets with respect to time-and-materials services, 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, or other substantially similar procedures. Records supporting the billings under the Contract must 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 must 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 will meet to review each audit report promptly after issuance. The Contractor will 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 must 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, unless disputed by either party, the amount in error must 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 that is undisputed remains after four invoices, then the remaining amount will 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, if the difference between the payment received and the correct payment amount is greater than 10% following final resolution of all audit issues, then the Contractor must 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 good faith, professional, and workman-like manner

(b) D E L E T E D

(c) Except for third party hardware and software, 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 will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

(d) If, under this Contract, Contractor procures any third party equipment, or software Deliverable or other Deliverable from a subcontractor for the State (including any such 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) To Contractor's knowledge, neither the Contractor nor any Affiliates, nor any employee of either working on the Contract, 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 promptly when learning about it.

(h) To Contractor's knowledge, 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) To Contractor's knowledge, 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) To the extent that any such information was provided, to Contractor's knowledge, all financial 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 such financial information. Since the respective dates or periods covered by such financial information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor. To Contractor's knowledge, all written information furnished to the State by Contractor in connection with this Contract, including its bid, is materially true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

(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) To Contractor's knowledge, 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 RESERVED - Warranty of Merchantability

2.123 RESERVED - Warranty of Fitness for a Particular Purpose

2.124 RESERVED - Warranty of Title

2.125 RESERVED - Equipment Warranty

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 legally 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 as respects Contractor's activities hereunder.

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. Contractor's policy may contain 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 include 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 in the minimum amount of $1,000,000 combined single limit.

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).

; 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 claim 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.

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 DTMB 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 "ACORD" 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 or its authorized representative. Contractor will use commercial reasonable efforts so that coverage afforded under the policies WILL 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 within 5 days of the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are included 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, terminate this Contract.

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 for third party claims and resulting 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, in each case with respect to claims initiated against the State for bodily injury (including death) or damage to real or tangible personal property, in each case that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors.

2.142 RESERVED

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 proper operation of the equipment, software, commodity or service, or the proper 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 reasonable 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, software, commodities, or services developed or performed based on written specifications of the State; (ii) use of the equipment, software, commodities, or services 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, software, commodities, or services with equipment or software not supplied by the Contractor under this Contract.

2.145 Continuation of Indemnification Obligations

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

2.146 Indemnification Procedures

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

(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can establish 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 a material provision of the contract, and the State in its sole reasonable discretion determines that the breach is curable, then the State will provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive breaches (not less than three) or if the State determines in its sole reasonable 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, pursuant Section 2.151, 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 as further provided in Section 2.151.

(b) If this Contract is terminated for cause, the Contractor may be liable for all costs incurred by the State as a result of the breach giving rise to such termination, subject to Section 2.220 below, including but not limited to, the reasonable fees that the State is required to pay and actually pays to an alternative service provider to perform the services (or any portion thereof) not yet performed by Contractor as of such termination for cause, to the extent in excess of the fees that the State would otherwise have paid to Contractor pursuant to this Contract, which shall be construed as direct damages and not as incidental, special, consequential or indirect damages for purposes of Section 2.220.

(c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted, pursuant to negotiations between the parties', 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, pursuant to negotiations between the parties', to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause 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 the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted, pursuant to negotiations between the parties', to reflect any equipment, services or commodities not provided by reason of the reduction.

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

2.155 Termination for Criminal Conviction

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

2.156 Termination for Approvals Rescinded

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

2.157 Rights and Obligations upon Termination

(a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be reasonably necessary, or that the State may reasonably 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) in accordance with the Contract's ownership and license rights provisions, and upon full payment for each such Deliverable, 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 reasonable 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, nothing shall preclude the State from Contracting directly with any party 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 a material provision of 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.

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 must provide for up to 180 days after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. These efforts must include, but are not limited to, those listed in **Sections 2.171, 2.172, 2.173, 2.174, and 2.175.** The State shall pay the Contractor for any resources utilized in performing such transition assistance at the rates established in this Contract.

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 agrees to 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 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

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 set forth in 2.171 or as otherwise agreed upon by the parties in good

faith. 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 an aggregate 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 2.150**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take 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.**130**.

2.182 Cancellation or Expiration of Stop Work Order

The Contractor must resume work if the State cancels a Stop Work Order or if it expires, but may replace personnel, including Key Personnel. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must 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 must be deemed to be a termination for convenience under **Section 2.153**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not 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 must be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DTMB, or designee, for the purpose of attempting 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 in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

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

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

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

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

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

2.193 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will 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 the that the damages to the party resulting from the breach will 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 must 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, must 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 must 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 must 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

The rates of wages 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. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Labor and Economic Development, the office responsible for enforcement of the wage rates and fringe benefits. You 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.

2.205 (A) Equal Employment Opportunity

The Contractor, its subcontractors, their subcontractors and all persons involved with the performance of this contract agree to abide by Executive Order 11246, entitled “Equal Employment Opportunity”, as as amended by Executive Order 11375, and as supplemented by the Department of Labor Regulations (41 CFR Part 60): The Executive Order prohibits federal contractors and federally-assisted construction contractors and subcontractors who do over $10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, or national origin. The Executive Order also requires Government contractors to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment.

2.205 (B) Clean Air Act

The Contractor, its subcontractors, their subcontractors and all persons involved with the performance of this contract agree to abide by the terms outlined in the Federal Clean Air Act, Section 306 stipulates:

a. No Federal agency may enter into any contract with any person who is convicted of any offense under section 113(c) for the procurement of goods, materials, and services to perform such contract at any facility at which the violation which gave rise to such conviction occurred if such facility is owned, leased, or supervised by such person. The prohibition in the preceding sentence shall continue until the Administrator certifies that the condition giving rise to such a conviction has been corrected. For convictions arising under section 113(c)(2), the condition giving rise to the conviction also shall be considered to include any substantive violation of this Act associated with the violation of 113(c)(2). The Administrator may extend this prohibition to other facilities owned or operated by the convicted person.

b. The Administrator shall establish procedures to provide all Federal agencies with the notification necessary for the purposes of subsection (a).

c. In order to implement the purposes and policy of this Act to protect and enhance the quality of the Nation's air, the President shall, not more than 180 days after enactment of the Clean Air Amendments of 1970 cause to be issued an order (1) requiring each Federal agency authorized to enter into contracts and each Federal agency which is empowered to extend Federal assistance by way of grant, loan, or contract to effectuate the purpose and policy of this Act in such contracting or assistance activities, and (2) setting forth procedures, sanctions, penalties, and such other provisions, as the President determines necessary to carry out such requirement.

d. The President may exempt any contract, loan, or grant from all or part of the provisions of this section where he determines such exemption is necessary in the paramount interest of the United States and he shall notify the Congress of such exemption. The President shall annually report to the Congress on measures taken toward implementing the purpose and intent of this section, including but not limited to the progress and problems associated with implementation of this section. [42 U.S.C. 7606]

e. The President shall annually report to the Congress on measures taken toward implementing the purpose and intent of this section, including but not limited to the progress and problems associated with implementation of this section. [42 U.S.C. 7606]

2.205 (C) Clean Water Act

The Contractor, its subcontractors, their subcontractors and all persons involved with the performance of this contract agree to abide by the terms outlined in the Federal Clean Water Act, Section 309 stipulates:

a. No Federal agency may enter into any contract with any person who has been convicted of any offense under Section 309(c) of this Act for the procurement of goods, materials, and services if such contract is to be performed at any facility at which the violation which gave rise to such conviction occurred, and if such facility is owned, leased, or supervised by such person. The prohibition in preceding sentence shall continue until the Administrator certifies that the condition giving rise to such conviction has been corrected.

b. The Administrator shall establish procedures to provide all Federal agencies with the notification necessary for the purposes of subsection (a) of this section.

c. In order to implement the purposes and policy of this Act to protect and enhance the quality of the Nation’s water, the President shall, not more than 180 days after the enactment of this Act, cause to be issued an order:

1. requiring each Federal agency authorized to enter into contracts and each Federal agency which is empowered to extend Federal assistance by way of grant, loan, or contract to effectuate the purpose and policy of this Act in such contracting or assistance activities, and
2. setting forth procedures, sanctions, penalties, and such other provisions, as the President determines necessary to carry out such requirement.

d. The President may exempt any contract, loan, or grant from all or part of the provisions of this section where he determines such exemption is necessary in the paramount interest of the United States and he shall notify the Congress of such exemption.
e. The President shall annually report to the Congress on measures taken in compliance with the purpose and intent of this section, including, but not limited to, the progress and problems associated with such compliance.
f. (1) No certification by a contractor, and no contract clause, may be required in the case of a contract for the acquisition of commercial items in order to implement a prohibition or requirement of this section
or a prohibition or requirement issued in the implementation of this section.
(2) In paragraph (1), the term “commercial item” has the meaning given such term in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

2.205 (D) Anit-lobbying Act

The Contractor, its subcontractors, their subcontractors and all persons involved with the performance of this contract agree to abide by the terms outlined in the Anti-Lobbying Act. The Anti-Lobbying Act prohibits the recipients of Federal contracts, grants, and loans from using appropriated funds for lobbying the Executive or Legislative branches of the Federal government in connection with a specific contract, grant, or loan. As required by Section 1352, Title 31 of the U.S. Code and implemented at 34 CFR Part 82 for persons entering into a grant or cooperative agreement over $100,000, as defined at 34 CFR Part 82, Section 82.105 and 82.110, the applicant certifies that:

a. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the making of any federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement;
b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Confess in connection with this federal grantor o cooperative agreement, the undersigned shall complete and submit Standard Form – LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions;
c. The undersigned shall require that the language of this certification be include in the award documents for all sub-awards at all tiers (including sub-grants, contracts under grants and cooperative agreements, and subcontracts) and that all sub-recipients shall certify and disclose accordingly.

2.205 (E) Americans with Disabilities Act

The Contractor, its subcontractors, their subcontractors and all persons involved with the performance of this contract agree to abide by the terms outlined in the Americans with Disabilities Act. This Act (28 CFR Part 35, Title II, Subtitle A) prohibits discrimination on the basis of disability in all services, programs, and activities provided to the public and State and local governments, except public transportation services.

2.205 (F) Drug Free Workplace

The Federal government implemented the Drug Free Workplace Act of 1988 in an attempt to address the problems of drug abuse on the job. It is a fact that employees who use drugs have less productivity, a lower quality of work, and a higher absenteeism, and are more likely to misappropriate funds or services. From this perspective, the drug abuser may endanger other employees, the public at large, or themselves. Damage to property, whether owned by this entity or not, could result from drug abuse on the job. All these actions might undermine public confidence in the services this entity provides. Therefore, in order to remain a responsible source for government contracts, the following guidelines have been adopted:

a. The unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the work place.
b. Violators may be terminated or requested to seek counseling from an approved rehabilitation service c. Employees must notify their employer of any conviction of a criminal drug statue no later than five days after such conviction.
d. Although alcohol is not a controlled substance, it is nonetheless a drug. It is the policy of the Arkansas Department of Health WIC Program that abuse of this drug will also not be tolerated in the workplace.
e. Contractors of federal agencies are required to certify that they will provide drug-free workplaces for their employees.

Transactions subject to the suspension/debarment rules (covered transactions) include grants, subgrants, cooperative agreements, and prime contracts under such awards. Subcontracts are not included. Also, the dollar threshold for covered procurement contracts is $25,000. Contracts for Federally required audit services are covered regardless of dollar amount.

2.205 (G) Debarment and Suspension

As required by Executive Order 12549, Debarment and Suspension, and implemented at 34 CFR Part 85, for prospective participants in primary covered transactions, as defined at 34 CFR Part 85, Sections 85.105 and
85.110.

a. The applicant certifies that it and its principals:
1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
2. Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
3. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
4. Have not within a three-year period preceding this application had one or more public transactions (federal, state, or local) terminated for cause or default.

b. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

2.210 Governing Law

2.211 Governing Law

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

2.220 Limitation of Liability

2.221 Limitation of Liability

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or 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, regardless of the form of action, shall be limited to $4,423,646 or professional fees applicable to this Contract paid over the preceding 12 months, whichever 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 must disclose any material criminal litigation, 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 each case to the extent Contractor believes such litigation, investigations or proceedings adversely impact Contractor's ability to perform the Services. In addition, each Contractor (and each Subcontractor) must 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 conviction for 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. 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 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 must 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 which results in increased Contract costs, Contractor must notify DTMB Purchasing Operations.

(2) Contractor must also notify DTMB 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 which results in increased Contract costs.

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 must 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 must 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 complete all Services and Deliverables according to the time schedules and requirements contained in the Statements of Work and other Exhibits governing the work.

