



**STATE OF MICHIGAN  
ENTERPRISE PROCUREMENT**

Department of Technology, Management, and Budget

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

**CONTRACT CHANGE NOTICE**

Change Notice Number **24**

to

Contract Number **071B4300137**

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
	300 South Washington Square
	East Lansing MI 48933
	Patrica McCabe
	303-898-1876
	patricia.mccabe@cgi.com
	CV0059354

<b>STATE</b>	<b>Program Manager</b>	Ruth Schwartz	DTMB
		(517) 284-7585	
		schwartzr1@michigan.gov	
<b>STATE</b>	<b>Contract Administrator</b>	Brandon Samuel	DTMB
		517-249-0439	
		samuelb@michigan.gov	

**CONTRACT SUMMARY**

ERP Hosting, Managed Services, Software License and Maintenance Agreement

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	100 - 12 Months	September 30, 2032
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45			
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$210,871,413.00	\$0.00	\$210,871,413.00		

## DESCRIPTION

Effective July 1, 2024, this Contract is hereby amended for the following:

1. State Contract Administrator has changed to Brandon Samuel.
2. Professional Consulting Services (Discretionary, Flex, SME, etc.) Flex Team allotment for Additional Services identified as available on the contract from FY23 (CN 14) to be made available to be used in Fiscal Years 25-32 in the amount of \$2,503,087. These are existing funds, no change to the overall contract value is necessary.

All other terms, conditions, specifications, and pricing remain the same per contractor and agency agreement, and DTMB Central Procurement Services approval.



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 320 S. WALNUT ST., LANSING, MICHIGAN 48933  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **23**  
 to  
 Contract Number **071B4300137**

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
	300 South Washington Square
	East Lansing, MI 48933
	Patrica McCabe
	303-898-1876
	patricia.mccabe@cgi.com
	CV0059354

<b>STATE</b>	<b>Program Manager</b>	Ruth Schwartz	DTMB
		(517) 284-7585	
	schwartzr1@michigan.gov		
	<b>Contract Administrator</b>	Shannon Romein	DTMB
(517) 898-8102			
romeins@michigan.gov			

**CONTRACT SUMMARY**

ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AN

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	100 - 1 Year	September 30, 2032

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

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

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
\$210,871,413.00	\$0.00	\$210,871,413.00

**DESCRIPTION**

Effective March 12, 2024, this Contract has been amended as follows:

1. The following amendment is hereby incorporated into the Contract to restate the SIGMA 4x Upgrade Payment Schedule. No additional funding is needed at this time; existing funds are adequate to support this change.

All other terms, conditions, specifications, and pricing remain the same per contractor and agency agreement, and DTMB Central Procurement Services approval.

# 1 Description

The following amendment is hereby incorporated into the Contract to make zero cost revisions to the SIGMA 4x Upgrade Payment Schedule.

# 2 Scope and Schedule of Work

There are no changes to scope or schedule of work for this Change Notice.

# 3 Milestone Payment Schedule

The table below provides a revised Milestone Payment Schedule. The **SIGMA 4x Upgrade Payment Schedule Table** is replaced in its entirety.

Updates have been made to:

- (1) split PM403 Milestone Report 3: Sprint Activities into two payment milestones, and
- (2) split U402 User Acceptance Test Assistance into two payment milestones.

The changed payment milestones are highlighted in yellow.

**SIGMA 4x Upgrade Payment Schedule Table:**

ID	Deliverable Payment / Milestone	Task	Task Name / Category	Milestone / Payment	Amount
TS401	TS401 TestSavvy Plan	Task 0	TestSavvy Automated Testing	MOPMT-1	185,146
TS402	TS402 TestSavvy Scripted, Tested and Approved Test Cases	Task 0	TestSavvy Automated Testing	MOPMT-2	305,491
TS402	TS402 TestSavvy Scripted, Tested and Approved Test Cases - Addendum	Task 0	TestSavvy Automated Testing	MOPMT-2	203,660
TS403	TS403 TestSavvy Training	Task 0	TestSavvy Automated Testing	MOPMT-3	231,432
PM400	Milestone Report 0: TestSavvy Automated Testing	Task 1	Project Management	M1PMT-0	163,364
P401	Project Management Plan and Resource Schedule	Task 1	Project Management	M1PMT-1	57,330
P402	Status Reporting Process	Task 1	Project Management	M1PMT-1	
P401	Project Schedule	Task 1	Project Management	M1PMT-1	
P403	Communications Plan	Task 1	Project Management	M1PMT-2	57,330
P404	Organizational Change Management Plan	Task 1	Project Management	M1PMT-2	
P405	Completed Software Familiarization Sessions	Task 1	Project Management	M1PMT-3	120,000
PM401	Milestone Report 1: Project Management	Task 1	Project Management	M1PMT-4	39,900
T401	Configuration Management Procedures, if determined necessary	Task 2	Technical Services	M2PMT-1	188,000

ID	Deliverable Payment / Milestone	Task	Task Name / Category	Milestone / Payment	Amount
T402	Environment Readiness Test Plan	Task 2	Technical Services	M2PMT-1	
T403	Updated Security Architecture and Design	Task 2	Technical Services	M2PMT-2	150,420
T404	Approved Security, Vulnerability and Penetration Plan	Task 2	Technical Services	M2PMT-9	150,420
T405	Completed and Approved Security, Vulnerability and Penetration Test	Task 2	Technical Services	M2PMT-10	200,560
T406	Performance Testing and Tuning Plan & Procedures	Task 2	Technical Services	M2PMT-3	150,420
T407	Completed and Approved Performance Testing and System Tuning	Task 2	Technical Services	M2PMT-11	350,980
T408	Production and Production QA Environment Specification	Task 2	Technical Services	M2PMT-4	250,700
T409	Non-Production (SH1, and SH2) Environment Specification	Task 2	Technical Services	M2PMT-12	250,700
T410B	Completed Production Environment (PRD) including environment readiness test results	Task 2	Technical Services	M2PMT-5	313,400
T410C	Completed User Acceptance Test Environment (MA1) including environment readiness test results	Task 2	Technical Services	M2PMT-6	313,400
T410D	Completed Training Environment (SH1) including environment readiness test results	Task 2	Technical Services	M2PMT-7	313,400
T410E	Completed Development Environment (SH2) including environment readiness test results	Task 2	Technical Services	M2PMT-8	313,400
PM402	Milestone Report 2: Technical Services	Task 1	Project Management	M1PMT-5	270,000
T411	Software Enhancement and Defect Assessment and Remediation	Task 3	Sprint Activities	M3PMT-1	157,980.60
T411	Software Enhancement and Defect Assessment and Remediation - Addendum	Task 3	Sprint Activities	M3PMT-1	105,320.40
T412	Interface Analysis and Confirmation Documentation and Remediation	Task 3	Sprint Activities	M3PMT-1	184,310.70
T412	Interface Analysis and Confirmation Documentation and Remediation - Addendum	Task 3	Sprint Activities	M3PMT-1	122,873.80
T413	Database Assessment and Remediation	Task 3	Sprint Activities	M3PMT-1	184,310.70
T413	Database Assessment and Remediation - Addendum	Task 3	Sprint Activities	M3PMT-1	92,155.80
T413	Database Assessment and Remediation - infoAdvantage	Task 3	Sprint Activities	M3PMT-1	30,718.00
PI401	Sprint Zero - Installation Test Plan and Results	Task 3	Sprint Activities	M3PMT-2	200,000
PI402A1	Program Increment 1 - Sprint 1 Documentation	Task 3	Sprint Activities	M3PMT-3	819,667
PI402A2	Program Increment 1 - Sprint 2 Documentation	Task 3	Sprint Activities	M3PMT-3	
PI402A3	Program Increment 1 - Sprint 3 Documentation	Task 3	Sprint Activities	M3PMT-3	
PI402A4	Program Increment 1 Documentation	Task 3	Sprint Activities	M3PMT-3	
PI402B1	Program Increment 2 - Sprint 1 Documentation	Task 3	Sprint Activities	M3PMT-4	819,667
PI402B2	Program Increment 2 - Sprint 2 Documentation	Task 3	Sprint Activities	M3PMT-4	
PI402B3	Program Increment 2 - Sprint 3 Documentation	Task 3	Sprint Activities	M3PMT-4	
PI402B4	Program Increment 2 - Sprint 4 Documentation	Task 3	Sprint Activities	M3PMT-4	
PI402B5	Program Increment 2 Documentation	Task 3	Sprint Activities	M3PMT-4	
PI402C1	Program Increment 3 - Sprint 1 Documentation	Task 3	Sprint Activities	M3PMT-5	737,699
PI402C2	Program Increment 3 - Sprint 2 Documentation	Task 3	Sprint Activities	M3PMT-5	
PI402C3	Program Increment 3 - Sprint 3 Documentation	Task 3	Sprint Activities	M3PMT-5	
PI402C4	Program Increment 3 - Sprint 4 Documentation	Task 3	Sprint Activities	M3PMT-5	
PI402C5	Program Increment 3 - Sprint 5 Documentation	Task 3	Sprint Activities	N/A	
PI402C6	Program Increment 3 - Sprint 6 Documentation	Task 3	Sprint Activities	N/A	

ID	Deliverable Payment / Milestone	Task	Task Name / Category	Milestone / Payment	Amount
PI402C7	Program Increment 3 Documentation	Task 3	Sprint Activities	M3PMT-5	
PI402C8	Program Increment 3 Documentation - Addendum	Task 3	Sprint Activities	M3PMT-7	81,967
CM401	Application Configuration Management Plan	Task 3	Sprint Activities	M3PMT-6	87,000
PM403	Milestone Report 3: Sprint Activities	Task 1	Project Management	M1PMT-6	420,300
PM403	Milestone Report 3: Sprint Activities - Addendum	Task 1	Project Management	M1PMT-6	46,700
T414	Data Migration Plan	Task 4	Data Migration	M4PMT-1	188,000
T415	Data Migration Program Designs	Task 4	Data Migration	M4PMT-1	
T416	Unit Tested Data Migration Programs	Task 4	Data Migration	M4PMT-1	
T417	Migrated Data in all non-production environments (SH1, SH2, MA1)	Task 4	Data Migration	M4PMT-2	313,400
T418	Migrated Data in Production Environment for User Acceptance Testing	Task 4	Data Migration	M4PMT-3	313,400
T419	Re-Migrated Data in Production Environment for Go-Live	Task 4	Data Migration	M4PMT-4	814,800
PM404	Milestone Report 4: Data Migration	Task 1	Project Management	M1PMT-7	150,000
T420	Disaster Recovery Test Plan	Task 5	Disaster Recovery Testing	M5PMT-1	290,000
T421	Disaster Recovery Test Results for the SIGMA 4x environment	Task 5	Disaster Recovery Testing	M5PMT-2	435,000
PM405	Milestone Report 5: Disaster Recovery Testing	Task 1	Project Management	M1PMT-8	75,000
U401	User Acceptance Test Plan and Scripting Assistance	Task 6	User Acceptance Testing	M6PMT-1	150,000
U402	User Acceptance Test Assistance	Task 6	User Acceptance Testing	M6PMT-2	900,000
U402	User Acceptance Test Assistance - Addendum	Task 6	User Acceptance Testing	M6PMT-2	100,000
U403	Integration Test Plan & Schedule	Task 6	User Acceptance Testing	M6PMT-3	240,000
U404	Integration Test Cases	Task 6	User Acceptance Testing	M6PMT-3	
U405	Integration Test Status Reporting	Task 6	User Acceptance Testing	M6PMT-3	
U403/U404/U405	Integration Test Plan & Schedule/Integration Test Cases/Integration Test Status Reporting-Addendum	Task 6	User Acceptance Testing	M6PMT-4	160,000
PM406	Milestone Report 6: User Acceptance Testing	Task 1	Project Management	M1PMT-9	233,150
DC401	Updated System Documentation	Task 7	Documentation	M7PMT-1	175,000
PM407	Milestone Report 7: Documentation	Task 1	Project Management	M1PMT-10	26,250
IM401	Implementation Cutover Plan including Implementation Cutover Checklist	Task 8	Implementation and Agency Change Management Assistance	M8PMT-1	116,250
IM402	Agency Implementation and Change Management Plans	Task 8	Implementation and Agency Change Management Assistance	M8PMT-1	
IM403	Completed and Approved Change Management Assistance	Task 8	Implementation and Agency Change Management Assistance	M8PMT-2	116,250
IM404	Production Job Schedule	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	244,875
IM405	Approved Batch jobs on Job Scheduler	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	244,875
IM406	Completed Production Turnover	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	326,500
IM407	Vendor/ Supplier/Customer/ Local Outreach Plan	Task 8	Implementation and Agency Change Management Assistance	M8PMT-4	46,500

ID	Deliverable Payment / Milestone	Task	Task Name / Category	Milestone / Payment	Amount
IM408	Local Entity and Vendor Outreach Assistance	Task 8	Implementation and Agency Change Management Assistance	M8PMT-4	69,750
PM408	Milestone Report 8: Implementation and Agency Change Management Assistance	Task 1	Project Management	M1PMT-11	168,750
PS401	Post Implementation Support	Task 9	Post Implementation Support	M9PMT-1	400,000
PS402	Decommission Plan for 3.11 environments	Task 9	Post Implementation Support	M9PMT-2	200,000
PS403	Written Confirmation of each Decommissioned Environment including SOM environments and PLT and PLP	Task 9	Post Implementation Support	M9PMT-3	200,000
PM409	Milestone Report 9:	Task 1	Project Management	M1PMT-12	133,750
	Post Implementation Support				
N/A	Additional 3 <sup>rd</sup> Party Software Licenses	N/A			570,000
					<b>16,071,623</b>



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**CONTRACT CHANGE NOTICE**

Change Notice Number **22**  
 to  
 Contract Number **071B4300137**

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
	300 South Washington Square
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	schwartzr1@michigan.gov		
	<b>Contract Administrator</b>	Shannon Romein	DTMB
(517) 898-8102			
romeins@michigan.gov			

**CONTRACT SUMMARY**

ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AN

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2032

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

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

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
\$210,871,413.00	\$0.00	\$210,871,413.00

**DESCRIPTION**

Effective September 8, 2023, this Contract has been amended as follows:

1. The following amendment is hereby incorporated into the Contract to restate the SIGMA 4x Upgrade Payment Schedule. No additional funding is needed at this time; existing funds are adequate to support this change.

All other terms, conditions, specifications, and pricing remain the same per contractor and agency agreement, and DTMB Central Procurement Services approval.

# 1 Description

The following amendment is hereby incorporated into the Contract to restate the SIGMA 4x Upgrade Payment Schedule.

# 2 Scope and Schedule of Work

There are no changes to scope or schedule of work for this Change Notice.

# 3 Milestone Payment Schedule

COMPENSATION AND PAYMENT The SIGMA 4x Upgrade Payment Schedule Table is replaced in its entirety.

**SIGMA 4x Upgrade Payment Schedule Table:**

ID	Deliverable Payment / Milestone	Task	Task Name / Category	Milestone / Payment	Amount
TS401	TS401 TestSavvy Plan	Task 0	TestSavvy Automated Testing	MOPMT-1	185,146
TS402	TS402 TestSavvy Scripted, Tested and Approved Test Cases	Task 0	TestSavvy Automated Testing	MOPMT-2	305,491
TS402	TS402 TestSavvy Scripted, Tested and Approved Test Cases - Addendum	Task 0	TestSavvy Automated Testing	MOPMT-2	203,660
TS403	TS403 TestSavvy Training	Task 0	TestSavvy Automated Testing	MOPMT-3	231,432
PM400	Milestone Report 0: TestSavvy Automated Testing	Task 1	Project Management	M1PMT-0	163,364
P401	Project Management Plan and Resource Schedule	Task 1	Project Management	M1PMT-1	57,330
P402	Status Reporting Process	Task 1	Project Management	M1PMT-1	
P401	Project Schedule	Task 1	Project Management	M1PMT-1	
P403	Communications Plan	Task 1	Project Management	M1PMT-2	57,330
P404	Organizational Change Management Plan	Task 1	Project Management	M1PMT-2	
P405	Completed Software Familiarization Sessions	Task 1	Project Management	M1PMT-3	120,000
PM401	Milestone Report 1: Project Management	Task 1	Project Management	M1PMT-4	39,900
T401	Configuration Management Procedures, if determined necessary	Task 2	Technical Services	M2PMT-1	188,000
T402	Environment Readiness Test Plan	Task 2	Technical Services	M2PMT-1	
T403	Updated Security Architecture and Design	Task 2	Technical Services	M2PMT-2	150,420
T404	Approved Security, Vulnerability and Penetration Plan	Task 2	Technical Services	M2PMT-9	150,420
T405	Completed and Approved Security, Vulnerability and Penetration Test	Task 2	Technical Services	M2PMT-10	200,560

T406	Performance Testing and Tuning Plan & Procedures	Task 2	Technical Services	M2PMT-3	150,420
T407	Completed and Approved Performance Testing and System Tuning	Task 2	Technical Services	M2PMT-11	350,980
T408	Production and Production QA Environment Specification	Task 2	Technical Services	M2PMT-4	250,700
T409	Non-Production (SH1, and SH2) Environment Specification	Task 2	Technical Services	M2PMT-12	250,700
T410B	Completed Production Environment (PRD) including environment readiness test results	Task 2	Technical Services	M2PMT-5	313,400
T410C	Completed User Acceptance Test Environment (MA1) including environment readiness test results	Task 2	Technical Services	M2PMT-6	313,400
T410D	Completed Training Environment (SH1) including environment readiness test results	Task 2	Technical Services	M2PMT-7	313,400
T410E	Completed Development Environment (SH2) including environment readiness test results	Task 2	Technical Services	M2PMT-8	313,400
PM402	Milestone Report 2: Technical Services	Task 1	Project Management	M1PMT-5	270,000
T411	Software Enhancement and Defect Assessment and Remediation	Task 3	Sprint Activities	M3PMT-1	157,980.60
T411	Software Enhancement and Defect Assessment and Remediation - Addendum	Task 3	Sprint Activities	M3PMT-1	105,320.40
T412	Interface Analysis and Confirmation Documentation and Remediation	Task 3	Sprint Activities	M3PMT-1	184,310.70
T412	Interface Analysis and Confirmation Documentation and Remediation - Addendum	Task 3	Sprint Activities	M3PMT-1	122,873.80
T413	Database Assessment and Remediation	Task 3	Sprint Activities	M3PMT-1	184,310.70
T413	Database Assessment and Remediation - Addendum	Task 3	Sprint Activities	M3PMT-1	92,155.80
T413	Database Assessment and Remediation - infoAdvantage	Task 3	Sprint Activities	M3PMT-1	30,718.00
PI401	Sprint Zero - Installation Test Plan and Results	Task 3	Sprint Activities	M3PMT-2	200,000
PI402A1	Program Increment 1 - Sprint 1 Documentation	Task 3	Sprint Activities	M3PMT-3	819,667
PI402A2	Program Increment 1 - Sprint 2 Documentation	Task 3	Sprint Activities	M3PMT-3	
PI402A3	Program Increment 1 - Sprint 3 Documentation	Task 3	Sprint Activities	M3PMT-3	
PI402A4	Program Increment 1 Documentation	Task 3	Sprint Activities	M3PMT-3	
PI402B1	Program Increment 2 - Sprint 1 Documentation	Task 3	Sprint Activities	M3PMT-4	819,667
PI402B2	Program Increment 2 - Sprint 2 Documentation	Task 3	Sprint Activities	M3PMT-4	
PI402B3	Program Increment 2 - Sprint 3 Documentation	Task 3	Sprint Activities	M3PMT-4	
PI402B4	Program Increment 2 - Sprint 4 Documentation	Task 3	Sprint Activities	M3PMT-4	
PI402B5	Program Increment 2 Documentation	Task 3	Sprint Activities	M3PMT-4	
PI402C1	Program Increment 3 - Sprint 1 Documentation	Task 3	Sprint Activities	M3PMT-5	737,699
PI402C2	Program Increment 3 - Sprint 2 Documentation	Task 3	Sprint Activities	M3PMT-7	
PI402C3	Program Increment 3 - Sprint 3 Documentation	Task 3	Sprint Activities	M3PMT-8	
PI402C4	Program Increment 3 - Sprint 4 Documentation	Task 3	Sprint Activities	M3PMT-9	
PI402C5	Program Increment 3 - Sprint 5 Documentation	Task 3	Sprint Activities	N/A	
PI402C6	Program Increment 3 - Sprint 6 Documentation	Task 3	Sprint Activities	N/A	
PI402C7	Program Increment 3 Documentation	Task 3	Sprint Activities	M3PMT-10	
PI402C8	Program Increment 3 Documentation - Addendum	Task 3	Sprint Activities	M3PMT-11	
CM401	Application Configuration Management Plan	Task 3	Sprint Activities	M3PMT-6	87,000
PM403	Milestone Report 3: Sprint Activities	Task 1	Project Management	M1PMT-6	467,000
T414	Data Migration Plan	Task 4	Data Migration	M4PMT-1	188,000