(b) Without limiting the generality of **Section 2.241,** Contractor must notify the State in a timely manner upon becoming aware of any circumstances that are reasonably 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 shall 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 RESERVED

2.243 Liquidated Damages

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 2.141**, 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 and $350,000 in the aggregate.

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 promptly 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 as agreed by the parties 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, provided 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

See Section 1.500 (Acceptance).

2.260 Ownership

2.261 Ownership of Work Product by State

Upon full payment by the State for each such Deliverable, the State owns all Deliverables and each such Deliverable shall be considered work made for hire by the Contractor for the State. Upon full payment, the State owns all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables.

Notwithstanding any provision of this Contract to the contrary, any preexisting work or materials including, but not limited to, any routines, libraries, tools, methodologies, processes or technologies developed outside the Contract (collectively, the "Development Tools") and created, adapted or used by the Contractor in its business generally, including any and all associated intellectual property rights, and any derivative works thereof, shall be and remain the sole property of the Contractor, and the State shall have no interest in or claim to such preexisting work, materials or Development Tools, except as necessary to use, for its internal purposes, any such Development Tools that are delivered solely in connection with the Deliverables. Such rights belonging to the State shall include, but not be limited to, the right to use, execute, reproduce, display, perform and distribute copies of and prepare derivative works based upon the Deliverables, and the right to authorize others to do any of the foregoing, irrespective of the existence therein of preexisting work, materials and Development Tools, except as specifically limited herein.

The Contractor shall be free to use and employ its general skills, knowledge and expertise, and to use, disclose, and employ any generalized ideas, concepts, knowledge, methods, techniques or skills gained or learned during the course of performing the services under this Contract, so long as the Contractor acquires and applies such information without disclosure of any confidential or proprietary information of the State, and without any unauthorized use or disclosure of any Deliverables resulting from this Contract.

2.262 Vesting of Rights

With the sole exception of any (1) third party hardware and software' and (2) Development Tools identified in the SOW or identified by the Contractor during performance of the Contract, the Contractor assigns to the State, upon full payment for each such Deliverable, 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 (except as required by applicable law or regulation). 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 State data used 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 or otherwise independently developed outside of this 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.

2.265 STATE AND FEDERAL AGENCIES LICENSE

In accordance with 45 C.F.R. 95.617 and 45 C.F.R. 92.34, all appropriate State and federal agencies will have a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, translate, or otherwise use, and to authorize others to use for Health Benefit Exchange or federal government purposes, software, modifications, and documentation designed, developed or installed with Federal Financial Participation under 45 CFR Part 95, subpart F or Federal Grant Funding under 45 CFR Part 92 under the Contract.

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/dmb/0,4568,7-150-56355-108233--,00.html. To the extent that such standards are modified by the State following execution of the Contract, Contractor shall be entitled to a change order to address any costs resulting to Contractor from such change.

2.272 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see http://michigan.gov/cybersecurity/0,1607,7-217-34395_34476---,00. 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 the applicable State procedures, including security, access and configuration management procedures, of which Contractor is apprised in advance in writing.

2.280 Extended Purchasing

2.281 RESERVED - MiDEAL (Michigan Delivery Extended Agreements Locally

2.282 RESERVED - State Employee Purchases

2.290 Environmental Provision

2.291 Environmental Provision

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

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

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

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

(a) The Contractor must 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 must provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State must 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 must 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 must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must 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 must 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 must 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 laws, 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 execution the Contract is attached or otherwise mutually agreed by the parties in writing. The list includes all software required to complete the Contract and for the Contractor to meet its Contract requirements; 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. Licensing and support of third party software shall be in accordance with Section 2.314.

2.302 Hardware

A list of the items of hardware the State is required to purchase for execution the Contract is attached or otherwise mutually agreed by the parties in writing. The list includes all hardware required to complete the Contract and for the Contractor to meet its Contract requirements; 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.

2.303 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.

2.304 Equipment to be New and 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.**

2.310 Software Warranties

2.311 RESERVED - Performance Warranty

2.312 No Surreptitious Code Warranty

The Contractor represents and warrants that no Software Deliverable provided to the State negligently or intentionally 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 Deliverable 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 License and 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 or resell the Third-party Software. The Contractor may use an affiliate to "resell" any such third party products.

2.315 Physical Media Warranty

Contractor represents and warrants that each licensed copy of any custom developed 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 custom developed 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 or (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 set forth herein.

2.400 Other Provisions

2.411 Forced Labor, Convict Labor, or Indentured Servitude Made Materials

Bidder represents and certifies that, to the best of its knowledge and belief no foreign (outside of the U.S.) made equipment, materials, or supplies, will be furnished to the State under any resulting Contract, that have been produced in whole or in part by forced labor, convict labor, or indentured servitude.

2.421 Knowledge of Child Labor for Listed End Products

(a) "Forced or indentured child labor" means all work or service:

(i) Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or

(ii) Performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.

(b) *Listed end products*. The following end product(s) being acquired under this solicitation is (are) included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, identified by their country of origin. There is a reasonable basis to believe that listed end products from the listed countries of origin may have been mined, produced, or manufactured by forced or indentured child labor.

Listed End Product	Listed Country of Origin

(c) *Certification*. The State will not make award to a Bidder unless the Bidder, by checking the appropriate block, certifies to one of the following:

(X) The Bidder will not supply any end product listed in paragraph (b) of this provision that was mined, produced, or manufactured in a corresponding country as listed for that end product.

( ) The Bidder may supply an end product listed in paragraph (b) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The Bidder certifies that it has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture the end product. On the basis of those efforts, the Bidder certifies that it is not aware of any the use of child labor.

Attachment A – Requirements

General/Technical and Functional Requirements

- General/Technical requirements will identify the general framework in which the product must work, such as: system architecture, documentation, audit and backup and recovery.

- Functional requirements identify what the solution must do to enable performance of work tasks and any applicable service levels.

Prime Contractor and Contractor's Subcontractors are defined as Contractor. The Contractor must comply with all State and Federal Policies and guidelines. With Approval by the State of Michigan, all versions must meet or be above what is specified.

The Contractor has identified how they believe their solution complies with each requirement as follows:

Yes *– is defined as the Contractor's solution complies with all aspects of the requirement and is currently a standard feature.*

Yes with Modification *– is defined as the solution does not currently comply with the requirement but the Contractor will modify the solution through configuration, programming or source code changes which would result in their solution reaching full compliance with a requirement prior to the Implementation completion date (October 1, 2013). The following letters provided within the Yes with Modification column identifies how the solution will be modified to fully comply:*

A *- Configuration required to comply with the requirement*
B *- Programming required to comply with the requirement*
C *- Source code change required to comply with the requirement*

All such modifications are included in the fixed price solution pricing.

NOTE:
Emerge: In pilot or in deployment phase.
Standard: Enterprise-wide standard with full deployment and support.
Sunset: No implementation, development or support. Must justify use.
Follow db: Reporting tool must be same version as database version.

1000 – (Client/Workstation)

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1000.1	If the Application is a Thin Client architecture it should use or explain the Thin Client implementation. The application shall function with: • Citrix version 5.0 • Windows Terminal • Server version 2008 and 2012	X			Contractor's SOM Hub Solution components function with the architectures listed.
1000.2	The Application must function with the following web browser(s) in an INTRANET environment: • Microsoft IE 8.0	X			Contractor's SOM Hub Solution components function with the web browsers listed in an intranet environment.
1000.3	The Application must function with the following web browser(s) in an INTERNET environment: • Microsoft IE 6.0 or above • Firefox 3.0 and above • Chrome 3.0 and above • Safari 4.x and above	X			Contractor's SOM Hub Solution does not contain an Internet exposed application, however as it is built on a flexible framework, this requirement could be met if needed in the future.
1000.4	The Application must function with the following desktop Operating System (OS) • Windows XP SP3 • Windows 7 Professional • Windows 8 versions	X			Contractor's SOM Hub Solution components function with the listed operating systems in a desktop environment.
1000.5	The Application's desktop client install must function on the following standard SOM desktop hardware: Link to SOM Desktop Standard: http://www.michigan.gov/dmb/0,1607,7-150-56355-108233--,00.html	X			Contractor's SOM Hub Solution components function with the listed SOM standard desktop hardware.
1000.6	The Application will support the following mobile devices and their Operating System (OS). Link to SOM Handheld Devices: http://www.michigan.gov/dmb/0,1607,7-150-56355-108233--,00.html	X			Contractor's SOM Hub Solution does not contain an Internet exposed application (via mobile devices), however as it is built on a flexible framework, this requirement could be met if needed in the future.

1001 – Documentation and Standards

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1001.1	Provide a logical network diagram that describes how the infrastructure components will meet the functional requirements.	X			Contractor's SOM Hub Solution includes a logical network diagram to link the infrastructure components to the functional requirements.
1001.2	Provide conceptual and logical data-flow diagrams.	X			Contractor's SOM Hub Solution includes conceptual and logical data-flow diagrams.
1001.3	Provide a complete installation and configuration documentation library.	X			Contractor's SOM Hub Solution leverages multiple COTS products, from reputable vendors with prior SOM experience. Each of these vendors provide extensive libraries of support for their products.
1001.4	Provide a high-level architecture	X			Contractor's SOM Hub Solution includes a

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
	diagram, including logical and physical components.				high-level architecture diagram, including logical and physical components.
1001.5	System documentation will describe error logging and how to access the error logs. The State of Michigan should have near real time access to all log files.	X			Contractor's SOM Hub Solution documentation includes a description of the error logging capabilities of the system, including how the logs are accessed.
1001.6	System documentation must describe Disaster Recovery capabilities (including Hot and Cold standby options, licensing implications, and critical vs. non-critical functionality and data).	X			Contractor's SOM Hub Solution documentation includes Disaster Recovery capabilities including options for how it is implemented, impacts on licenses, and impacts on data.
1001.7	System documentation will describe any batch processing requirements for the application.	X			Contractor's SOM Hub Solution documentation includes a description of batch processing activities.
1001.8	System documentation will describe required application maintenance activities and time frames.	X			Contractor's SOM Hub Solution documentation includes required application maintenance activities, the suggested time frames.
1001.9	Application/System documentation will provide FAQ and/or Support Information for frequent issues staff/users may encounter.	X			Contractor's SOM Hub Solution leverages multiple COTS products, from reputable vendors with prior SOM experience. Each of these vendors provides extensive libraries of support for their products.

1003 – Installation

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1003.1	Provide a detailed work plan (in hours) and duration (in days) of a typical installation of the base package, including all modules. Include both SOM and vendor effort.	X			Contractor will provide detailed instructions for the installation and set-up for modules of the SOM Hub Solution. These instructions will contain both SOM and Contractor tasks and efforts.
1003.2	Provide a high-level project plan outlining activity descriptions, work effort, duration and resources for a typical base-package installation.	X			Contractor's SOM Hub Solution leverages multiple COTS products, from reputable vendors with prior SOM experience. Each of these vendors provides extensive libraries of support for their products.
1003.3	Provide a description of the skill sets of all resources required for a typical install of the base package.	X			Software which has been proposed as part of Contractor's SOM Hub Solution, often comes with vendor recommendations for required skills to perform an installation.
1003.4	Provide a list of functional issues encountered by other users during a typical implementation of your software.	X			Contractor's SOM Hub Solution leverages multiple COTS products, from reputable vendors with prior SOM experience. Each of these vendors provides extensive libraries of support for their products.
1003.5	Provide a list of technical issues encountered by other users during a typical implementation of your software.	X			Contractor's SOM Hub Solution leverages multiple COTS products, from reputable vendors with prior SOM experience. Each of these vendors provides extensive libraries of support for their products.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1003.6	The application will be remotely deployable and supportable using the following management tool(s): • Microsoft's SCCM (SMS) • Marimba • SSH (Secure Shell for UNIX OS)	X			Contractor's SOM Hub Solution supports remote deployment.
1003.7	Provide a detailed list of any browser plug-ins (e.g., ActiveX, Java, Flash) required by the application. All plug-ins, add-ons, or additional software must be approved in advance.	X			Contractor will provide a list of browser plug-ins required by the application SOM Hub Solution. Items which are not on the State's list of pre-approved items will be submitted for approval in advance.
1003.8	Provide a detailed list of client components (e.g. ODBC, JDBC, Java Beans, other) required by the application, including permission(s) levels.	X			Contractor will provide a list of browser plug-ins required by the application SOM Hub Solution. Items which are not on the State's list of pre-approved items will be submitted for approval in advance.
1003.9	All agents and bots used for monitoring or maintenance of servers and software must be listed including function, install location, permission level, resource usage and all patching and updating procedures.	X			Contractor will provide a list of agents and bots used for monitoring and maintenance of servers that are required by the application SOM Hub Solution. This list will include install location, permissions required, resource usage, and patching/updating procedures. Since we are proposing to leverage the existing SOM VCOE for our infrastructure, the number of new monitoring and maintenance agents and bots should be few or none.
1003.10	Provide a detailed list of any and all third-party tools, patching and updating procedures required by the application and how they will be supported over the System Development Life Cycle (SDLC).	X			Contractor's SOM Hub Solution leverages multiple COTS products, from reputable vendors with prior SOM experience. Each of these vendors provides extensive libraries of support for their products, including upgrade paths.