T415	Data Migration Program Designs	Task 4	Data Migration	M4PMT-1	
T416	Unit Tested Data Migration Programs	Task 4	Data Migration	M4PMT-1	
T417	Migrated Data in all non-production environments (SH1, SH2, MA1)	Task 4	Data Migration	M4PMT-2	313,400
T418	Migrated Data in Production Environment for User Acceptance Testing	Task 4	Data Migration	M4PMT-3	313,400
T419	Re-Migrated Data in Production Environment for Go-Live	Task 4	Data Migration	M4PMT-4	814,800
PM404	Milestone Report 4: Data Migration	Task 1	Project Management	M1PMT-7	150,000
T420	Disaster Recovery Test Plan	Task 5	Disaster Recovery Testing	M5PMT-1	290,000
T421	Disaster Recovery Test Results for the SIGMA 4x environment	Task 5	Disaster Recovery Testing	M5PMT-2	435,000
PM405	Milestone Report 5: Disaster Recovery Testing	Task 1	Project Management	M1PMT-8	75,000
U401	User Acceptance Test Plan and Scripting Assistance	Task 6	User Acceptance Testing	M6PMT-1	150,000
U402	User Acceptance Test Assistance	Task 6	User Acceptance Testing	M6PMT-2	1,000,000
U403	Integration Test Plan & Schedule	Task 6	User Acceptance Testing	M6PMT-3	240,000
U404	Integration Test Cases	Task 6	User Acceptance Testing	M6PMT-3	
U405	Integration Test Status Reporting	Task 6	User Acceptance Testing	M6PMT-3	
U403/U404/U405	Integration Test Plan & Schedule/Integration Test Cases/Integration Test Status Reporting-Addendum	Task 6	User Acceptance Testing	M6PMT-4	160,000
PM406	Milestone Report 6: User Acceptance Testing	Task 1	Project Management	M1PMT-9	233,150
DC401	Updated System Documentation	Task 7	Documentation	M7PMT-1	175,000
PM407	Milestone Report 7: Documentation	Task 1	Project Management	M1PMT-10	26,250
IM401	Implementation Cutover Plan including Implementation Cutover Checklist	Task 8	Implementation and Agency Change Management Assistance	M8PMT-1	116,250
IM402	Agency Implementation and Change Management Plans	Task 8	Implementation and Agency Change Management Assistance	M8PMT-1	
IM403	Completed and Approved Change Management Assistance	Task 8	Implementation and Agency Change Management Assistance	M8PMT-2	116,250
IM404	Production Job Schedule	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	244,875
IM405	Approved Batch jobs on Job Scheduler	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	244,875
IM406	Completed Production Turnover	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	326,500

IM407	Vendor/ Supplier/Customer/ Local Outreach Plan	Task 8	Implementation and Agency Change Management Assistance	M8PMT-4	46,500
IM408	Local Entity and Vendor Outreach Assistance	Task 8	Implementation and Agency Change Management Assistance	M8PMT-4	69,750
PM408	Milestone Report 8: Implementation and Agency Change Management Assistance	Task 1	Project Management	M1PMT-11	168,750
PS401	Post Implementation Support	Task 9	Post Implementation Support	M9PMT-1	400,000
PS402	Decommission Plan for 3.11 environments	Task 9	Post Implementation Support	M9PMT-2	200,000
PS403	Written Confirmation of each Decommissioned Environment including SOM environments and PLT and PLP	Task 9	Post Implementation Support	M9PMT-3	200,000
PM409	Milestone Report 9: Post Implementation Support	Task 1	Project Management	M1PMT-12	133,750
N/A	Additional 3 <sup>rd</sup> Party Software Licenses	N/A			570,000
					<b>16,071,623</b>



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 Department of Technology, Management, and Budget  
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 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **21**  
 to  
 Contract Number **071B4300137**

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
	300 South Washington Square
	East Lansing, MI 48933
	Patrica McCabe
	303-898-1876
	patricia.mccabe@cgi.com
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**CONTRACT SUMMARY**

ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AN

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2032

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$207,802,333.00	\$3,069,080.00	\$210,871,413.00		

**DESCRIPTION**

Effective July 12, 2023, this Contract has been amended as follows:

- This Contract has been increased by \$3,069,080.00 per the attached SOW.
- The attached SOW is hereby incorporated into this Contract to add the Advantage Intelligence module including annual fees through 9/30/2032.
- The previous total ESTIMATED AGGREGATE CONTRACT VALUE was incorrect due to an error made on Change Notice 19. The error resulted in an undervaluation of \$361,700.00. The CURRENT VALUE has been corrected to \$207,802,333.00.

All other terms, conditions, specifications, and pricing remain the same per contractor and agency agreement, DTMB Central Procurement Services approval, and State Administrative Board approval on 7/11/2023.

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# 1 Scope of Work

CGI Advantage Intelligence consisting of the following modules will be included as part of this Change Notice:

- **Advantage Assistant:** Tailored on-screen guidance and video tutorials for your business processes, reducing training time, increasing employee adoptions and limiting help desk calls
- **Sofia:** Self-learning virtual assistant to assist your employees with collecting and analyzing data, processing transactions and interacting with your knowledge base
- **CGI EngageHub:** Design forms or pages without the need to code, providing increased flexibility to automate your business processes

1. Advantage Intelligence will implement containers specific to the State of Michigan within NIST boundaries along with existing Advantage application containers. The Advantage Intelligence databases are located in the StateRAMP boundaries. Advantage Intelligence metadata and configuration data are stored in the Advantage Intelligence databases. The Disaster Recovery (DR) environment for Advantage Intelligence and the Advantage Intelligence databases follow the same path to Philadelphia along with the Michigan Advantage DR environment. If the deployment model or location should change, CGI and the State will discuss the changes and, if required, execute a separate Change Notice that reflects the changes and addresses ongoing compliance with the State's security requirements.
2. Advantage Intelligence accesses State of Michigan Advantage data using the Advantage Connect APIs. Advantage Connect is an existing component of Advantage and its containers reside along with other Advantage application containers in the Michigan environment. All Advantage Intelligence access of Michigan Advantage data will maintain audit trails consistent with existing Michigan Advantage system requirements.
3. Conversation history is used by Sofia as an additional input to “learn” and refine the path of its interactions with the user. Sofia provides a configuration option that enables a conversation to be stored, which enhances this capability. If not enabled, conversations are not stored and will not be available to refine the path of Sofia’s interactions. Conversation details can be masked when stored, using a configuration option. This provides data protection since conversations are not stored as plain text. During implementation the State will decide what configuration option best meets the State requirements of data security and functionality.
4. A third-party vendor site (Vidyard) is used to host videos. Vidyard’s infrastructure is managed by Amazon Web Services (AWS) and customer videos are stored within AWS US regions. Vidyard adheres to industry-standard frameworks such as NIST and ISO 27001. Vidyard does quarterly penetration tests and is SOC Type-II compliant. Vidyard uses an Independent Service Auditor to perform a SOC 2 Type 2 audit in the Security, Availability and Confidentiality categories. Vidyard’s employees and contractors are also within the scope of this SOC2 Type 2 audit. The un-redacted SOC 2 Type 2 report can be provided, if required, on the execution of a Non-Disclosure Agreement. Each Advantage client is assigned a partitioned folder within Vidyard, that is used to store videos. Access to these partitioned folders are secured by a secure token. Advantage uses these tokens and Vidyard APIs to access the videos.
5. Advantage Intelligence components and Vidyard will comply with existing contract security and State data protections. CGI will work with the State of Michigan to put in a governance process by which Advantage Intelligence artifacts (Sofia bots, Assistant custom videos and Screen Guides, and EngageHub apps) available to the State will be approved by the State before deployment into Production. The process will include review and approval to avoid storing State Data outside of the NIST boundaries in the Michigan environment including in videos, FAQ/Knowledge Base documents, and other artifacts.

6. One (1) production and one (1) non-production environment instance of CGI Advantage Intelligence will be deployed.
7. The non-production environment instance of Advantage Intelligence will be integrated with MA1, SH1 and SH2 non-production environments used by State of Michigan. CGI Advantage Intelligence uses a “tenant-id” to distinguish multiple Advantage instances connecting to it, so one non-production Advantage Intelligence environment can be used for multiple non-production Advantage environments
8. A Disaster Recovery (DR) environment instance of CGI Advantage Intelligence will be provisioned for Production only.
9. No direct access to the CGI Advantage Intelligence databases will be provided to State of Michigan.
10. The scope of this Change Notice is limited to the deployment and integration of the CGI Advantage Intelligence to other Advantage 4 Applications with baseline functionality and any baseline bots, videos, Screen Guides and EngageHub artifacts, plus services to support implementation as may be described in this Change Notice. Advantage Intelligence will be enabled both for intra- and inter-net access.
11. The maintenance window for Advantage Intelligence is aligned to the StateRAMP environment which is different from the maintenance window for all other components. . All other Michigan maintenance will occur as set forth in other provisions of the contract, the monthly maintenance window for Advantage Intelligence only will occur on the second Saturday of the month, following completion of Michigan Advantage (SIGMA) Friday night processing, which occurs through Saturday 7:00am ET. Advantage Intelligence maintenance will start after that and complete by 7:00pm Sunday. Advantage Intelligence will be unavailable during this maintenance window weekend while other Michigan Advantage applications are available.
12. Quarterly maintenance windows for Advantage Intelligence will fall within the same window with other Michigan environments.
13. Monthly and quarterly maintenance windows for Advantage Intelligence will not follow abbreviated window as outlined for all other Michigan environments. In addition, it is not possible to opt out of monthly or quarterly maintenance windows as these are critical for operations and security remediations.

CGI will provide up to 2,000 hours of implementation services to support and assist with building and deploying custom bots, videos, Screen Guides or EngageHub artifacts. These services are available through the agreed upon 3 month post go-live period for the Advantage 4 upgrade. Additional implementation services may be obtained through a subsequent Change Notice, Supplemental Services, or Discretionary Hours.

Exhibit A: Advantage Intelligence – Data Storage

Advantage Intelligence Component	What is stored in the Intelligence	Other considerations
Sofia	<ul style="list-style-type: none"> <li>• Client-provided predefined questions and answers used by Sofia FAQ bots</li> <li>• Client-provided documentation/PDF files that Sofia knowledge bots display to the end-user</li> </ul>	<ul style="list-style-type: none"> <li>• Will be configured to not store conversation history</li> <li>• Conversations Data can be masked when stored</li> <li>• Client provided artifacts/data to be reviewed as part of governance and</li> </ul>

	<ul style="list-style-type: none"> <li>Client-provided script of dialog/conversation</li> <li>Dynamic bots access Advantage data – but that Advantage data is not stored within Sofia</li> <li>Sofia Metadata/configuration data</li> <li>System Logs– no user information.</li> </ul>	<p>DevSecOps to protect / restrict information/data where needed</p> <ul style="list-style-type: none"> <li>Access to Advantage using Advantage Connect API</li> <li>No direct access to Intelligence databases</li> </ul>
Assistant - Videos	<ul style="list-style-type: none"> <li>Metadata / configuration data related to videos (e.g. location/URLs, business roles)</li> <li>System logs – userid stored for audit (when video is updated/created)</li> <li>Access logs for analysis – number of times videos accessed, geolocation etc.</li> </ul>	<ul style="list-style-type: none"> <li>Videos streamed directly from Vidyard to user browser</li> <li>Videos should be reviewed as part of governance to protect/restrict information/data</li> <li>No direct access to Intelligence databases</li> </ul>
Assistant - Screen Guides	<ul style="list-style-type: none"> <li>Metadata / configuration data related to steps and screens/pages of a screen guide</li> <li>System logs – userid when screen guide created</li> </ul>	<ul style="list-style-type: none"> <li>Screen Guides should be reviewed as part of governance to protect/restrict</li> <li>No direct access to Intelligence databases</li> </ul>
EngageHub	<ul style="list-style-type: none"> <li>Metadata related to apps</li> <li>The state retains all rights to determine if and what State Data will be stored by EngageHub as well as ability to permanently remove any State Data from EngageHub as needed</li> <li>EngageHub Apps can access Advantage data, if designed to do so</li> <li>Audit data – userid, actions and timestamps</li> </ul>	<ul style="list-style-type: none"> <li>To ensure the security is in place a governance process will be inserted to review all artifacts before they are deployed to production.</li> <li>Governance process to restrict/protect information/data where needed.</li> <li>Access to Advantage using Advantage Connect API</li> <li>No direct access to Intelligence databases</li> </ul>

## 2 Schedule

CGI will deploy the non-production and production instances of Advantage Intelligence, for use with the MA1 instance of Advantage ERP and the Production instance of Advantage ERP respectively, as shown below.

Advantage Intelligence Instance	Integrated with Advantage ERP Solution	Deployed Date
Non-production	Integrated with MA1 environment of Advantage ERP Solution. Online configuration of Screen Guides will be available in this environment.	Within 30 calendar days of approved change notice
Production	Integrated with Production environment of Advantage ERP Solution	Within 45 calendar days of non-production instance deployment

Disaster Recovery	Integrated with Production environment of Advantage ERP Solution	Within 60 calendar days of non-production instance deployment
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### 3 Service Level Agreement

The following Service Level Agreements (SLA) will be applicable to the CGI Advantage suite of modules per the scope defined above. Other SLAs listed elsewhere in the contract will not apply to Advantage Intelligence.

SLAs are applicable as stated below in the Standards after initial go-live of Advantage Intelligence.

*Production On-Line Application Availability (for Advantage Intelligence only)*

This SLA will be added as a new Standard 3c.

Standard 3c – Production On-Line Application Availability (for Advantage Intelligence only)					
Application Public-Facing	Advantage Intelligence (Production)			Hours of Availability	Calculations for Advantage Intelligence Standard 3 apply here.
				23/7 excluding scheduled maintenance window and nightly Application restart	The monthly maintenance window for Advantage Intelligence will occur on the second Saturday of every month (PRD and NPD). This maintenance window is different from all other Michigan environments and therefore does not fall under previous maintenance window contractual language as this maintenance window will not be abbreviated.
					Advantage Intelligence availability will be calculated separate from other applications.
Sliding Scale Penalty Structure					Availability Calculation: $A = X - Y - Z / X - Y$ for the non-public facing components
Penalty	None	10%	25%	50%	Where: X = Minutes of planned availability per day multiplied by planned days of availability in the month Y = Minutes of planned outages for the month Z = Minutes of unplanned outages for the month • An outage of Advantage Intelligence application is considered and calculated as an outage.
Service Rate	>=99.5%	<99.5% but >= 99%	< 99% but >= 95%	<95%	

For example, a 1 hour outage of FIN results in Z = 60 minutes

Production Major Function Unavailability

Standard 2 will be modified as below to include EngageHub and Advantage Assistant.

Standard 2 – Production Major Function Unavailability

Sliding Scale Penalty Structure				
Penalty	None	10%	25%	50%
Service Rate	>=99.5%	<99.5% But >=99%	<99% But >=95%	<95%

As applicable only to Issues or Incidents that produce the inability to use major/key functionality for the core applications within the applicable defined Hours of Availability, as detailed in Standard 3, for the specific transaction in question.

For each of the transaction sets below, creating four (4) subtargets for this standard:

- If the Incident/Issue is a defect for purposes of this Agreement, it will be subject to Standard 2 and not subject to Standard 1; considered a Critical/Urgent Incident/Issue using standard Severity/Priority definitions and the Service Target Response and Resolution times in Standard 1; and held to the Resolution Service Rate to the left.
- If the Incident/Issue is NOT a defect for purposes of this Agreement, it will be measured in minutes the same as Standard 3.

**Transactions to be Tested for Major Function Unavailability Determination.**

**Unavailability for purposes of this Standard is any one or more, but not all, of the noted transactions for a module being inoperative/inaccessible.**

**FIN**

- PO, GAX, CR, and JV create/validate/submit
- Vendor, Commodity, Invoice, Receiving, Document Catalog Searches and Disbursement Query

**HRM:** Take timesheet from worklist and approve timesheet to final

**PB:**

- Execute a Budget Query
- View a Budget Request
- View a Project Definition
- Submit a Budget Request Form

**ESS**

- Create timesheet, enter data and submit for approval
- Create and submit travel expense document

	<p><b>MSS</b></p> <ul style="list-style-type: none"> <li>• Take timesheet from worklist and approve timesheet to next approval level</li> </ul> <p><b>VSS</b></p> <ul style="list-style-type: none"> <li>• Click on each of Address Contacts tab, Financial transaction tab then scheduled Payments, scheduled Checks/EFT and scheduled Invoices/Requests sub-tabs</li> <li>• Perform search for agreement</li> </ul> <p><b>infoADV</b></p> <ul style="list-style-type: none"> <li>• the reports identified in Section B.7 of this exhibit representing the reporting query benchmarks</li> </ul> <p><b>Advantage Intelligence</b></p> <ul style="list-style-type: none"> <li>• Access to Screen Guides and/or Videos within Advantage Assistant</li> <li>• Major functionality within EngageHub to be reviewed within 6 months of Production implementation. With mutual agreement between CGI and the State one area of major functionality will be defined and added to Standard 2.</li> </ul> <p>For example:</p> <ul style="list-style-type: none"> <li>• If a timesheet defect prevents users from processing timesheets either online or via batching, the Incident/Issue will be measured as a Critical/Urgent per Standard 1 calculations but will be measured against a &gt;99.5 rate versus the 94% in Standard 1.</li> <li>• If ABI stops polling, preventing workflow necessary for timesheet approvals to be processed, the unavailability of that function will be measured in minutes per Standard 3 calculations.</li> <li>• If both of the above are true, if either measure misses its respective Service Rate to the left, the Service Metric is missed.</li> </ul>
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Service Level credits for Advantage Intelligence will not exceed 14% of the annual service fees for Advantage Intelligence with an annual cap of \$75,000. The new cumulative amount of Service Credits will not exceed \$875,000 without Advantage Insight option exercised. The new cumulative amount of Service Credits will not exceed \$950,000 with Advantage Insight option exercised. This annual cap on assessed Service Credits will reset annually on January 1 each year as defined in the larger contract.

# 4 Sizing and User Limits

The following sizing and user limits are applicable to this Change Notice.

1. Across all the CGI Advantage Intelligence suite of Managed Applications, the maximum concurrent users supported will be 4,730 users for the first three (3) months following the initial go-live of CGI Advantage Intelligence. This is to account for higher usage in the initial months after go-live. After these three (3) months, the maximum concurrent users supported across all the CGI Advantage Intelligence suite of Managed Applications will be 2,500 users. Concurrent user count is a measure of number of users currently in a Sofia chat session, number of users using an EngageHub artifact, and any active connections to Advantage Assistant. Videos and screen guides metadata information is obtained with a short-lived connection to Advantage Assistant. That connection does not live on when a user is viewing a video or using a screen guide and is only considered part of the concurrent user count during the short-lived connection.
2. Custom videos and custom Screen Guides are created and maintained by State users.
3. A maximum total number of 250 custom videos will be supported. Base configuration includes support for 250 custom Screen Guides. Additional tiers of 250 Screen Guides each can be configured as needed at additional cost as provided in the pricing and payment schedule
4. Each video shall not exceed 20 GB in size.
5. A maximum of three (3) State of Michigan users will be provided access to upload videos. Videos in the supported formats (mp4, mov, mkv, webm) will need to be created offline. There is no limit imposed by Advantage on the number of users creating videos. Configured users of State of Michigan ERP solution will be able to access videos.
6. Screen Guides are created and managed using the Advantage application. Although there is no limit on the number of users that are allowed to create and manage Screen Guides, this functionality should be limited to a small set of users using Advantage security.
7. A maximum of 500 GB of disk space is provided for Knowledge Management artifacts that are accessed by Sofia.
8. A maximum of 500 GB of disk space is provided for EngageHub artifacts.