1004 – Product Development done to support this RFP

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1004.1	Provide a report of all known current application defects and the timeline for mitigation efforts.	X			Contractor's MAGI/CHIP Hub development process uses a risk management plan and process based on SUITE and Contractor's project management methodology (PMM4) that includes 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.
1004.2	Provide a roadmap for all platform/application enhancements that are planned for the next three years.	X			As Contractor's SOM Hub Solution is built upon COTS products, with a custom configured layer, the major enhancements will occur in the COTS products themselves. Many vendors treat future release plans as confidential information, so we have not included the future release information in the table. As new enhancements and releases are announced, we will work with the State to confirm the right time to upgrade products and

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
					integrate those enhancements into our solution.
1004.3	The application will follow the SUITE testing processes and documentation of testing and testing types/levels must be provided.	X			Contractor's SOM Hub Solution follows the necessary components of the SUITE testing process and provides testing progress metrics as per the defined process.
1004.4	Application development will be done in the following development framework: • .NET Framework 3.5 and above (standard) • JEE 5.x and above (standard)	X			Contractor's SOM Hub Solution components, which require programming, are developed using JEE5.x and above.
1004.5	Programming will be done in the current or newer versions of the following language(s): • ASP.Net 2008 (standard) • C# (standard) • Java (standard) • JavaScript (standard) • JDK 6.x (standard) • PHP 5.2 (standard) • VB .NET 2008 (standard)	X			Contractor's SOM Hub Solution components, which require programming, are developed using current standards of Java, JavaScript and JDK 6.x.
1004.6	COTS (COTS) third-party libraries included within the application will be owned and supportable by the State. Inclusion of any third-party code library or tool must be approved by the SOM Contract Manager or Project Manager.	X			Any COTS third-party libraries, which are part of the Contractor's SOM Hub Solution, will be owned by the SOM. Contractor will work with the SOM management team to seek approval for any such libraries.
1004.7	Custom-developed third-party libraries included within the application will be owned and supportable by the State. Inclusion of any 3rd party code library or tool must be approved by the SOM Contract Manager or Project Manager.	X			Contractor's SOM Hub Solution complies with this requirement.
1004.8	Bidder will provide a complete change/history log upon request of all software developed under contract.	X			Contractor's SOM Hub Solution maintains a log and history of all changes made to the software developed. This information is provided on request.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1004.9	Software development will use the following source code version control repositories: • Microsoft Team Foundation System (standard) • Serena Dimensions (PVCS/Ver Mgr) 2009 R1.x (standard) • Subversion 1.6 (standard)	X			Contractor's SOM Hub Solution will re-use the State's existing enterprise IBM ClearCase set-up.
1004.10	Software development must adhere to the System Engineering Methodology (SEM) described in the State Administrative Guide (Section 1360): http://www.michigan.gov/documents/dmb/1360.00_281429_7.pdf.	X			Contractor's SOM Hub Solution development adheres to the listed System Engineering Methodology.
1004.11	System documentation will clearly describe the type of caching, if any, the system employs.	X			Contractor's SOM Hub Solution's system documentation also includes a clear description on caching (if any).

1005 – Reporting

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1005.1	The reporting product technology will be compatible with n-Tier architecture (client-server & web).	X			Contractor's SOM Hub Solution's reporting product, SAP's Web Intelligence, is compatible with n-Tier architecture.
1005.2	The reporting product technology will be compatible with the following Server Operating Systems: • (see requirement 1009.9)	X			Contractor's SOM Hub Solution's reporting product, SAP's Web Intelligence, is compatible with the Operating Systems listed.
1005.3	The reporting tool/system will be certified for use with the VMWare x86 based virtualization platform.	X			Contractor's SOM Hub Solution's reporting product, SAP's Web Intelligence, is certified to be used on virtual platforms.
1005.4	The reporting product technology will be compatible with desktop virtualization.	X			Contractor's SOM Hub Solution's reporting product is certified to be used on virtual platforms.
1005.5	The reporting product technology will not require any installed component on the user desktop.	X			Contractor's SOM Hub Solution's reporting product, SAP's Web Intelligence, does not require any installed component on user desktops to view reports.
1005.6	The reporting product technology will not require any installed component in the user browser other than the following: • Adobe Acrobat Reader	X			Contractor's SOM Hub Solution's reporting product, SAP's Web Intelligence, does not require any installed component on user browsers to view reports (excluding Adobe Acrobat Reader).
1005.7	The reporting product technology will be compatible with the following Job Scheduling tools: • BL/Sched 5.0 & 5.2 (standard) • GECS all versions (standard) • OpCon XPS 3.31.02 & 4.x, 5.x (standard) • Tidal Enterprise Scheduler 5.3.1 (standard) • Tidal Enterprise Scheduler 6.0	X			Contractor's SOM Hub Solution's reporting product is compatible with the Job scheduling tools listed.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
	(standard) • Tidal Enterprise Scheduler 6.1 & 6.5 (emerge) • UC4 Global all versions (sunset) • UC4 Operations Mgr 6.0 & 8.0 (standard)				
1005.8	The reporting product technology will be compatible with one or more of the following Reporting tools: • Active Reports 4.0 (standard) • SAP Business Objects (BO) XI R2 (standard) • SAP Business Objects (BO) XI 3.x (standard) • SAP Business Objects (BO) XI 4.x (emerge) • Crystal Reports 2008 (standard) • MSSQL 2008, R2 & 2012 Reporting Services (follow db) • Oracle Reports 11g (standard) • WebFOCUS	X			Contractor's SOM Hub Solution's reporting product, SAP's Web Intelligence, is compatible with some of the reporting tools listed.
1005.9	The reporting product technology will be compatible with the State standard Extract Transform Load (ETL) tools.	X			Contractor's SOM Hub Solution's reporting product, SAP's Web Intelligence, is compatible with the standard ETL tools.
1005.10	The reporting product technology will support ad hoc reporting via custom-built queries without requiring any custom programming or changes to the application. Query design must rely only on end-user configuration.	X			Contractor's SOM Hub Solution's reporting product, SAP's Web Intelligence, supports ad hoc reporting for end users.

1006 – Application Security

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1006.1	The solution must have built-in security controls and meet or exceed current SOM security requirements as described in the State Administrative Guide: http://www.michigan.gov/dmb/0,1607,7-150-9131_9347---,00.html#1300INFSTDSPLNNG.	X			Contractor's SOM Hub Solution meets or exceeds the SOM security requirements as described.
1006.2	Application access must be loggable and have a viewable audit trail(s) near real time for the SOM to access.	X			Contractor's SOM Hub Solution provides capability to log application access and approved SOM users will have the ability to view audit trail(s).
1006.3	Changes to user permissions must be loggable and have a viewable audit trail(s) near real time for the SOM to access.	X			Contractor's SOM Hub Solution provides logs, which detail the requested fields around user permission changes.
1006.4	Access to audit trail logs must be able to be restricted to approved administrators near real time for the SOM to access.	X			Contractor's SOM Hub Solution provides access to audit trails only to the approved SOM users.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1006.5	Application access and changes to application access must log near real time for the SOM to access, at least, the following information: • Date/time • Nature of operation • Name of changed; item • Name of who made the change • Before and after value of the changed item	X			Contractor's SOM Hub Solution provides logs, which detail the requested fields around application access changes.
1006.6	The following application change event(s) must be logged near real time for the SOM to access, at minimum: • Changes to individual permission level • Changes to role membership • Changes to role permissions • Changes to access to application functions	X			Contractor's SOM Hub Solution provides logs, which detail the requested fields around application access changes.
1006.7	The System Administrator must be able to control access to audit trail logs in near real time.	X			Contractor's SOM Hub Solution provides capability to approved SOM staff to access audit trail logs in near real time.
1006.8	Access to program libraries (e.g. base code) must be restricted and controlled.	X			Contractor's SOM Hub Solution restricts access to program libraries to approved users.
1006.9	Passwords and User ID's must be able to: • Protect sensitive data • Restrict access to only those authorized • Meet State/Agency Security Standards • Be encryptable	X			Contractor's SOM Hub Solution leverages user IDs (both for individuals and service accounts) and passwords to protect data, restrict access, meet SOM standards, and be encryptable.
1006.10	User authentication methods, based on risk and severity level, will include: User ID and Passwords • Biometrics • Directories • Smart cards • Single sign-on solutions • Tokens • PKI and Certificates • Voice recognition • Shared secrets • Access control lists and files • Unique business process	X			Contractor's SOM Hub Solution provides the capability to authenticate users user IDs and passwords, directories, tokens, PKI and certificates.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1006.11	Session State will be stored and maintained in an encrypted manner.	X			Contractor's SOM Hub Solution stores and maintains Session State in and encrypted manner.
1006.12	Session State will be stored and maintained in one or more of the following manners: • Cookie • URL String • Database	X			Contractor's SOM Hub Solution stores and maintains Session State in one or more of Cookie, URL String, and Database.
1006.13	A software solution will be accessible (and administrable) through the SOM approved Virtual Private Network (VPN).	X			Contractor's SOM Hub Solution is accessible to authorized users through the SOM approved VPN.
1006.14	A solution will comply with all applicable application and data processing standards, including but not limited to: • FERPA • HITECH • FIPS • NIST • HIPAA • Sarbanes-Oxley • PCI-DSS • CJIS • IRS Pub.1075 Et.Seq. • Homeland Security	X			Contractor's SOM Hub Solution complies with applicable application and data processing standards.
1006.15	Application and database communication will use the following port(s) and protocol(s): Internet Assigned Number Authority (IANA) registered ports: • Oracle • Microsoft SQL Server • MySQL • Teradata • 80/443 • Others, as approved	X			Contractor's SOM Hub Solution uses one of the listed ports/protocol or others as approved.
1006.16	Client application must support encryption of data both at rest and in motion, in accordance with the data classification.	X			Contractor's SOM Hub Solution supports the encryption of data (both at rest and in motion), according to the specific needs of that databased on its classification.
1006.17	Applications and systems must adhere to SOM Policy 1350.10 regarding Access to Networks, Systems, Computers, Databases, and Applications: http://www.michigan.gov/documents/dmb/1350.10_184594_7.pdf.	X			Contractor's SOM Hub Solution adheres to State Of Michigan policies as listed.
1006.18	Applications and systems must adhere to SOM Policy 1350.20 regarding Access to Protected Data Resources: http://www.michigan.gov/documents/dmb/1350.20_184600_7.pdf.	X			Contractor's SOM Hub Solution adheres to State of Michigan policies as listed.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1006.19	End-user software applications, or components thereof, must not require privileged, super-user or administrator mode in order to function properly.	X			Contractor's SOM Hub Solution is accessible to all authorized end users and functions properly for all such end users, without requiring privileged, super-user or administrator mode.

1007 – Network Security

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1007.1	Client applications must adhere to SOM Policy 1340.00 regarding "Information Security": http://www.michigan.gov/documents/dmb/1340_193162_7.pdf.	X			Contractor understands that Confidentiality, Integrity and Availability are of utmost importance to the State and the proposed solution addresses these three components adequately. Our solution follows the best practices for Network Security, similar to the existing network security protocols that we have setup earlier in Michigan and several other States.
1007.2	Applications and systems must adhere to SOM Policy 1350.10 regarding "Access to Networks, Systems, Computers, Databases, and Applications": http://www.michigan.gov/documents/dmb/1350.10_184594_7.pdf.	X			SOM Hub Solution uses the appropriate and approved method of personal authentication which the State of Michigan requires as per SOM Policy 1350.10 for all IT resources. We will also provide authentication of authorized access at each access level identified in conformance with this procedure. We will follow the same processes as we have done earlier to facilitate network security, as per the State's requirements.
1007.3	Web interface or browser technology will use TCP/IP protocol through Ports 80 or 443.	X			Proposed SOM Hub Solution will be using TCP/IP protocol through Port 443 of HTTPS (Hypertext Transfer Protocol over SSL/TLS) thereby meeting the State's requirement.
1007.4	Applications and systems must conform with SOM Policy 1345.00 regarding "Network and Infrastructure": http://www.michigan.gov/documents/dmb/1345.00_282982_7.pdf.	X			Contractor understands that the Network and Infrastructure are intended for conducting State's business and helping the citizens of Michigan. Our proposed solution follows strict processes which will align with the SOM Policy 1345.00.
1007.5	Application communication between users and system components over the network will be loggable and the log file accessible to the system administrator near real time for the SOM to access.	X			The transactions across the proposed MAGI/CHIP Hub Service will be audited, across users and applications. These audit records will be stored separately and users who have approved authorization will be able to access these logs.
1007.6	Applications and systems must adhere to SOM Policy 1350.20 regarding "Access to Protected Data Resources": http://www.michigan.gov/documents/dmb/1350.20_184600_7.pdf.	X			Contractor understands the significance of creation, documentation and management of unique user identification, and related password, for access to State information technology resources over the entire user access life cycle and this has been included in the proposed solution.