# 5 Pricing and Payment Schedules

## 5.1 Advantage Intelligence

Payments for Transition services to deploy Advantage Intelligence for the State of Michigan will be according to the following Milestone Table:

Payment Milestone	Amount
Deployment to include Milogin connectivity and verified shakedown of non-production instance of Advantage Intelligence. Online configuration of Screen Guides will be available in this environment.	\$ 30,000

Deployment production instance of Advantage Intelligence	\$20,000
Deployment of disaster recovery instance of Advantage Intelligence	\$20,000

Implementation services to support and assist with building and deploying custom bots, videos, Screen Guides or EngageHub artifacts will be provided at an hourly rate of \$155.00 per hour. These services will be invoiced monthly based upon approved written requests from the State of Michigan and supporting status reports.

The annual fees for Advantage Intelligence is listed below and is payable per the same terms as the annual fees for the Advantage ERP Solution including quarterly holdback.

Year	From-To	Advantage Intelligence Annual Fee
Year 8/FY22	10/1/2021 -9/30/2022	n/a
Year 9/FY23	10/1/2022 -9/30/2023	*The annual fee for 2023 is \$280,000 and will be pro-rated with a monthly rate of \$23,333. The pro-rated annual fee will be based on the number of months remaining in the fiscal year, starting with when the software is delivered to the agreed upon Non-Production environment, with confirmation of major functionality as defined in Standard 2, the availability of recording and playing of Screen Guides on modals, and the capability for online configuration of Screen Guides. The functionality of recording and playing of Screen Guides on modals will be available in the Non-Production environment by June 30, 2023.
Year 10/FY24	10/1/2023 -9/30/2024	\$288,400
Year 11/FY25	10/1/2024 -9/30/2025	\$288,400
Year 12/FY26	10/1/2025 -9/30/2026	\$297,052
Year 13/FY27	10/1/2026 -9/30/2027	\$297,052
Year 14/FY28	10/1/2027 -9/30/2028	\$305,964
Year 15/FY29	10/1/2028 -9/30/2029	\$305,964
Year 16/FY30	10/1/2029 -9/30/2030	\$305,964
Year 17/FY31	10/1/2030 -9/30/2031	\$315,142
Year 18/FY32	10/1/2031 -9/30/2032	\$315,142

The annual fees above include support for an initial tier of 250 custom Screen Guides. Each additional tier of 250 custom Screen Guides is priced at an additional annual fee of \$15,000. This fee includes any additional compute power, storage, configuration and maintenance of the additional Screen Guides.

Additional storage for Advantage Intelligence is priced at a monthly fee of \$225 (\$2,700 annually) for each 100 GB of space above the initial limit provided in the section Sizing and User Limits.



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 320 S. WALNUT ST., LANSING, MICHIGAN 48933  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **20**  
 to  
 Contract Number **071B4300137**

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
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<b>STATE</b>	<b>Program Manager</b>	Ruth Schwartz	DTMB
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<b>STATE</b>	<b>Contract Administrator</b>	schwartzr1@michigan.gov	
		Shannon Romein	DTMB
		(517) 898-8102	
		romeins@michigan.gov	

**CONTRACT SUMMARY**

ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AN

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2032

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$206,155,723.00	\$1,284,910.00	\$207,440,633.00		

**DESCRIPTION**

Effective April 12, 2023, this Contract has been amended as follows:

- This Contract has been increased by \$1,284,910.00 per the attached SOW.
- The attached SOW is hereby incorporated into this Contract to add an Operational Readiness Period to shakedown operational processes associated with the new Advantage 4 delivery model for distributing software updates. This will extend the Advantage 4 Upgrade schedule as well as refines the associated Milestone Payment Schedule

All other terms, conditions, specifications, and pricing remain the same per contractor and agency agreement, DTMB Central Procurement Services approval, and State Administrative Board approval on 4/11/2023.

# State of Michigan - Advantage 4 Upgrade Extension

The enclosed Change Notice proposal is submitted to address:

- (1) An extension to the Advantage 4 Upgrade schedule per the agreed upon baseline project plan.
- (2) Add an Operational Readiness Period to shakedown operational processes associated with the new Advantage 4 delivery model for distributing software updates.
- (3) Refine the associated Milestone Payment Schedule.

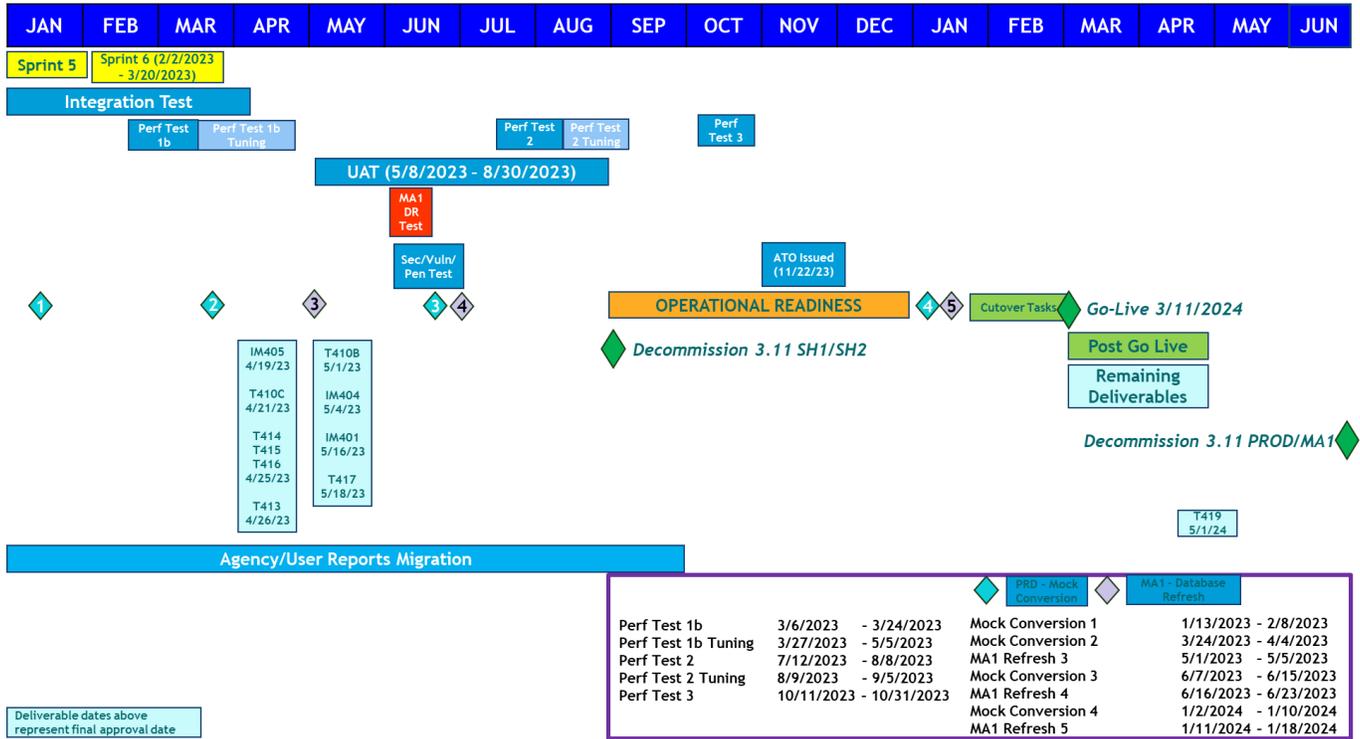
# 1 Scope of Work

This Change Notice is for CGI to provide account team services and continued infrastructure and operational support (managed services) for Advantage 3.11 during an Operational Readiness period prior to the cutover and start of Advantage 4 production operations. This Change Notice:

- (1) Extends the Advantage 4 Upgrade schedule per the agreed upon baseline project plan.
- (2) Adds an Operational Readiness Period to shakedown operational processes associated with the new Advantage 4 delivery model for distributing software updates.
- (3) Refines the associated Milestone Payment Schedule.

Exhibit 1 on the following page presents the revised schedule, including the Operational Readiness Period.

Exhibit 1 - SIGMA 4 Upgrade, Revised Timeline as of 3/24/2023



## 1.1 Account Team Services

Account Team Services to be provided during the Operational Readiness phase in addition to the scope of work already contemplated include:

1. Prioritized tailoring of additional User Acceptance Test (UAT) scenarios
2. Preparation and testing of End User Support Materials and Readiness (for example, Advantage Assistant)
3. Self Service user communications and familiarization
4. Dry run of agile operations and program increment process (testing and implementing feature sets and containers with severity level 1 and 2 fixes)
5. Residual upgrade Production Work Requests (PWR) items – Requests from Agencies or SIGMA Operations members to make a change in the Advantage application, either through an Enhancement Request (ER) or configuration change
6. Organizational Change Management
7. Regular online, daily/nightly, weekly, monthly cycle(s)
8. Additional activities as may be mutually agreed upon

These services will be provided by the team members identified in the table below, at the specified assignment and utilization levels.

ASSIGNMENT	MEMBER	% Assigned		
		Total	Readiness	Imp Services
Engagement Manager	William Hutchinson	25%	20%	5%
Project Manager	Rachelle Wilkins	70%	46%	25%
Organizational Change Management	Tanya Northman	50%	40%	10%
SME - TELL	Alex Dan	75%	60%	15%
SME - FIN-Inv/Assets-Debt/Treasury	Sanjay Rodrigues	50%	40%	10%
SME - Procurement/VSS	Kevin Klapp	50%	40%	10%
SME - Cost Acctg/Grants	James Rishell	50%	40%	10%
SME - PB	Holly DePaul	0%	0%	0%
SME - Advantage Configuration	Tim McDonnell	100%	80%	20%
Configuration Management / TestSavvy	Colleen Barton	100%	80%	20%
TestSavvy Maintenance	Klayton Kuban	100%	50%	50%
SME - Advantage Integration	Wael Amoudi	50%	40%	10%
SME - Advantage Integration	TBD - Technical Lead	50%	40%	10%
SME - General Support	TBD - Sr Analyst	100%	80%	20%

## 1.2 Infrastructure and Operations Support

CGI will continue to provide infrastructure support and managed services for Advantage 3.11 PROD and MA1 environments, per the existing contract.

Advantage 3.11 SH1 and SH2 environments shall be decommissioned at the start of the Operational Readiness period, at which time those environments will no longer be available for use by the State.