1008 – Server Security

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1008.1	Application servers must be hardened prior to placing in production. The hardening process is handled by DTMB Infrastructure Services, in conjunction with Michigan Cyber Security (MCS).	X			The State's requirement of following hardening steps to address a variety of security vulnerabilities is understandable and we acknowledge that DTMB Infrastructure Services, conjunction with MCS will be handling the hardening process of the application servers.
1008.2	End-user software applications, or components thereof, must not require privileged, super-user or administrator mode in order to function properly.	X			The end user application for the proposed solution cannot be accessed by citizens and would not require any additional credentials.
1008.3	Servers must have the most recent security patches applied to them and be configured in the least privileged mode prior to placing in production in a non-trusted environment.	X			Contractor has proposed the latest versions of the servers which will be configured and tested as per the State's requirements.
1008.4	All server-based agents, bots and monitoring components must be listed along with a description of their function, required permission level and resource usage.	X			We will provide the list of all the server-based components with the details the State has requested.
1008.5	Applications and systems must adhere to SOM Policy 1350.10 regarding "Access to Networks, Systems, Computers, Databases, and Applications": http://www.michigan.gov/documents/dmb/1350.10_184594_7.pdf.	X			SOM Hub Solution uses the appropriate and approved method of personal authentication which the State of Michigan requires as per SOM Policy 1350.10 for server security. We will also provide authentication of authorized access at each access level identified in conformance with this procedure. We will follow the same processes as we have done on other SOM projects to facilitate server security, as per the State's requirements.
1008.6	Applications and systems must adhere to SOM Policy 1350.20 regarding "Access to Protected Data Resources": http://www.michigan.gov/documents/dmb/1350.20_184600_7.pdf.	X			Contractor understands the significance of creation, documentation and management of unique user identification, and related password, for access to State's information technology resources including the servers over the entire user access life cycle and this has been included in the proposed solution.

1009 – Infrastructure

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1009.1	Application server software components will operate the same, without regard to the hosting platform or OS. They should expose the same functionality and API's regardless of OS.	X			Contractor's SOM Hub Solution, relies on IBM WebSphere for an application server providing a robust, industry standard application server, running on and functions the same on many Operation Systems.
1009.2	Application server software component updates will occur at the same time without regard to the hosting platform or OS, unless an exception is granted.	X			Many vendors treat future release plans as confidential information, so we have not included the future release information in the table. We will work with the Agency to confirm the right release level for production go-live.
1009.3	The application tier will be certified for use with the VMWare x86 based virtualization platform.	X			Contractor's SOM Hub Solution is built upon a robust combination of COTS products These components are certified for use on a VMWare x86 based virtualization platform.
1009.4	Systems running on the application server will support horizontal scaling.	X			Contractor's SOM Hub Solution supports horizontal scaling via the addition of additional servers to the server clusters.
1009.5	Systems running on the application server will support vertical scaling.	X			Contractor's SOM Hub Solution supports vertical scaling via the addition of resource to the existing servers. With the SOM VCOE infrastructure, this type of scaling can be completed by simply adding more VCPUs or VRAM.
1009.6	Any job scheduling functions should be able to integrate with the following job scheduling agents: • Tidal 3.0, 5.x, 6.x (standard) • OpCon XPS 3.31.x, 4.x (standard) • BL/Sched 5.x (standard) • GECS 3.6, 4.0 (standard) • HAPS 1.7 (standard) • CA Auto Sys 4.5.x, r11 (standard) • Zeke 5.3.x, 6.0 (standard) • UC4 5.0, 6.0, 8.0 (standard)	X			The job scheduling functions of Contractor's SOM Hub Solution supports industry standard job scheduling agents.
1009.7	End-user software applications, or components thereof, must not require privileged, super-user or administrator mode in order to function properly.	X			The end user application for the proposed solution cannot be accessed by citizens and would not require any additional credentials.
1009.8	The system must provide some form of remote connectivity which allows vendor acceptable bandwidth and access to facilitate remote diagnostics, monitoring and upgrading of the system. The form will be one that is acceptable to SOM and agreed to by SOM and the vendor.	X			Contractor's SOM Hub Solution includes the ability to remotely connect to the various system components, which can be used to for remote diagnostics, monitoring, and upgrades. We will work with you to determine a solution that is acceptable to both the SOM and Contractor.
1009.9	The application server must support the following Server Operating Systems (OS): • Linux Redhat Enterprise Server 5.x (standard) • Linux Suse Enterprise 10.x (standard)	X			Contractor's SOM Hub Solution application server is able to be hosted on the following OS's. Our proposal is to host the application server on Suse Linux.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
	• Microsoft Windows 2008 (standard);• UNIX HPUX 11i v3 (standard) • UNIX Sun Solaris 10.x (standard) • VMWare vSphere 5 (standard)				

1010 – Database Server

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1010.1	The database application software must support current multiple operating systems including Windows Server, Linux, and either Solaris or HP-UX per the State of Michigan EA Road map. Components of this architecture may run as appliance devices as required.	X			Contractor's SOM Hub Solution will use Oracle 11g, which supports the current SOM operation systems.
1010.2	The database tier will be certified for use with the VMWare x86 based virtualization platform.	X			The Contractor solution requires the creation of an Oracle instance in an existing Oracle database implementation.
1010.3	The application must use the following database management systems (DBMS) and version: • MSSQL Server 2005 (standard) • MySQL 5.0 & 5.1 (standard) • Oracle 11g (standard) • TeraData A28V2R6.2 (standard)	X			Contractor's SOM Hub Solution will use Oracle 11g for it is database management system.
1010.4	The database server will support horizontal scaling by partitioning of tables and clustering of server instances.	X			Contractor's SOM Hub Solution database supports horizontal scaling by partitioning of tables and clustering of server instances.
1010.5	The database server must support log shipping to a separate log server. The State of Michigan should have near real time access to all log files.	X			Contractor's SOM Hub Solution database supports log shipping to a separate log server, providing near real time access.
1010.6	The database server will support replication and mirroring across multiple servers.	X			Contractor's SOM Hub Solution database supports replication and mirroring across multiple servers.
1010.7	The database server shall support flashback capabilities for database, table, etc. for rapid recovery.	X			Contractor's SOM Hub Solution database supports flashback capabilities for database, table, etc. for rapid recovery.
1010.8	The database server must support vertical scaling by the addition of additional CPUs, CPU Cores, and RAM memory.	X			Contractor's SOM Hub Solution database supports vertical scaling by addition of additional CPUs, CPU Cores, and RAM memory.
1010.9	The database server will support data compression.	X			Contractor's SOM Hub Solution database supports data compression.
1010.10	The database server shall support table and index partitioning across multiple server instances.	X			Contractor's SOM Hub Solution database supports table and index partitioning across multiple server instances.
1010.11	The database server shall support parallel indexing operations.	X			Contractor's SOM Hub Solution database supports parallel indexing operations.
1010.12	The database server will support manual tuning and configuration.	X			Contractor's SOM Hub Solution database supports manual tuning and configuration.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1010.13	The database server will support automatic tuning and configuration.	X			Contractor's SOM Hub Solution database supports automatic tuning and configuration.
1010.14	The database tier must support a shared connection with connection pooling.	X			Contractor's SOM Hub Solution database supports a shared connection with connection pooling.
1010.15	The database will support single-record recovery processes.	X			Contractor's SOM Hub Solution database supports single-record recovery processes.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1010.16	The database must support transactions and support transaction rollback.	X			Contractor's SOM Hub Solution database supports transactions and support transaction rollback.
1010.17	The database must support encryption at the database table/column level.	X			Contractor's SOM Hub Solution database supports encryption at the database table/column level.
1010.18	The database must restrict access to data through the use of views, queries, roles and groups.	X			Contractor's SOM Hub Solution database supports restricting access to data through the use of views, queries, roles and groups.
1010.19	The database will provide data archival functionality.	X			Contractor's SOM Hub Solution database supports data archival.
1010.20	The database will support assured record destruction by secure and permanent record deletion.	X			Contractor's SOM Hub Solution database supports assured record destruction by secure and permanent record deletion.
1010.21	The database must be able to operate in an n-Tier server architecture.	X			Contractor's SOM Hub Solution database is able to operate in an n-Tier server architecture.
1010.22	The database structure will be extensible, allowing the addition of new tables, new columns and new objects.	X			Contractor's SOM Hub Solution database supports and allows the addition of new tables, new columns and new objects.
1010.23	The database must support pessimistic and optimistic record-locking strategies.	X			Contractor's SOM Hub Solution database supports pessimistic and optimistic record-locking strategies.
1010.24	The database will support table and row level locking during read/write operations.	X			Contractor's SOM Hub Solution database supports table and row level locking during read/write operations.
1010.25	The database server shall support heterogeneous cross-DBMS and distributed transactions.	X			Contractor's SOM Hub Solution database supports heterogeneous cross-DBMS and distributed transactions.
1010.26	The database transaction strategies must be configurable, allowing growth, shrinkage and backup-recovery.	X			Contractor's SOM Hub Solution database supports configurations , allowing growth, shrinkage and backup-recovery.
1010.27	The database will not require components that are not part of the default database licensing model for supporting any functionality.	X			Contractor's SOM Hub Solution uses an Oracle database, which will follow the existing SOM licensing practices.
1010.28	The database will allow full text indexing and search.	X			Contractor's SOM Hub Solution database supports full text indexing and search.
1010.29	The database will provide support for spatial data.	X			Contractor's SOM Hub Solution database supports spatial data.
1010.30	The database will provide support for XML data.	X			Contractor's SOM Hub Solution database supports XML data.
1010.31	The database server must support the following application development frameworks: (see section 1004.3-Product Development).	X			Contractor's SOM Hub Solution database supports the listed frameworks.
1010.32	The database server must support auditing and logging for DML events (insert, update, delete). State of Michigan should have near real time access to all log files.	X			Contractor's SOM Hub Solution database supports auditing and logging for DML events (insert, update, delete), with the State having near real time access to log files.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1010.33	The database server must support auditing and logging for DCL events (grant, revoke, deny). State of Michigan should have near real time access to all log files.	X			Contractor's SOM Hub Solution database supports auditing and logging for DCL events (grant, revoke, deny), with the State having near real time access to log files.
1010.34	The reporting product technology must be compatible with n-Tier architecture (client-server & web).	X			Contractor's SOM Hub Solution reporting product, Web Intelligence, is compatible with n-tier architecture.
1010.35	The database must not require users to have elevated database privileges/accounts for normal operation.	X			Contractor's SOM Hub Solution database does not require users to have elevated privileges/accounts for normal operations.
1010.36	The database server will support licensing per CPU core.	X			Contractor's SOM Hub Solution database supports licensing per CPU core.
1010.37	The database server will support licensing per CPU socket.	X			Contractor's SOM Hub Solution database supports licensing per CPU socket.
1010.38	The database server will support licensing per seat.	X			Contractor's SOM Hub Solution database supports licensing per seat.
1010.39	Audit records must contain: date and time of the event, subject identity, type of event, how data changed, where the event occurred, and the outcome of the event.	X			Contractor's SOM Hub Solution database supports audit records that contain: date and time of the event, subject identity, type of event, how data changed, where the event occurred, and the outcome of the event.

1011 – Web Server

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1011.1	The Web server will support the following Operating Systems (OS): • (see requirement 1009.9)	X			Contractor's SOM Hub Solutions web server supports with the Operating Systems(OS) listed. Some additional fix packs may be needed to support some of the operating systems listed.
1011.2	The Web Server components will operate the same without regard to the hosting platform or OS.	X			Contractor's SOM Hub Solutions web server components are independent of the hosting platform.
1011.3	The Web Server component updates will occur at the same time without regard to the hosting platform or OS.	X			Contractor's SOM Hub Solutions web server components are independent of the hosting platform or OS.
1011.4	The web server for this application will be: MS IIS 2003, 2008 (standard) • Apache 2.2.x (standard) • IBM IHS 6.1, 7.0 (standard) • IBM WebSphere 6.1, 7.0 (standard) • Jboss 5.x (standard)	X			Contractor's SOM Hub Solutions web server is on the of the listed server components.
1011.5	The application will be capable of sharing a web server with multiple applications.	X			Contractor's MAGI/Hub web server is capable of sharing across multiple applications.
1011.6	The Web Server will support horizontal scaling.	X			Contractor's MAGI/Hub web server provides a robust and scalable runtime environment.
1011.7	The Web Server will support vertical scaling.	X			Contractor's MAGI/Hub web server provides a robust and scalable runtime environment.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1011.8	The application tier will be certified for use with the VMWare x86 based virtualization platform.	X			Contractor's SOM Hub Solution application tier is certified for use with VMWare x86 based virtualization platform.
1011.9	The application will support clustering and/or load balancing across several servers.	X			Contractor's SOM Hub Solution application supports clustering/load balancing across servers.
1011.10	The reporting product technology will be compatible with n-Tier architecture (client-server & web).	X			Contractor's SOM Hub Solution reporting product, Web Intelligence, is compatible with n-tier architecture.
1011.11	The application will support rendering through the following portal implementations: • IBM Web Content Management 6.x (standard) • IBM WebSphere Portal 6.x (standard)	X			Contractor's SOM Hub Solution supports rendering through the listed portals.