Advantage 4 environments (PROD, MA1, SH1 and SH2) shall be maintained and supported during the Operational Readiness period at no additional cost to the State. Support provided includes:

- Infrastructure and managed services required to support Operational Readiness activities
- Infrastructure and managed services required to execute regular online, daily/nightly, weekly, monthly cycles

Some activities may be requested that are not part of completing Advantage 4 upgrade activities or addressing associated issues and represent additional scope beyond what is currently provided in the Advantage 4 upgrade. These will be addressed as additional scope items that can be estimated and provided at a fixed price at the time of request. Such activities may include, but are not restricted to:

- Additional mock conversion executions
- Additional full cutover practice
- Additional data refreshes

DevOps Upgrade Support Services attributable to the Advantage 4 upgrade that are the responsibility of the CGI ACDCS Transition Team will be provided at no additional cost to the State. These activities include:

- Maintain DevOps Upgrade Services Environments

- Support for MI-specific configurations and MI-specific issues of software
- General Support

## 2 Schedule

The Operational Readiness period is anticipated to be a four-month Activity running from August 31, 2023 through December 28, 2023. The actual start and end dates will be dependent upon substantial completion of upgrade activities through User Acceptance Test (UAT) as agreed to between the State and CGI. The Operational Readiness period may be extended upon mutual agreement by the State and CGI.

Advantage 3.11 SH1 and SH2 environments will be decommissioned at the start of the Operational Readiness period and will not be available for use by the State from that date forward.

## 3 Service Level Agreement

There are no changes to the Service Level Agreement Standards as a result of this change notice.

# 4 Pricing and Payment Schedule

## 4.1 Operational Readiness

Implementation services to support the Operational Readiness period will be provided per the monthly rates in the table below. These rates are valid only for the Operational Readiness period.

Services will be invoiced monthly at the end of the month in which the services are provided. Monthly fees will be prorated based on the actual agreed upon start date for the Operational Readiness period. The pro-rated fee will be calculated based on business days. Should the Operational Readiness Period end before the last day of a month, the monthly fee will be prorated based on the actual agreed upon end date for the Operational Readiness period. The pro-rated fee will be calculated based on business days.

ROLE	MEMBER	Readiness Hrs per Mo	Hourly Rate (Modified Travel)	Monthly Rate
Engagement Manager	William Hutchinson**	32.0	\$ 305.00	\$ 9,760.00
Project Manager	Rachelle Wilkins**	72.8	\$ 245.00	\$ 17,836.00
Communications	Tanya Northman**	64.0	\$ -	\$ -
SME - TELL	Alex Dan**	96.0	\$ 230.00	\$ 22,080.00
SME - FIN-Inv/Assets-Debt/Treasury	Sanjay Rodrigues**	64.0	\$ 230.00	\$ 14,720.00
SME - Procurement/VSS	Kevin Klapp**	64.0	\$ 230.00	\$ 14,720.00
SME - Cost Acctg/Grants	James Rishell**	64.0	\$ 230.00	\$ 14,720.00
SME - PB	Holly DePaul**	-	\$ 230.00	\$ -
Senior BA - Advantage Configuration	Tim McDonnell	128.0	\$ 155.00	\$ 19,840.00
Senior BA - Configuration Management/Test Savvy	Colleen Barton	128.0	\$ 155.00	\$ 19,840.00
TestSavvy Maintenance	Klayton Kuban	80.0	\$ 155.00	\$ 12,400.00
Technical Project Manager	Wael Amoudi**	64.0	\$ 245.00	\$ 15,680.00
SME - Advantage Integration	TBD - Technical Lead**	64.0	\$ 180.00	\$ 11,520.00
SME - General Support	TBD - Sr Analyst**	128.0	\$ 230.00	\$ 29,440.00

\*\* Member is not local. Rate includes \$5.00 travel surcharge.

For purposes of the Operational Readiness Period, the State may use equivalent available Discretionary Hours dollars or Supplemental Services funding, to the extent that Discretionary Hours dollars are not available, to pay for these services. In the event that Discretionary Hours dollars or Supplemental Services funding is not available, the State will utilize alternate, approved funding sources to pay for these services.

The fees for supporting Advantage 3.11 environments during the Operational Readiness period are provided in the table below.

Environment	Price
MA1 Non-Production Environment	\$ 614,800
Production Environment	\$ 691,650
Production 3 <sup>rd</sup> Party costs	\$ 122,960
Total for environments	\$1,429,410
Discount	(\$ 144,500)
Total Managed Services Price	\$1,284,910

Advantage 3.11 hosting fees during the Operational Readiness period are to be paid in monthly installments per the table below.

Month	Payable	Fee
Month 1 – September 2023	10/1/2023	\$ 321,227.50 This fee will be prorated based on the actual agreed upon start date for the Operational Readiness period. The pro-rated fee will be calculated based on calendar days.
Month 2 – October 2023	11/1/2023	\$ 321,227.50
Month 3 – November 2023	12/1/2023	\$ 321,227.50
Month 4 – December 2023	1/1/2024	\$ 321,227.50
Additional Months	The first day of the following month.	In the event the Operational Readiness period is extended, additional months may be purchased at the monthly fee of \$321,227.50. Should the extension end before the last day of a month, this fee will be prorated based on the actual agreed upon end date for the Operational Readiness period. The pro-rated fee will be calculated based on calendar days.

## 4.2 Milestone Payment Schedule

The table below provides a revised Milestone Payment Schedule that aligns with the new schedule.

ID	Deliverable Payment / Milestone	Task	Task Name / Category	Milestone / Payment	Amount
TS401	TS401 TestSavvy Plan	Task 0	TestSavvy Automated Testing	M0PMT-1	185,146
TS402	TS402 TestSavvy Scripted, Tested and Approved Test Cases	Task 0	TestSavvy Automated Testing	M0PMT-2	509,151
TS403	TS403 TestSavvy Training	Task 0	TestSavvy Automated Testing	M0PMT-3	231,432
PM400	Milestone Report 0: TestSavvy Automated Testing	Task 1	Project Management	M1PMT-0	163,364
P401	Project Management Plan and Resource Schedule	Task 1	Project Management	M1PMT-1	57,330
P402	Status Reporting Process	Task 1	Project Management	M1PMT-1	
P401	Project Schedule	Task 1	Project Management	M1PMT-1	
P403	Communications Plan	Task 1	Project Management	M1PMT-2	57,330
P404	Organizational Change Management Plan	Task 1	Project Management	M1PMT-2	
P405	Completed Software Familiarization Sessions	Task 1	Project Management	M1PMT-3	120,000
PM401	Milestone Report 1: Project Management	Task 1	Project Management	M1PMT-4	39,900
T401	Configuration Management Procedures, if determined necessary	Task 2	Technical Services	M2PMT-1	188,000
T402	Environment Readiness Test Plan	Task 2	Technical Services	M2PMT-1	
T403	Updated Security Architecture and Design	Task 2	Technical Services	M2PMT-2	150,420
T404	Approved Security, Vulnerability and Penetration Plan	Task 2	Technical Services	M2PMT-9	150,420
T405	Completed and Approved Security, Vulnerability and Penetration Test	Task 2	Technical Services	M2PMT-10	200,560
T406	Performance Testing and Tuning Plan & Procedures	Task 2	Technical Services	M2PMT-3	150,420
T407	Completed and Approved Performance Testing and System Tuning	Task 2	Technical Services	M2PMT-11	350,980

ID	Deliverable Payment / Milestone	Task	Task Name / Category	Milestone / Payment	Amount
T408	Production and Production QA Environment Specification	Task 2	Technical Services	M2PMT-4	250,700
T409	Non-Production (SH1, and SH2) Environment Specification	Task 2	Technical Services	M2PMT-12	250,700
T410B	Completed Production Environment (PRD) including environment readiness test results	Task 2	Technical Services	M2PMT-5	313,400
T410C	Completed User Acceptance Test Environment (MA1) including environment readiness test results	Task 2	Technical Services	M2PMT-6	313,400
T410D	Completed Training Environment (SH1) including environment readiness test results	Task 2	Technical Services	M2PMT-7	313,400
T410E	Completed Development Environment (SH2) including environment readiness test results	Task 2	Technical Services	M2PMT-8	313,400
PM402	Milestone Report 2: Technical Services	Task 1	Project Management	M1PMT-5	270,000
T411	Software Enhancement and Defect Assessment and Remediation	Task 3	Sprint Activities	M3PMT-1	157,980.60
T411	Software Enhancement and Defect Assessment and Remediation - Addendum	Task 3	Sprint Activities	M3PMT-1	105,320.40
T412	Interface Analysis and Confirmation Documentation and Remediation	Task 3	Sprint Activities	M3PMT-1	184,310.70
T412	Interface Analysis and Confirmation Documentation and Remediation - Addendum	Task 3	Sprint Activities	M3PMT-1	122,873.80
T413	Database Assessment and Remediation	Task 3	Sprint Activities	M3PMT-1	184,310.70
T413	Database Assessment and Remediation - Addendum	Task 3	Sprint Activities	M3PMT-1	122,873.80
PI401	Sprint Zero - Installation Test Plan and Results	Task 3	Sprint Activities	M3PMT-2	200,000
PI402A1	Program Increment 1 - Sprint 1 Documentation	Task 3	Sprint Activities	M3PMT-3	819,667
PI402A2	Program Increment 1 - Sprint 2 Documentation	Task 3	Sprint Activities	M3PMT-3	
PI402A3	Program Increment 1 - Sprint 3 Documentation	Task 3	Sprint Activities	M3PMT-3	
PI402A4	Program Increment 1 Documentation	Task 3	Sprint Activities	M3PMT-3	

ID	Deliverable Payment / Milestone	Task	Task Name / Category	Milestone / Payment	Amount
PI402B1	Program Increment 2 - Sprint 1 Documentation	Task 3	Sprint Activities	M3PMT-4	819,667
PI402B2	Program Increment 2 - Sprint 2 Documentation	Task 3	Sprint Activities	M3PMT-4	
PI402B3	Program Increment 2 - Sprint 3 Documentation	Task 3	Sprint Activities	M3PMT-4	
PI402B4	Program Increment 2 - Sprint 4 Documentation	Task 3	Sprint Activities	M3PMT-4	
PI402B5	Program Increment 2 Documentation	Task 3	Sprint Activities	M3PMT-4	
PI402C1	Program Increment 3 - Sprint 1 Documentation	Task 3	Sprint Activities	M3PMT-5	819,666
PI402C2	Program Increment 3 - Sprint 2 Documentation	Task 3	Sprint Activities	M3PMT-7	
PI402C3	Program Increment 3 - Sprint 3 Documentation	Task 3	Sprint Activities	M3PMT-8	
PI402C4	Program Increment 3 - Sprint 4 Documentation	Task 3	Sprint Activities	M3PMT-9	
PI402C5	Program Increment 3 Documentation	Task 3	Sprint Activities	M3PMT-10	
CM401	Application Configuration Management Plan	Task 3	Sprint Activities	M3PMT-6	87,000
PM403	Milestone Report 3: Sprint Activities	Task 1	Project Management	M1PMT-6	467,000
T414	Data Migration Plan	Task 4	Data Migration	M4PMT-1	188,000
T415	Data Migration Program Designs	Task 4	Data Migration	M4PMT-1	
T416	Unit Tested Data Migration Programs	Task 4	Data Migration	M4PMT-1	
T417	Migrated Data in all non-production environments (SH1, SH2, MA1)	Task 4	Data Migration	M4PMT-2	313,400
T418	Migrated Data in Production Environment for User Acceptance Testing	Task 4	Data Migration	M4PMT-3	313,400
T419	Re-Migrated Data in Production Environment for Go-Live	Task 4	Data Migration	M4PMT-4	814,800
PM404	Milestone Report 4: Data Migration	Task 1	Project Management	M1PMT-7	150,000
T420	Disaster Recovery Test Plan	Task 5	Disaster Recovery Testing	M5PMT-1	290,000

ID	Deliverable Payment / Milestone	Task	Task Name / Category	Milestone / Payment	Amount
T421	Disaster Recovery Test Results for the SIGMA 4x environment	Task 5	Disaster Recovery Testing	M5PMT-2	435,000
PM405	Milestone Report 5: Disaster Recovery Testing	Task 1	Project Management	M1PMT-8	75,000
U401	User Acceptance Test Plan and Scripting Assistance	Task 6	User Acceptance Testing	M6PMT-1	150,000
U402	User Acceptance Test Assistance	Task 6	User Acceptance Testing	M6PMT-2	1,000,000
U403	Integration Test Plan & Schedule	Task 6	User Acceptance Testing	M6PMT-3	240,000
U404	Integration Test Cases	Task 6	User Acceptance Testing	M6PMT-3	
U405	Integration Test Status Reporting	Task 6	User Acceptance Testing	M6PMT-3	
U403/U404/ U405	Integration Test Plan & Schedule/Integration Test Cases/Integration Test Status Reporting- Addendum	Task 6	User Acceptance Testing	M6PMT-4	160,000
PM406	Milestone Report 6: User Acceptance Testing	Task 1	Project Management	M1PMT-9	233,150
DC401	Updated System Documentation	Task 7	Documentation	M7PMT-1	175,000
PM407	Milestone Report 7: Documentation	Task 1	Project Management	M1PMT-10	26,250
IM401	Implementation Cutover Plan including Implementation Cutover Checklist	Task 8	Implementation and Agency Change Management Assistance	M8PMT-1	116,250
IM402	Agency Implementation and Change Management Plans	Task 8	Implementation and Agency Change Management Assistance	M8PMT-1	
IM403	Completed and Approved Change Management Assistance	Task 8	Implementation and Agency Change Management Assistance	M8PMT-2	116,250
IM404	Production Job Schedule	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	244,875
IM405	Approved Batch jobs on Job Scheduler	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	244,875
IM406	Completed Production Turnover	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	326,500

ID	Deliverable Payment / Milestone	Task	Task Name / Category	Milestone / Payment	Amount
IM407	Vendor/ Supplier/Customer/ Local Outreach Plan	Task 8	Implementation and Agency Change Management Assistance	M8PMT-4	46,500
IM408	Local Entity and Vendor Outreach Assistance	Task 8	Implementation and Agency Change Management Assistance	M8PMT-4	69,750
PM408	Milestone Report 8: Implementation and Agency Change Management Assistance	Task 1	Project Management	M1PMT-11	168,750
PS401	Post Implementation Support	Task 9	Post Implementation Support	M9PMT-1	400,000
PS402	Decommission Plan for 3.11 environments	Task 9	Post Implementation Support	M9PMT-2	200,000
PS403	Written Confirmation of each Decommissioned Environment including SOM environments and PLT and PLP	Task 9	Post Implementation Support	M9PMT-3	200,000
PM409	Milestone Report 9: Post Implementation Support	Task 1	Project Management	M1PMT-12	133,750
N/A	Additional 3 <sup>rd</sup> Party Software Licenses	N/A			570,000
					<b>16,071,623</b>



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 320 S. WALNUT ST., LANSING, MICHIGAN 48933  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number 19  
 to  
 Contract Number 071B4300137

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
	300 South Washington Square
	East Lansing, MI 48933
	Patrica McCabe
	303-898-1876
	patricia.mccabe@cgi.com
	CV0059354

<b>STATE</b>	<b>Program Manager</b>	Ruth Schwartz	DTMB
		(517) 284-7585	
	schwartzr1@michigan.gov		
	<b>Contract Administrator</b>	Shannon Romein	DTMB
(517) 898-8102			
romeins@michigan.gov			

**CONTRACT SUMMARY**

ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AN

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2032

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$206,155,723.00	\$361,700.00	\$206,517,423.00		

**DESCRIPTION**

Effective February 14, 2023, this Contract has been amended as follows:

1. This Contract has been increased by an additional \$361,700.00 to move the two AT&T dedicated circuits associated with the banking ODFI from Auburn Hills, MI to Ashburn, VA and for the increased ongoing costs for the circuits in Ashburn, VA.

All other terms, conditions, specifications, and pricing remain the same per contractor and agency agreement, DTMB Central Procurement Services approval, and State Administrative Board approval.

# 1 Overview and Background

The State and CGI have agreed to:

- (1) Comerica Bank is decommissioning their Auburn Hills location. They are requesting that the State/CGI relocate the 2 AT&T primary redundant circuits that connects Comerica Bank's Data Center to CGI's Phoenix Data Center from Auburn Hills, MI to Ashburn Hills, VA.

## 2 Scope of Work

Effective with this change notice, the State is adding funding per the attached SOW for a one time move the two AT&T dedicated circuits associated with the banking ODFI from Auburn Hills, MI to Ashburn, VA and for the increased ongoing costs for the circuits in Ashburn, VA.

**Old Circuit Address:**

*3701 Hamlin Road*

*Auburn Hills, MI 48326*

**New Circuit Address:**

44790 Performance Circle

Ashburn, VA 20147

## 4 Schedule

<b>Project Milestone</b>	<b>Key Date</b>
AT&T Circuits -Order 2 new Circuits from AT&T	3/1/2023
Acquire, configure and deploy Switch Gear and Firewall to new circuit location.	7/1/2023-8/31/2023
Turn up and test new circuit	9/1/2023- 10/31/2023
Deactivate existing Auburn Hills, MI circuits	1/30/2024

# 3 COMPENSATION AND PAYMENT

CGI will complete the specified one-time circuit move for a fixed price as follows:

The circuit move is required to be completed before January 30, 2024. The scope of work is predicated upon the following assumptions:

- Prices are based on requirements and assumptions per Sections 3 and 6 in this document. Changesto either will result in changes to the pricing which will be presented as change requests.
- AT&T no longer offers the 1.5Mb circuit speed that was implemented in Auburn Hills. The minimum new speed available is 10Mb resulting in a price increase. The prices in this document reflect the 10Mb circuit that will be implemented in Ashburn, VA.
- Terms of services are applicable to the duration of time to complete the aforementioned circuit move.
- There is up to a 128 day lead time for this change once the request is submitted to AT&T.
- Execution of this Change Notice is required prior to submitting the request for change to AT&T and any delays in the same will result in an extended wait time with AT&T in addition to the 128 days mentioned above.
- Circuit decommission is required prior to January 30, 2024.

There will be an increase of \$4,300 per month effective 07/01/2023 for a period of 7 months while both the existing Auburn Hills, MI and the additional Ashburn, VA circuits and the additional Ashburn, VA circuits are active. Starting with month 8 the rate will decrease from \$4,300 to \$2,900 per month until 09/30/2032 as a result of a credit of \$1,400 per month for costs of the original circuits that are included in the annual hosting fees listed in CN-14.

In addition to the changes noted in the Summary Table for Annual Fees, additional payments of:

- \$12,900 will be due on July 1, 2023 for FY23 (prorated annual fee change).
- \$30,000 will be due upon activation of the circuit at 44790 Performance Circle Ashburn, VA 20147 (scheduled to start July 1, 2023).

Advantage and Bundled Software and Maintenance										
Total Advantage and Bundled Software and Maintenance	\$ 2,258,749.00	\$ 2,426,028.00	\$ 2,586,028.00	\$ 2,592,478.00	\$ 2,677,104.00	\$ 2,895,761.00	\$ 2,945,135.00	\$ 3,070,945.00	\$ 3,145,945.00	\$ 3,195,945.00
Hosting Managed and SaaS Services	\$ 5,584,571.00	\$ 5,761,803.00	\$ 5,601,803.00	\$ 6,023,340.00	\$ 5,938,714.00	\$ 6,015,571.00	\$ 5,966,197.00	\$ 5,840,387.00	\$ 6,141,887.00	\$ 6,091,887.00
Credit for Shut Down of Comerica Circuit in Auburn Hills, MI	\$ -	\$ (11,200.00)	\$ (16,800.00)	\$ (16,800.00)	\$ (16,800.00)	\$ (16,800.00)	\$ (16,800.00)	\$ (16,800.00)	\$ (16,800.00)	\$ (16,800.00)
Comerica Circuits in Ashburn, VA	\$ 12,900.00	\$ 51,600.00	\$ 51,600.00	\$ 51,600.00	\$ 51,600.00	\$ 51,600.00	\$ 51,600.00	\$ 51,600.00	\$ 51,600.00	\$ 51,600.00
One time fees	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total change for Comerica Circuit Relocation	\$ 42,900.00	\$ 40,400.00	\$ 34,800.00	\$ 34,800.00	\$ 34,800.00	\$ 34,800.00	\$ 34,800.00	\$ 34,800.00	\$ 34,800.00	\$ 34,800.00
Hosting Managed and SaaS Services	\$ 5,627,471.00	\$ 5,802,203.00	\$ 5,636,603.00	\$ 6,058,140.00	\$ 5,973,514.00	\$ 6,050,371.00	\$ 6,000,997.00	\$ 5,875,187.00	\$ 6,176,687.00	\$ 6,126,687.00
Grand Totals with Comerica Circuit Relocation	\$ 7,886,220.00	\$ 8,228,231.00	\$ 8,222,631.00	\$ 8,650,618.00	\$ 8,650,618.00	\$ 8,946,132.00	\$ 8,946,132.00	\$ 8,946,132.00	\$ 9,322,632.00	\$ 9,322,632.00



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 320 S. WALNUT ST., LANSING, MICHIGAN 48933  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **18**

to

Contract Number **071B4300137**

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
	300 South Washington Square
	East Lansing, MI 48933
	Patrica McCabe
	303-898-1876
	patricia.mccabe@cgi.com
	CV0059354

<b>STATE</b>	<b>Program Manager</b>	Ruth Schwartz	DTMB
		(517) 284-7585	
	schwartzr1@michigan.gov		
	<b>Contract Administrator</b>	Shannon Romein	DTMB
(517) 898-8102			
romeins@michigan.gov			

**CONTRACT SUMMARY**

ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AN

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2032

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$203,655,723.00	\$2,500,000.00	\$206,155,723.00		

**DESCRIPTION**

Effective 11/16/2022, this Contract is hereby increased by \$2,500,000.00 and the following amendment incorporated to add Agency and User report migration to the scope of the SIGMA 4 Upgrade Project.