1012 – Solution Architecture

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1012.1	The application's minimum technology requirements, including Operating System (OS) versions, vendor versions, and release level of each product, will be provided.	X			Contractor will provide the minimum technology requirements, including the Operating System (OS) versions, vendor versions, and release level of each product.
1012.2	A detailed network/server diagram must be provided illustrating the relative architecture of the proposed system. It must include: • Network security zones and firewalls • Server types and network components (e.g., switches) • Ports and protocols used to cross security zones • How users will access the system • Clustering of servers	X			Contractor will provide a network/server diagram must be to illustrating the relative architecture of the proposed system.
1012.3	The solution/application must use the features and capabilities of the SOM enterprise data storage services for the following data storage needs: • Storage Area Network (SAN) • Network Attached Storage (NAS) • Content Addressable Storage (CAS)	X			Contractor's SOM Hub Solution will use the features and capabilities of the SOM enterprise data storage services.
1012.4	The solution/application must support installation and operation in one or more disparate hosting centers. Fail-over from one hosting center to another must be possible without exceeding parameters specified in the Service Level Agreement (SLA).	X			Contractor's SOM Hub Solution supports installation and operation in one or more disparate hosting centers. Fail-over between these centers is possible within the parameters of the mutually agreed upon SLA.
1012.5	A Service Level Agreement (SLA) must be in effect for the	X			Contractor will work with the State to define and implement the proper SLA, including

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
	solution/system specifying, at a minimum, the following: • Criticality Level (Critical, High, Medium) • Recovery Point Objective (time in hours) • Recovery Time Objective (time in hours)				Critically Level, RPO, and RTO, for the SOM Hub Solution.
1012.6	The solution/application will support distributed deployment of application components and database tier components (n-Tier architecture).	X			Contractor's SOM Hub Solution will support the distributed deployment of application and database tier components.
1012.7	The solution/application must have an approved Enterprise Architecture (EA) Solution Assessment, prior to production.	X			Contractor will with the State to submit, and receive approval for the EA Solution Assessment, prior to production implementation.
1012.8	Provide a technology roadmap for the proposed system showing a five (5) year plan for migrating to new software versions and when to de-implement dated versions as they reach end of life.	X			As Contractor's SOM Hub Solution is built upon COTS products, with a custom configured layer, the major enhancements will occur in the COTS products themselves. Many vendors treat future release plans as confidential information, so we have not included the future release information in the table. As new enhancements and releases are announced, we will work with the State to confirm the right time to upgrade products and integrate those enhancements into our solution.
1012.9	Provide conceptual and logical application data-flow models.	X			Contractor's SOM Hub Solution includes a conceptual and logical data-flow models.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1012.10	Provide a logical network diagram that describes how the infrastructure components will meet the functional requirements.	X			Contractor's SOM Hub Solution includes a logical network diagram to link the infrastructure components to the functional requirements.
1012.11	Provide a technology roadmap for the proposed system showing a five (5) year plan for new software version releases, support window, and sun setting.	X			As Contractor's SOM Hub Solution is built upon COTS products, with a custom configured layer, the major enhancements will occur in the COTS products themselves. Many vendors treat future release plans as confidential information, so we have not included the future release information in the table. As new enhancements and releases are announced, we will work with the State to confirm the right time to upgrade products and integrate those enhancements into our solution.
1012.12	Provide a high-level architecture diagram, including logical and physical components.	X			Contractor's SOM Hub Solution includes a logical network diagram to link the infrastructure components to the functional requirements.
1012.13	Systems operating on an application server must interoperate with CA Unicenter monitoring agents.	X			Contractor's SOM Hub Solution application servers interoperate with the State's CA Unicenter monitoring agents.
1012.14	Systems operating on an application server must interoperate with Veritas Backup and Recovery agents.	X			Contractor's SOM Hub Solution application servers interoperate with the State's Veritas Backup and Recovery agents.
1012.15	The reporting product technology will be compatible with n-Tier architecture (client-server & web).	X			Contractor's SOM Hub Solution reporting product, Web Intelligence, is compatible with n-tier architecture.

1013 – Solution Integration

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1013.1	System integration will support the following method(s): • API • Web Services • SOAP • ODBC • JDBC • REST • Plug-Ins	X			Contractor's SOM Hub Solution supports the listed methods and standards for system integration.
1013.2	An Enterprise Application Integration (EAI) solution must be provided to the following services: • MQ Series (standard) • WebSphere (standard) • Message Broker (standard) • JMS	X			Contractor's SOM Hub Solution provides Enterprise Application Integration (EAI) via the usage of IBM WebSphere Message Broker.
1013.3	An Application Programming Interface (API) will be supplied and supported for the following technologies: • Java (standard)	X			Contractor's SOM Hub Solution is built upon a Java framework.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
	• .NET (standard)				
1013.4	Bidder must provide pre-defined connector(s) to the following industry standard data source(s): • Oracle • PeopleSoft • Microsoft • SAP • Active Directory • Standard LDAP • IBM Tivoli security products	X			Contractor's SOM Hub Solution supports connection to the listed industry standard data source(s).
1013.5	Provide a method to import data from proprietary sources.	X			Contractor's SOM Hub Solution supports the ability to import data from different sources. We will work with the State to define any specific requirements for each proprietary data source.
1013.51	System integration will support integration to DTMB services such as SQL server reporting services (SSRS) and SQL Server Integration Services (SSIS).	X			Contractor's SOM Hub Solution supports integration with many different services out of the box. These integration components allow for our SOM Hub Solution to connect to a wide variety services.
1013.6	Connectivity to the following relational database(s) must be provided and supported: • (see section 1011.5).	X			Contractor's SOM Hub Solution supports connection industry standard relational database(s).
1013.7	The solution must be able to import and export data to and from the following external source(s): • Current Standard versions of Microsoft Office.	X			Contractor's SOM Hub Solution supports data importing and exporting via Microsoft Office products.
1013.8	The ability to export data in the following output formats must be available: • EDI • HTML • XML • Text file • CSV • Delimited, configurable	X			Contractor's SOM Hub Solution supports data exporting via the listed formats.
1013.9	The reporting product technology must be compatible with n-Tier architecture (client-server & web).	X			Contractor's SOM Hub Solution's reporting product, SAP's Web Intelligence, is compatible with n-Tier architecture.

1014 – System Administration and Licensing

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1014.1	Software licensing will be inclusive for all packages included in the solution, unless explicitly listed and detailed.	X			Software which has been proposed as part of Contractor's SOM Hub Solution, includes all necessary packages for the solution. This is detailed in the cost tables of the cost proposal.
1014.2	Application/System documentation will provide access to FAQ and/or Support Information for frequent issues that administrative staff may	X			Contractor's SOM Hub Solution leverages multiple COTS products, from reputable vendors with prior SOM experience. Each of these vendors provides extensive libraries of

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
	encounter.				support for their products.
1014.3	Documentation will indicate recommended staffing requirements to administer and support the system.	X			Software which has been proposed as part of Contractor's SOM Hub Solution, often comes with vendor recommendations for staffing requirements.
1014.4	Documentation will provide backup/recovery information using the SOM Veritas solution, including information on hot/online backups.	X			Contractor's SOM Hub Solution supports various backup and recovery methods. We will work with the State to integrated these methods into the State's existing Veritas solution.
1014.5	A system maintenance window will be designed in the application which will allow the system to be taken off-line for updates, upgrades and maintenance.	X			Contractor will work with the State to define a standard maintenance window during which the system to be taken off-line for updates, upgrades and maintenance.
1014.6	Documentation describing how to take the system off-line for maintenance, updates and upgrades will be provided.	X			Contractor's SOM Hub Solution leverages multiple COTS products, from reputable vendors with prior SOM experience. Each of these vendors provides extensive libraries of support for their products.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1014.7	Documentation will describe the level of effort and anticipated downtime for product upgrade installation.	X			Software which has been proposed as part of Contractor's SOM Hub Solution, often comes with vendor recommendations for anticipated downtime and effort for product upgrades.
1014.8	Documentation will provide the anticipated frequency and requirements of patches (releases, break-fix, 0-day), minor, and major releases.	X			Contractor's SOM Hub Solution leverages multiple COTS products, from reputable vendors with prior SOM experience. Each of these vendors provides extensive libraries of support for their products, which includes patches and upgrades. Each vendor generally publishes and follows a standardized schedule for these patches and upgrades.
1014.9	Documentation will provide information on certification/compatibility with OS patches, Service Pack, and upgrade paths.	X			Contractor's SOM Hub Solution leverages multiple COTS products, from reputable vendors with prior SOM experience. Each of these vendors provides extensive libraries of support for their products, including compatibility with OS patches, Services Packs and upgrades.
1014.10	Documentation will address upgrade paths and procedures for each component/tier.	X			Contractor's SOM Hub Solution leverages multiple COTS products, from reputable vendors with prior SOM experience. Each of these vendors provides extensive libraries of support for their products, including upgrade paths.
1014.11	Provide a complete configuration and set-up documentation library.	X			Contractor's SOM Hub Solution leverages multiple COTS products, from reputable vendors with prior SOM experience. Each of these vendors provides extensive libraries of support for their products.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1014.12	System documentation will clearly describe any special requirements (such as middleware, Operating System (OS), hardware, etc.) that could affect the capabilities or performance of the system.	X			Software which has been proposed as part of Contractor's SOM Hub Solution, often comes with vendor recommendations for special requirements for each product.
1014.13	System documentation will clearly describe all critical factors in sizing or configuring the application (e.g., number of concurrent users, specific transaction volumes, number of products, number of layers in the product hierarchy, etc.).	X			Software which has been proposed as part of Contractor's SOM Hub Solution, often comes with vendor recommendations for anticipated downtime and effort for product upgrades.

1015 – System Performance

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1015.1	The application will provide performance-optimization capabilities.	X			Contractor's SOM Hub Solution provides the performance-optimization capabilities.
1015.2	The application will have the capability to handle large-volume batch processing via multi-threading.	X			Contractor's SOM Hub Solution has the capability to handle large-volume batch processing via multi-threading.
1015.3	The application will maintain optimum performance over both Wide Area Networks (WAN) and Local Area Networks (LAN).	X			Contractor's SOM Hub Solution maintains optimum performance over both Wide Area Networks (WAN) and Local Area Networks (LAN).
1015.4	The application will maintain optimum performance over Local Area Networks (LAN).	X			Contractor's SOM Hub Solution maintains optimum performance over Local Area Networks (LAN).
1015.5	System documentation will clearly describe all versions of the package that are deployed for different scaling situations.	X			Contractor's SOM Hub Solution system documentation describes recommended versions of the package that are deployed for different scaling situations.
1015.6	System documentation will clearly describe any special requirements (such as middleware, Operating System (OS), hardware, etc.) that could affect the capabilities or performance of the system.	X			Contractor's SOM Hub Solution system documentation describes any special requirements that could affect the capabilities or performance of the system.
1015.7	The application will integrate with the CA Unicenter for capacity and performance monitoring.	X			Contractor's SOM Hub Solution will integrate with CA Unicenter for capacity and performance monitoring.
1015.8	System documentation will clearly describe what support will be provided to the State for performance optimization activities.	X			Contractor's SOM Hub Solution system documentation describes what support will be provided to the State for performance optimization activities.
1015.9	System documentation will clearly describe the type of caching, if any, the system employs.	X			Contractor's SOM Hub Solution system documentation describes the type of caching, if any, the system employs.
1015.11	System documentation will clearly describe all activities that affect optimum performance such as service recycling, rebooting, or batch jobs and their frequency.	X			Contractor's SOM Hub Solution system documentation describes activities that affect optimum performance such as service recycling, rebooting, or batch jobs and their frequency.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1015.12	The system must meet performance benchmark times for: • Page refresh in under three seconds • Database query execution in under two seconds	X			Contractor's SOM Hub Solution meets your performance benchmark times for pages refreshes and database query execution times, based on your functional requirements.

1016 – Application Configuration Management (PCI-DSS)

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1016.1	All known security vulnerabilities must be addressed in accordance with industry-accepted system hardening standards. Industry-accepted standards include: • SysAdmin Audit Network Security (SANS) • National Institute of Standards Technology (NIST) • Center for Internet Security (CIS)	X			Contractor's SOM Hub Solution will follow the State's existing processes and industry standards for identifying and remedying security vulnerabilities.
1016.2	Only one primary function can be implemented per server (i.e. web, database, domain, etc.).	X			Each server, which we have proposed as part of our SOM Hub Solution has only one primary function.
1016.3	All unnecessary and unsecure services and protocols (those not directly needed to perform the device's specified function) are disabled.	X			Contractor's SOM Hub Solution has unnecessary services and protocols disabled.
1016.4	System security parameters must be configured to prevent misuse (see 1017.1for guidance).	X			Contractor's SOM Hub Solution comes preconfigured with a high level of security to prevent both accidental and intention misuse of the solution.
1016.5	All unnecessary functionality is removed, such as: • Scripts • Drivers • Features • Subsystems • File Systems • Unnecessary Web Servers	X			Contractor's SOM Hub Solution has unnecessary functionality removed.
1016.6	System changes are monitored and security impact analyses are performed to determine the effects of the changes.	X			Proposed changes to Contractor's SOM Hub Solution are reviewed and analyzed before being implemented. During this review process one of the factors which is addressed is security impacts.

1017 – Application Development Management (PCI-DSS)

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1017.1	Software applications must be developed in accordance with PCI DSS (for example, secure authentication and logging) and based on industry best practices. Information security must be incorporated throughout the Systems Development Life Cycle (SDLC). The State of Michigan will have near real time access to all log files.	X			Contractor's SOM Hub Solution is developed with security in mind. Contractor considers security though out the SDLC process.
1017.2	All security patches and system and software configuration changes must be tested before deployment, including but not limited to: • All input must be validated to prevent such things as cross-site scripting, injection flaws and malicious file execution • Proper error handling must be incorporated into the software • Data at rest must use secure cryptographic storage • Data in motion must use secure communications • Role-based access control (RBAC) must be used to control and audit user actions	X			Contractor will follow the same process, as we do for our other SOM projects. Patches, system configuration, and software configuration changes will be first implemented and tested in a development environment. Upon successful validation in development, the changes will be implemented and tested in a test environment. Finally upon successful validation in test the changes will be implemented and tested in production environment.
1017.3	There must be separate development, test and production environments.	X			Contractor's SOM Hub Solution will contain separate development, test, and production environments.
1017.4	There must be separation of duties between development, test and production environments.	X			A separation of duties will exist between the development, test, and production environments for the SOM Hub Solution.
1017.5	Production data are not used for testing or development purposes.	X			Contractor creates specific test data for use in development and testing environments.
1017.6	All test data and accounts must be removed before production systems become active.	X			Test data and accounts will be removed from the production environment of Contractor's SOM Hub Solution, before the system becomes active.
1017.7	All custom and developer accounts, user IDs, and passwords must be removed before applications become active or are released to agencies.	X			Custom and developer accounts, user IDs, and passwords will be removed from the production environment of Contractor's SOM Hub Solution, before the system becomes active.
1017.8	A code review must be performed of custom code prior to release to production or agencies, in order to identify any potential coding vulnerabilities.	X			A code review will be performed of custom code for Contractor's SOM Hub Solution prior to release to production
1017.9	All web applications (internal, external, and web administrative access to applications) must be developed based on secure coding guidelines such as the Open Web Application Security Project Guide. http://www.owasp.org	X			Contractor's SOM Hub Solution follows secure coding guidelines.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1017.10	Prevention of common coding vulnerabilities must be covered in software development processes, including: • Cross-side scripting (XSS) • Injection flaws, particularly SQL injection. (Also consider LDAP and Xpath injection flaws) • Malicious file execution • Unsecure direct object references • Cross-site request forgery (CSRF) • Information leakage and improper error handling • Broken authentication and session management • Unsecure cryptographic storage • Unsecure communications • Failure to restrict URL access	X			Contractor's SOM Hub Solution follows secure coding guidelines, and works with developers to provide them the knowledge and tools to prevent common coding vulnerabilities.

1018 – Application Password Management (PCI-DSS)

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1018.1	Only DTMB approved personnel may add, delete, or modify user IDs, credentials, and other identifier objects on systems containing PCI data.	X			Contractor understands that only DTMB approved personnel may add, delete, or modify user IDs, credentials, and other identifier objects on systems containing PCI data.
1018.2	A user's identity must be verified before performing a password reset.	X			Contractor's SOM Hub Solution requires that a user's identity must be verified before performing a password reset.
1018.3	First-time passwords must be set to a unique value for each user and each user must change this initial password immediately upon first use.	X			Contractor's SOM Hub Solution requires first-time passwords must be set to a unique value for each user and each user must change this initial password immediately upon first use.
1018.4	Access rights for any terminated user must be immediately revoked.	X			Contractor understands that access rights for any terminated user must be immediately revoked.
1018.5	Inactive user accounts must be removed or disabled at least every 90 days.	X			Contractor understands that inactive user accounts must be removed or disabled at least every 90 days.
1018.6	All accounts used by vendors for remote maintenance must be enabled only during the time period needed and remain disabled otherwise.	X			Contractor understands that all accounts used by vendors for remote maintenance must be enabled only during the time period needed and remain disabled otherwise.
1018.7	Password procedures and policies must be communicated to all users who have access to cardholder data.	X			Contractor understands that password procedures and policies must be communicated to all users who have access to cardholder data.
1018.8	Group, shared, or generic accounts and passwords are prohibited.	X			Contractor understands that group, shared, or generic accounts and passwords are prohibited.
1018.9	User passwords must follow the M1 standards or specific system requirements, whichever are more restrictive.	X			Contractor's SOM Hub Solution meets M1 standards for user passwords.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1018.10	All password lengths must follow the M1 standards or specific system requirements, whichever are more restrictive.	X			Contractor's SOM Hub Solution meets M1 standards for password length
1018.11	All passwords complexity must follow the M1 standards or specific system requirements, whichever are more restrictive.	X			Contractor's SOM Hub Solution meets M1 standards for password complexity.
1018.12	All password history must follow the M1 standards or specific system requirements, whichever are more restrictive.	X			Contractor's SOM Hub Solution meets M1 standards for password history.
1018.13	Password lock out rules must follow the M1 standards or specific system requirements, whichever are more restrictive.	X			Contractor's SOM Hub Solution meets M1 standards for password lock out rules.
1018.14	The user lockout duration must follow the M1 standards or specific system requirements, whichever are more restrictive.	X			Contractor's SOM Hub Solution meets M1 standards for user lock out duration.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1018.15	Idle/inactive Session locking must follow the M1 standards or specific system requirements, whichever are more restrictive.	X			Contractor's SOM Hub Solution meets M1 standards for idle/inactive.
1018.16	All access to any database containing cardholder data must be authenticated (this includes access by applications, administrators, and all other users).	X			Contractor understands that all access to any database containing cardholder data must be authenticated.
1018.17	A password cannot at any time be the same as a user ID.	X			Contractor understands that a password cannot at any time be the same as a user ID.

1019 – COTS Software

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1019.1	COTS (COTS) third-party libraries included within the application must be owned and be supportable by the State. Inclusion of any third-party code library or tool must be approved by the SOM Contract Manager or Project Manager.	X			COTS products which are proposed as part of our SOM Hub Solution will be owned and supportable by the State. For the Inclusion of any third-party code library or tool approval will be sought from the SOM Contract Manager or Project Manager.
1019.2	COTS software which handles credit card data or transactions must be certified to be Payment Card Industry - Data Security Standard (PCI-DSS) and PCI Payment Application - Data Security Standard (PA-DSS) compliant. Certification must be provided upon request.	X			All software and hardware placed by Contractor into the SOM enterprise will be PCI compliant. .
1019.3	COTS software must have maintenance and support available from the developer, vendor or an approved 3rd party.	X			COTS products which are proposed as part of this solution have maintenance and support available for the 3 year term of this contract.
1019.4	COTS software providers must make available for inspection the End User License Agreement (EULA) prior to purchase or contract signing.	X			Contractor's SOM Hub Solution uses COTS products from vendors that have a well-established presence in Michigan, such as IBM, Oracle, and SAP, whose products are already pre-approved by state.
1019.5	End User License Agreements (EULA) must be approved by DMB Purchasing or the DTMB Enterprise Project Management Office prior to purchase or contract signing.	X			Contractor's SOM Hub Solution uses COTS products from vendors that have a well-established presence in Michigan, such as IBM, Oracle, and SAP, whose products are already pre-approved by state.
1019.6	COTS software not already listed on the Enterprise Architecture Roadmaps must have an approved EA Solution Assessment completed prior to use or implementation.	X			Contractor's will complete an EA Solution Assessment to receive pre-approval from the state before using any additional COTS products.

1020 – Information Technology Network and Infrastructure

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1020.1	The information technology network and infrastructure must conform with SOM Policy 1345.00 regarding "Network and Infrastructure": SOM Technical Policies. http://inside.michigan.gov/dtmb/wr/psp/Pages/IT_TechnicalPolicies.aspx	X			Contractor's SOM Hub Solution conforms with SOM Policy 1345.00 regarding "Network and Infrastructure": SOM Technical Policies.
1020.2	The solution must contain values for projected capacity and special needs requirements covering all aspects of data transport & security across the information technology network and infrastructure.	X			Contractor's SOM Hub Solution contains values for projected capacity and special needs requirements covering all aspects of data transport & security across the information technology network and infrastructure, based on the content of this RFP.
1020.3	The solution must address projected capacity requirements for all aspects of the information technology network and infrastructure.	X			Contractor's SOM Hub Solution addresses projected capacity requirements for all aspects of the information technology network and infrastructure.
1020.4	The solution must conform with the SOM "DTMB Statewide Telecommunication Infrastructure Facility Standard": Telecom Infrastructure Facility Standard. http://inside.michigan.gov/dtmb/wr/psp/Pages/IT_TechnicalStandards.aspx	X			Contractor's SOM Hub Solution conforms to "DTMB Statewide Telecommunication Infrastructure Facility Standard": Telecom Infrastructure Facility Standard.
1020.5	The solution must conform with the SOM "DTMB Statewide management process for self-installed Managed Local Area Network (LAN) cabling": Managed LAN Cabling Standard. http://inside.michigan.gov/dtmb/wr/psp/Pages/IT_TechnicalStandards.aspx	X			Contractor's SOM Hub Solution conforms to "DTMB Statewide management process for self-installed Managed Local Area Network (LAN) cabling": Managed LAN Cabling Standard.

1021 – RESERVED

1022 – Functional Requirements SOM Hub Solution

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1022.1	The vendor solution includes functionality to connect the Federal Data Hub with the State of Michigan using a NIEM XML schema and VeriSign authentication.	X			Contractor's proposed solution connects the SOM Hub Solution to the Federal Data Hub using the NIEM XML schema via IBM Message Broker and VeriSign authentication.
1022.2	The vendor solution includes an architecture that that communicates across all enterprise zoning within the State of Michigan Enterprise.	X			Contractor is familiar with the SOM's enterprise zoning and our proposed Hub Solution infrastructure allows for communication across all the zones of the SOM enterprise. Contractor recognizes that each 'zone' has a specific purpose, and security protocols to support this purpose. Our SOM experience allows us to identify the appropriate zone for each of the servers in the SOM Hub Solution architecture.
1022.3	The proposed solution is able to handle both synchronous and asynchronous transactions.	X			Contractor's proposed solution is architected to accommodate both synchronous and asynchronous transactions using IBM Message Broker.
1022.4	The proposed solution must be able to connect (at a minimum) to: • Existing DCH systems internal and external to the SOM enterprise • Existing DHS systems • Existing and next generation administrative hearing systems (Case Load) • Existing document imaging system • Existing Master Person Index • Federal Data Hub including Federal trusted sources of data • Proposed eligibility determination service • Michigan Data Warehouse • 7 possible internal trusted data sources	X			Contractor understands that there are several systems that the SOM Hub Solution needs to communicate with. Our proposed SOM Hub solution is designed to communicate with the systems mentioned below via the enterprise service bus and can be extended to others in future: • Existing DCH systems internal and external to the SOM enterprise; (assumed to be MAXSTAR and Administrative Hearings) o Existing DHS systems; (assumed to be Bridges and MiBridges) • Existing and next generation administrative hearing systems (Case Load) • Existing document imaging system • Existing Master Person Index • Federal Data Hub including Federal trusted sources of data • Proposed eligibility determination service • Michigan Data Warehouse • 7 possible internal trusted data sources
1022.5	The proposed solution must have a capability to record transaction history to support audits of the transmission of requests and responses through the gateway.	X			Contractor's proposed solution includes IBM Message Broker which provides audit functionality and will store an audit record of requests and responses between the systems that interact with the SOM Hub Solution.

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1022.6	The proposed solution must have the capability to route the transmission of data and acknowledgements between the Federal data hub, the MAGI Medicaid/CHIP Eligibility Determination Service and the existing DHS and DCH systems.	X			Contractor's proposed solution utilizes IBM Message Broker which routes transmission of data and acknowledgements between the Federal Data Hub, the MAGI Medicaid/CHIP Eligibility Determination service, and existing DHS and DCH system (assumed to be Bridges, MiBridges, MAXSTAR, and Administrative Hearings).
1022.7	The vendor has had direct prime responsibility implementing an enterprise service bus of similar size and complexity in at least three other agencies of similar size and scope.	X			Contractor is currently the prime vendor responsible for implementing enterprise service bus technologies in 13 States to support ACA-related implements of the same scope and scale as the SOM Hub Solution.

1023 – Technical Requirements SOM Hub Solution

Req. No.	Requirement	Yes	Yes w/Mod	No	Contractor comments
1023.1	The proposed solution must provide a persistent queuing capability (encrypted at rest) to enable integrations between systems with differing characteristics, such as different availability or rates of throughput.	X			Contractor's SOM Hub Solution provides the capability to persist queues and enables integration between systems with differing characteristics, via IBM WebSphere Message Broker.
1023.2	The proposed solution must provide the capability to transform and enrich messages, based on the requirements of the intended destination service.	X			Contractor's SOM Hub Solution provides the capability to transform the message as required to interact with the destination service, via IBM WebSphere Message Broker.
1023.3	The proposed solution must enable the transmission of proper credentials for each message, based on the requirements of the intended destination service.	X			Contractor's SOM Hub Solution conforms with this requirement, via IBM WebSphere Message Broker.
1023.4	The proposed solution must provide the capability to split messages (one source, multi-destination) and merge messages (multi-source, one destination).	X			Contractor's SOM Hub Solution provides the capability to split and aggregate messages, via IBM WebSphere Message Broker.
1023.5	The proposed solution must provide the capability to scale horizontally and operate in a clustered, HA configuration, where one member of the cluster may be removed for maintenance and then reintegrated without causing a service interruption.	X			Contractor's SOM Hub Solution conforms with this requirement, and can be configured as a HA configuration.
1023.6	The vendor must propose a DR plan for the solution, addressing the “loss of the primary production datacenter” scenario.	X			Contractor will propose a DR plan, which includes the scenario to address the loss of the primary production data center.

Attachment B – Resume Template (Deleted/NA)

Attachment C – Enterprise Life Cycle Artifact

Establishment Review and Medicaid IT Review - IT Gate Review Artifact Mappings

This document is provided as an informational guide to the mapping of the documented artifacts which are required in support of the formal review stages of the Establishment Review Process and the Medicaid IT Process.

The Establishment Review Process and the Medicaid IT Review Process consists of formal reviews and less formal consults**.** Artifacts are submitted for both the reviews and consults in various stages of completeness. The column label 'Preliminary / Baseline / Update / Final' for the sections labeled **IT ELC Artifacts (Planning), IT ELC Artifacts (Design)**, **IT ELC Artifacts (Implementation)**, and **IT ELC Artifacts (O&M)**, identifies the artifact status for each review.

This document is subject to change and update as the overall process progresses and evolves. Notification will be provided as each update is available.

IT ELC Artifacts (Planning)			
ARTIFACT	**ARTIFACT DEFINITION**	**Provided to States / Required / Recommended Industry Best Practice; As Needed to Supplement PMP**	**Preliminary (P)/ Baseline (B)/ Update (U)/ Final (F)**
ConOps	Conceptual functions and stakeholder interactions. The high level concepts covered in the ConOps are: Scope Definition Current System, Goals Objectives and Rationale for new or significantly modified system Scenarios Analysis Proposed System Analysis of Proposed System	Required	F
Architectural Diagrams (Supplement to ConOps)	Framework to identify the conceptual integration of the underlying business functionality, data, and infrastructure of the intended solution	Required	F
Business Process Models (Supplement to ConOps)	Pictorial representation of Exchange business processes and information flows, including sequence of events. This item is deemed as Recommended instead of Core as CMS will be sharing completed BPM with States to jump start the BPM process.	Required	F
Technical Architecture Diagrams (Supplement to ConOps)	Description of network, data storage, security, middleware, and server architecture	Required	F

Project Management Plan	Overall plan for project execution, monitoring, and control. A high level approach overview of the following topics are contained in the PMP: Assumptions/Constraints/Risks Project Scope Overall Project Management Approach Communication Management Risk Management Configuration Management Change Management Development Approach Quality Management Independent Verification and Management Requirements Management Record Management Security Training Plan	Required	F
Acquisition Strategy (Supplement to PMP)	Plan for resource acquisition and associated task orders	Required	F
Project Schedule (Supplement to PMP)	Project plan or schedule with activities and timeline associated with standing up the solution set	Required	B
Risk Management Plan-including Risk Mitigation Strategy (Supplement to PMP)	Identification and potential mitigation of any uncertain events that may impact project objectives	Required	F
Risk Register	Identification and potential mitigation of any uncertain events / risks that may impact project objectives	Required	B
Communications Plan (Supplement to PMP)	The methods and activities needed to ensure timely and appropriate collection, generation, dissemination, storage, and ultimate disposition of project information among the project team and stakeholders.	Contractor to provide as requested in order to supplement the PMP	F
Communication Matrix	Defines the details of the prescribed communication items for the project that will be utilized during the life of the project or provide a reference to where this information resides.	Required	B
Quality Management Plan and IV&V Reporting (Supplement to PMP)	Necessary information required to effectively manage quality during the life cycle of the project including independent verification and validation reporting.	Contractor to provide as requested in order to supplement the PMO	F
Change Management Plan (Supplement to PMP)	Defines the approach, administrative procedures, roles and responsibilities for submitting, evaluating, coordinating, approving or disapproving business and technical changes to baseline items.	Contractor to provide as requested in order to supplement the PMO	B
Configuration Management Plan (Supplement to PMP)	Establishes the technical and administrative direction and surveillance for the management of configuration items (i.e., software, hardware, and documentation) associated with the project that are to be placed under configuration control.	Contractor to provide as requested in order to supplement the PMO	B

Staff Management Plan (Supplement to PMP)	The processes and procedures used to staff the project.	Contractor to provide as requested in order to supplement the PMO	B
Financial Management Plan (Supplement to PMP)	Document the financial measurement baseline for the project and define how it will be tracked, define reporting for the financial health of the project, and the invoicing requirements and timelines for the project.	Contractor to provide as requested in order to supplement the PMO	F
Financial Status Report (Supplement to PMP)	Report to depict investment consumption on a periodically.	Required	B
Performance Measurement Plan (Supplement to PMP)	Identify and prioritize the performance measurement goals and objectives and standards for project processes (e.g., product functionality, regulatory compliance, project deliverables, project management performance, documentation, testing, etc.), and describe how they will be satisfied.	Contractor to provide as requested in order to supplement the PMO	B
Performance Measures (Supplement to PMP)	Key performance indicators of significant accomplishments or events	Required	U
Training Plan (Supplement to PMP)	Description of training effort to use and support the system, including initial and subsequent remedial training for business users and system support personnel	Vendor to provide as requested in order to supplement the PMO	P
Release Plan (Supplement to PMP)	Descriptions of the system functionality that will be developed and implemented in each release, and the rationale for each release	Required	P
Alternatives Analysis	Potential alternatives for project solution design and implementation, and associated conditions when an alternative may be more viable	Required	F
Cost Allocation Plan / Methodology	Plan to allocate system costs appropriately between Exchanges, Medicaid, CHIP, and other programs.	Required	F
MITA State Self-Assessment / MITA Roadmap	Self-assessment against MITA framework. Conducted at AR and 12 months after MITA 3.0 is released.	Required	U
Privacy Impact Assessment	Determines if Personally Identifiable Information (PII) is contained within a system, what kind of PII, what is done with that information, and how that information is protected	Required	P
System Security Plan (contained within four separate documents) 1.ACA System Security Plan Workbook 2. CMS TRA Catalog of Minimum Security Controls for States Supp Draft v 0 2 09012011	The plan describes security controls within the system that will protect the confidentiality, integrity, and availability (CIA) of the system and its information	Required	F

3.ACA System Security Plan Procedures 4.ACA System Security Plan Template			
Information Security Risk Assessment	Identification of risks and possible mitigation associated with information security components and supporting infrastructure	Required	F
IRS Safeguards Procedures Report (SPR)	Describes how the state receives, processes and protects Federal Tax Information (FTI). A new SPR is required every 6 years or whenever significant changes occur.	Required	P
IT ELC Artifacts (Design)			
Project Schedule (Supplement to PMP)	Project plan or schedule with activities and timeline associated with standing up the solution set	Required	U
Risk Register	Identification and potential mitigation of any uncertain events / risks that may impact project objectives	Required	U
Communication Matrix	Defines the details of the prescribed communication items for the project that will be utilized during the life of the project or provide a reference to where this information resides.	Required	U
Change Management Plan (Supplement to PMP)	Defines the approach, administrative procedures, roles and responsibilities for submitting, evaluating, coordinating, approving or disapproving business and technical changes to baseline items.	Contractor to provide as requested in order to supplement the PMO	F
Configuration Management Plan (Supplement to PMP)	Establishes the technical and administrative direction and surveillance for the management of configuration items (i.e., software, hardware, and documentation) associated with the project that are to be placed under configuration control.	Contractor to provide as requested in order to supplement the PMO	F
Staff Management Plan (Supplement to PMP)	The processes and procedures used to staff the project.	Contractor to provide as requested in order to supplement the PMO	U
Financial Status Report (Supplement to PMP)	Report to depict investment consumption on a periodically.	Required	U
Performance Measurement Plan (Supplement to PMP)	Identify and prioritize the performance measurement goals and objectives and standards for project processes (e.g., product functionality, regulatory compliance, project deliverables, project management performance, documentation, testing, etc.), and describe how they will be satisfied.	Contractor to provide as requested in order to supplement the PMO	F
Performance Measures (Supplement to PMP)	Key performance indicators of significant accomplishments or events	Required	U

Training Plan (Supplement to PMP)	Description of training effort to use and support the system, including initial and subsequent remedial training for business users and system support personnel	Contractor to provide as requested in order to supplement the PMO	F
Release Plan (Supplement to PMP)	Descriptions of the system functionality that will be developed and implemented in each release, and the rationale for each release	Required	F
Privacy Impact Assessment	Determines if Personally Identifiable Information (PII) is contained within a system, what kind of PII, what is done with that information, and how that information is protected	Required	B
Business Requirements	Initial, traceable requirements for business and technical functionality to be delivered upon project completion	Required	F
Use Cases	A use case is a description of steps or actions between a user or “actor" and a software system which leads the user towards something useful. Can either complement or be derived in place of User Stories.	Required	F
User Stories	A user story is one or more sentences in the everyday or business language of the end user that captures what the user wants to achieve and are written by or for the customers of a software project. Can either complement or be derived in place of Use Cases.	Required	F
Business Rules	Business rules in human and machine readable format	Required	F
System Security Plan (contained within four separate documents) 1.ACA System Security Plan Workbook 2. CMS TRA Catalog of Minimum Security Controls for States Supp Draft v 0 2 09012011 3.ACA System Security Plan Procedures 4.ACA System Security Plan Template	The plan describes security controls within the system that will protect the confidentiality, integrity, and availability (CIA) of the system and its information	Required	B
Information Security Risk Assessment	Identification of risks and possible mitigation associated with information security components and supporting infrastructure	Required	B

Test Plan	Plan for testing activities, periods, test cases, mapping requirements to the specific tests, tracking and resolving issues, verification methods, test data needs, and version control	Required	B
System Design Document	Transformation of the requirements, user-oriented functional design, and data design into more technical specifications from which the system will be built	Required	F
Interface Control Document(s)	Description of the inputs and outputs of a single system/services, the interface between two systems/services, or the interface protocol between physical components	Required	F
Database Design Document	System context and the basic database design approach, including dependencies and interfaces with other databases and/or systems	Required	F
Logical Data Model (Supplement to Database Design Document)	Definition of common understanding of business data elements and inter-relations to form the basis for physical database design	Required	F
Physical Data Model (Supplement to Database Design Document)	Database entities/tables/views, attributes/columns/fields, and relationship between entities influenced by database performance, indexing, storage, and denormalization	Required	F
Data Management Plan	Strategy for managing data during and after project execution. Identifies data archiving/data retention plans	Required	F
Data Conversion Plan	Strategy, preparation, and specifications for converting data for system deployment to production and for use during execution	Required for Solutions Converting Data	F
Implementation Plan	Descriptions and procedures of how the Exchange solution will be installed, deployed, and transitioned into an operational system	Required	B
Contingency / Recovery Plan	Includes management policies and procedures to maintain or restore business and technical operations in the event of emergency, system failure, or disaster	Required	P
Manuals and Training Materials	Includes Training Materials, User manuals and O&M Manuals	Required	P
User Manuals (Supplement to Manuals and Training Materials)	Explanation of how to use the established product from a business function perspective	Required	P
O&M Manual (Supplement to Manuals and Training Materials)	Description of the business product operating in the production environment, and information necessary to effectively handle routine production processing, ongoing maintenance, performance monitoring, and identification of problems, issues, and/or change requirements	Required	P

Training Materials (Supplement to Manuals and Training Materials)	Documentation associated with the deployment and use of the Business Product, including instructor and student guides, audio-visual aids, and computer-based or other media	Required	P
Data Use/ Data Exchange/ Interconnection Security Agreements	Agreements between parties for the use of personal identifiable data, and to ensure secure data exchange Please note that this is a set of documents, not one all-encompassing document.	Required	P
Service Level Agreements (SLAs) / Memorandum of Understandings (MOUs)	SLAs and MOU agreements between parties who use or support the Exchange solution Please note that this is a set of documents, not one all-encompassing document.	Required	U
System of Record Notice	A System of Record is a group of any records under the control of a federal agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual. The federal government is required to inform the public of any collection of information about its citizens from which data are retrieved by a unique identifier	Recommended Industry Best Practice	P
IRS Safeguards Procedures Report (SPR)	Describes how the state receives, processes and protects Federal Tax Information (FTI). A new SPR is required every 6 years or whenever significant changes occur.	Required	U
IT ELC Artifacts (Implementation)			
Project Schedule (Supplement to PMP)	Project plan or schedule with activities and timeline associated with standing up the solution set	Required	U
Risk Management Plan- including Risk Mitigation Strategy (Supplement to PMP)	Identification and potential mitigation of any uncertain events that may impact project objectives	Required	
Risk Register	Identification and potential mitigation of any uncertain events / risks that may impact project objectives	Required	U
Communication Matrix	Defines the details of the prescribed communication items for the project that will be utilized during the life of the project or provide a reference to where this information resides.	Required	U
Staff Management Plan (Supplement to PMP)	The processes and procedures used to staff the project.	Required	U
Financial Status Report (Supplement to PMP)	Report to depict investment consumption on a periodically.	Required	F

Performance Measures (Supplement to PMP)	Key performance indicators of significant accomplishments or events	Required	F
Privacy Impact Assessment	Determines if Personally Identifiable Information (PII) is contained within a system, what kind of PII, what is done with that information, and how that information is protected	Required	F
System Security Plan (contained within four separate documents) 1.ACA System Security Plan Workbook 2. CMS TRA Catalog of Minimum Security Controls for States Supp Draft v 0 2 09012011 3.ACA System Security Plan Procedures 4.ACA System Security Plan Template	The plan describes security controls within the system that will protect the confidentiality, integrity, and availability (CIA) of the system and its information	Required	Approach only discussed in PMP
Information Security Risk Assessment	Identification of risks and possible mitigation associated with information security components and supporting infrastructure	Required	F
Test Plan	Plan for testing activities, periods, test cases, mapping requirements to the specific tests, tracking and resolving issues, verification methods, test data needs, and version control	Required	F
Implementation Plan	Descriptions and procedures of how the Exchange solution will be installed, deployed, and transitioned into an operational system	Required	F
Contingency / Recovery Plan	Includes management policies and procedures to maintain or restore business and technical operations in the event of emergency, system failure, or disaster	Required	F
Manuals and Training Materials	Includes Training Materials, User manuals and O&M Manuals	Required	F
User Manuals (Supplement to Manuals and Training Materials)	Explanation of how to use the established product from a business function perspective	Required	F
O&M Manual (Supplement to Manuals and Training Materials)	Description of the business product operating in the production environment, and information necessary to effectively handle routine production processing, ongoing maintenance, performance monitoring, and identification of problems, issues, and/or change requirements	Required	F

Training Materials (Supplement to Manuals and Training Materials)	Documentation associated with the deployment and use of the Business Product, including instructor and student guides, audio-visual aids, and computer-based or other media	Required	F
Data Use/ Data Exchange/ Interconnection Security Agreements	Agreements between parties for the use of personal identifiable data, and to ensure secure data exchange Please note that this is a set of documents, not one all-encompassing document.	Required	F
Test Reports	Test results obtained at the conclusion of test activities, including test performance and outcomes. Includes defect reports and system security test results	Required	F
Automated Code Review Results	Report with results from development code reviews that inspect for software security vulnerabilities	Required	F
Service Level Agreements (SLAs) / Memorandum of Understandings (MOUs)	SLAs and MOU agreements between parties who use or support the Exchange solution Please note that this is a set of documents, not one all-encompassing document.	Required	F
Plan of Action and Milestones (POA&M)	Required of federally owned systems. The POA&M includes specific action steps for mitigating Exchange system security weaknesses identified by a security assessment	Required	F
Authority to Operate (ATO)	A system obtains its ATO by virtue of performing System Certification and System Accreditation. System Certification is the comprehensive evaluation of the management, operational, and technical security controls implemented for an information system to ensure compliance with information security requirements	Required	F
System of Record Notice	A System of Record is a group of any records under the control of a federal agency from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual. The federal government is required to inform the public of any collection of information about its citizens from which data are retrieved by a unique identifier	Required	F
IRS Safeguards Procedures Report (SPR)	Describes how the state receives, processes and protects Federal Tax Information (FTI). A new SPR is required every 6 years or whenever significant changes occur.	Required	F
Ongoing Operations and Maintenance			

Project Schedule (Supplement to PMP)	Project plan or schedule with activities and timeline associated with standing up the solution set	Required	U
Risk Register	Identification and potential mitigation of any uncertain events / risks that may impact project objectives	Required	U
Communication Matrix	Defines the details of the prescribed communication items for the project that will be utilized during the life of the project or provide a reference to where this information resides.	Required	U
Staff Management Plan (Supplement to PMP)	The processes and procedures used to staff the project.	Contractor to provide as requested in order to supplement the PMO	U
Annual Operational Readiness Report	Results from monitoring the performance of the system/application during normal operations against original user requirements and any newly implemented requirements or changes	Required	U
System Security Plan (contained within four separate documents) 1.ACA System Security Plan Workbook 2. CMS TRA Catalog of Minimum Security Controls for States Supp Draft v 0 2 09012011 3.ACA System Security Plan Procedures 4.ACA System Security Plan Template	The plan describes security controls within the system that will protect the confidentiality, integrity, and availability (CIA) of the system and its information	Required	Approach only discussed in PMP
IRS Safeguards Procedures Report (SPR)	Describes how the state receives, processes and protects Federal Tax Information (FTI). A new SPR is required every 6 years or whenever significant changes occur.	Required	F

Attachment D – Contract Pricing

SOM Data Hub

Table 1: Summary Cost Table for SOM Data Hub Solution

SOM Data Hub – Contractor Provided Summary Costs	**Cost ($)**	**Comments**
Hardware	n/a	
Software ***(Table 6)***	$1,693,961	• Cost includes initial cost and three years of total support for proposed software.
Work & Deliverable Costs ***(Table 2)***	$4,423,646	Cost includes the following: • Detail Business Requirements, Application Design, Application Development, Testing, Implementation, Training, Documentation and Knowledge Transfer/Transition
Operations ***(Table 3)***	$349,741	• Operation services will commence upon production deployment of HUB solution on October 1, 2013
Recurring Maintenance and Support Costs ***(Table 4)***	$1,264,788	• Maintenance and support services will commence upon completion of HUB solution warranty period. Support begins in January 2014 thru May 2016. The average monthly cost for maintenance and support services comes to $45,171 per month for 28 months of support.
Total Vendor Provided Solution Cost	**$7,732,136**	
Other Optional Costs ***(Table 5)***	$1,988,303.	• The cost estimation for other services is provided as a high level budgetary estimate as the scope and requirements are unknown at this time
Total Vendor Provided Solution Cost with Optional Costs	**$9,720,439**	

Table 2: Work and Deliverables Cost

No.	Cost Categories	Cost ($)
A.	Detail Business Requirements	$194,687
B.	IBM WMB Configured in Dev	100,000
C.	IBM WMB Configured in Staging and Prod	155,230
D.	Application Design	$758,750
E.	Application Development	$940,434
F.	Testing	$444,061
G.	Implementation	$1,122,700
H.	Training	$132,709
I.	Documentation	$442,365
L.	Knowledge Transfer/Transition	$132,710
	Total Cost for Sections Above	**$4,423,646**

If the Contractor has completed development and testing and if implementation date of 10/1/2013 is delayed due to other dependencies (e.g. Federal Hub readiness or delay due to MAGI service readiness), such Impacts due to the delay will be managed by the established change control process.

Table 3: Operation Services Cost

No.	Scope Clarification	Contractor's Response
1.	Describe when Operational Services will start	Operation services will commence upon production deployment of HUB solution on Oct. 1, 2013.
2.	Describe when the State may be liable for Operational Services charges	State is liable for operational services charges effective SOM HUB solution in production on Oct. 1, 2013
3.	Describe all other costs for Operational Services	$349,741 (monthly invoice will be submitted for $ 10,929 for 32 months beginning Oct 2013)

Table 4: Recurring Maintenance and Support Cost

No.	Scope Clarification	Contractor's Response
1.	Describe when Maintenance and Support will start	Maintenance and Support will commence upon completion of SOM HUB solution warranty period. Support begins in Jan 2014 thru May 2016.
2.	Describe when the State will be liable for Maintenance and Support charges.	State will be liable for maintenance and support charges upon completion of SOM HUB solution warranty period. Support charges begin in Jan 2014.
3.	Provide the Monthly Cost for Maintenance	$45,171 (The total cost for maintenance and support services comes to $1,264,788 for 28 months of support. Contractor will submit invoice monthly starting Jan 2014)
4.	Provide any additional support costs (if any)	$0

Table 5: Other Services

Roles	Not-to-Exceed Hourly Rate ($)
19. Project Management	$265
20. Technical Lead	$175
21. Business Analysts	$120
22. System Analysts	$120
23. Programmer/Developers	$100
24. System Administrators	$140
25. Database Administrators	$140
26. Q/A Manager	$140
27. Security Specialist	$120
28. Testers	$90
29. Technical Writers	$120
30. CM Specialists	$120
31. System Architects	$140
32. Network Engineer/Administrator	$140
33. Software Architects	$140
34. Project Assistants	$120
35. Web Developers	$120
36. Application Trainers	$140

This contract includes **$1,988,303** that is available for future enhancements as outlined in the Contract. This is not a commitment from the State for future Change Requests.

As outlined in Section 2.024, scope and price of potential Change Requests will be mutually agreed to by the State and Contractor, and the price of any such Change Requests will determined by the number of hours required by position and the associated position-specific rates.

Table 6: Solution Licensing Cost

No.	Scope Clarification	Contractor's Response
1.	Describe software and costs of software required as part of the proposed solution	The total solution licensing cost: $1,693,161
2.	Include the following for each software identified:	Please see Software solution licensing break down table
	a. Type of license (perpetual, subscription, etc.	Please see Software solution licensing break down table
	b. Number of licenses required	Please see Software solution licensing break down table
	c. Any additional charges to procure additional licenses to meet unspecified requirements	Please see Software solution licensing break down table

Software solution licensing break down:

Software	Environment	Number of Licenses	Type of License	Unit Cost	2 Years support Cost	Total
IBM WebSphere Message Broker	Development	140	PVU	$438	$25,628	$86,948

Software	Environment	Number of Licenses	Type of License	Unit Cost	2 Years support Cost	Total
IBM WebSphere Message Broker	Test	280	PVU	$438	$51,257	$173,897
IBM Data Power Security and Integration Virtual Appliance XI52	Test	280	PVU	$175	$19,600	$68,600
IBM WebSphere Message Broker	Production	560	PVU	$876	$196,112	$686,672
IBM Data Power Security and Integration Appliance XI52	Production	4	Appliance	$103,275	$129,000	$542,100
IBM Rational AppScan	Development	6	30 Day Rental	$2,500	$0	$15,000
HP Fortify	Test	1	Server	$67,830	$52,114	$119,944

The table above outlines the total Software cost for all product licenses, which are required for our solution. This includes the Software product, vendor, type of license, number of licenses required, initial cost, and the cost of two years of support.

Attachment E – Enterprise Architecture Solution Assessment (EASA) Worksheet

The Contractor will be required to work with the State to complete the EASO as part of the Contract.

Attachment F – Project Plan

The Contractor will provide their Project Plan as required in Section 1.300 of the Contract.