All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency, DTMB procurement and State Administrative Board approval on 11/15/2022.

# 1 Work Description

Work to be performed consists of the following tasks:

1. Setup –
  - a. Document migration process for Agencies
  - b. Define and establish migration folders
  - c. Setup migration utility and report transfer protocols
2. Perform Migration
  - a. Move reports to designated folder for validation and migration.
  - b. Validating reports to be migrated.
  - c. Transfer approved/validated reports to the CGI migration team.
  - d. Execute migration utility.
  - e. Completes additional manual steps to complete report migration, if required.
3. Verify migration of reports –
  - a. Verify output is generated per provided input parameters (validity of output data is not part of this test and is the responsibility of agencies during UAT)
  - b. Confirm formatting of cover page, columns and pagination (page breaks)
4. Deliver migrated reports to SOM
5. Provide support related to migration issues during Agency UAT

# 2 Schedule

This proposal assumes work starts November 1, 2022 for Setup Activities and November 15 for report migration.

It assumes a team of resources supporting report migration as follows:

1. With a core team capable of migrating 300 reports per week, 3,600 agency enterprise reports could be migrated in 12 weeks. If started November 15, migration of these reports would be completed by February 15.
2. To migrate 9,000 agency user reports, CGI will ramp up the migration team to start migration of the agency user December 1, in parallel with the agency enterprise report migration. With additional resources capable of migrating 100 reports per week, plus transition of the core team from agency enterprise to user reports in mid-February, migration of these reports would be completed by the end of July 2023, with Agency UAT still required.

Work is to be completed prior to September 30, 2023.

# 3 Responsibilities

CGI will be responsible for executing Tasks 1 through 5 above.

SOM SIGMA team will be responsible for:

1. Supporting CGI in the execution of its responsibilities
2. Agency communications
3. Approving the process and file structures to be used in the migration effort
4. Managing the identification, approval, and audit of reports to be migrated
5. Managing the Agency UAT effort to test migrated reports

Agencies will be responsible for:

1. Moving reports to be migrated to the designated migration folder
2. Providing input parameters for report execution in the verification process.
3. Testing migrated reports.

## 4 General Notes and Assumptions

1. Migration will move reports from 3.11 to Adv4.
2. CGI needs an initial minimum set of 500 reports to be identified and available for migration in the shared folder by the start of this activity. Changes to the list of reports or the reports may impact the cost/duration of the activity. USIS Advantage requires a 45-day notice of the final set of reports to be migrated.
3. For each report to be migrated, the Client will provide a set of report parameter values that USIS developers can use to test the report execution in the development/test environment.
4. Upon completion of the migration process (utility execution and additional manual steps), the USIS Advantage team will perform a basic verification test consisting of the following:
  - a. Execute per report parameter values provided by the client.
  - b. Confirm output is generated
  - c. Verify formatting of cover page
  - d. Verify column formatting
  - e. Verify pagination (page breaks)
5. The work to migrate the initial set of 3,000 reports is expected to begin November 2022 and be completed in February 2023 or earlier. Additional reports identified for migration will be added to the backlog of 3,000 reports on a weekly basis as identified. To ensure resources are continuously utilized, it is expected that a backlog of 500 reports will be maintained until such time as the migration effort is completed.
6. Agencies are responsible for testing reports that have been migrated. It is anticipated that will occur during the User Acceptance Test period identified for the SIGMA Adv4 Upgrade project, currently scheduled for February, March, April and May. Reports delivered prior to February 2023 will be tested within six weeks of the start of UAT. Testing of reports delivered February 2023 or later will be completed within four weeks of delivery of the final migrated report.
7. Support to address migration issues will be provided by the USIS Advantage team. Client User Acceptance Testing (UAT) support for functional or general Business Objects assistance is the responsibility of the CGI and SOM Adv4 Upgrade team.

8. To triage issues promptly, the USIS Advantage migration team may need application shares, VPN access, or other visibility into the SOM testing environments. Such requests will be sent through the Account Team for approval by the SOM. Prompt execution of such requests will be paramount to timely issue remediation.
9. This proposal does not include technology or third party upgrades or certifications.
10. Performance, ADA and Penetration testing are not within scope of this proposal. Given there are no logic changes to a report during the migration process, performance testing is also not within scope. If logic changes are required, approval to make such changes will be requested. Reports with modified logic will be subject to a comparison of execution times conducted by the State against before/after migration versions.
11. This LOE estimate accounts for software licenses and hardware for the scope of work defined in this proposal. Should there be changes to the scope that result in requiring additional software or hardware, a revised LOE estimate will be required.
12. Any training or user documentation is not within scope of this work.
13. This proposal does not include costs associated with onsite travel for CGI team members. Onsite travel deemed necessary for the effort and mutually agreed upon between CGI and SOM will be treated as additional cost and invoiced in addition to the costs outlined within this proposal.

## 5 Pricing and Payment Schedule

Initial set of 3,000 reports = \$360,000

Each additional set of 500 reports = \$60,000

Per report cost = \$120

Payments are to be made at the end of each month as follows:

- (1) All reports migrated and staged in the month by CGI to the designated location for SOM testing. At that time, 75% of the per report cost (\$90) is due for each report staged for SOM testing.
- (2) All reports tested in the month by the State of Michigan and meeting acceptance criteria. Acceptance criteria will be per items 4 and 10 in the General Notes and Assumptions section above plus a comparison of output between pre- and post- migrated reports. At that time, 25% of the per report cost (\$30) is due for each accepted report.
- (3) Beginning February 28, 2023, payment is due at the end of the month in which 30 days has elapsed from delivery of a report by CGI for testing, unless a validated defect has been reported against that report or environment access or performance issues prevent agency testers from completing their testing as planned.



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 320 S. WALNUT ST., LANSING, MICHIGAN 48933  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number 17

to

Contract Number 071B4300137

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
	300 South Washington Square
	East Lansing, MI 48933
	Patrica McCabe
	303-898-1876
	patricia.mccabe@cgi.com
	CV0059354

<b>STATE</b>	<b>Program Manager</b>	Ruth Schwartz	DTMB
		(517) 284-7585	
	schwartzr1@michigan.gov		
	<b>Contract Administrator</b>	Shannon Romein	DTMB
(517) 898-8102			
romeins@michigan.gov			

**CONTRACT SUMMARY**

ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AN

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2032

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$203,655,723.00	\$0.00	\$203,655,723.00		

**DESCRIPTION**

Effective 9/16/2022, the following amendment is hereby incorporated into the Contract to restate the SIGMA 4x Upgrade Payment Schedule Table in section G. Compensation and Payment contained in CN 14 and amended in CN16. No additional funding is needed at this time; existing funds are adequate to support this change.

Please note, the State's Contract Administrator has been updated to Shannon Romein and the Contractor's Contract Administrator to Patrica McCabe.

All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency and DTMB procurement.



**MICHIGAN DEPARTMENT OF  
TECHNOLOGY, MANAGEMENT AND  
BUDGET  
IT SERVICES  
for  
SIGMA Project Additional Implementation  
Services Service Request**

This Service Request is entered into by the Department of Technology, Management and Budget (“DTMB” or “State”) and CGI Technologies and Solutions Inc. (“Contractor” or “Vendor”) under the terms of the Managed Services Agreement (Contract #071B4300137) (“Agreement”), dated June 25, 2014, between DTMB and Contractor in accordance Exhibit 2-1 Contract Change Management Process.

**Project Title:**

Additional ERP Implementation Services

**Period of Performance:**

6/1/2021 – 09/30/2032

**Project Director:**

Ruth Schwartz

SchwartzR1@michigan.gov

(517) 284-7585

**Contractor Project**

**Manager:** Stephen Arrants

[stephen.arrants@cgi.com](mailto:stephen.arrants@cgi.com)

(303) 898-1876

**1. OVERVIEW AND BACKGROUND**

The State and CGI have agreed to:

- Breakdown payment structure for several key deliverables in the SIGMA 4x Upgrade Payment Schedule Table.

**2. OBJECTIVES OF SERVICE REQUEST**

- Replace the SIGMA 4x Upgrade Payment Schedule Table from CN14 with a new table.

**3. SCOPE OF WORK**

- There are no changes to the Statement of Work. This change notice only updates the SIGMA 4x Upgrade Payment Schedule Table.

#### 4. PROJECT SCHEDULE

- There are no project schedule changes for this Change Notice.

#### 5. PROJECT STAFFING

- There are no specific staffing requirements for this Change Notice.

#### 6. COMPENSATION AND PAYMENT

The SIGMA 4x Upgrade Payment Schedule Table is replaced in its entirety.

**SIGMA 4x Upgrade Payment Schedule Table**

ID	Deliverable Payment / Milestone	Task	Task Name / Category	Milestone / Payment	Amount Implementation
TS401	TestSavvy Plan	Task 0	TestSavvy Automated Testing	M0PMT-1	\$ 185,146
TS402	TestSavvy Scripted, Tested and Approved Test Cases	Task 0	TestSavvy Automated Testing	M0PMT-2	\$ 509,151
TS403	TestSavvy Training	Task 0	TestSavvy Automated Testing	M0PMT-3	\$ 231,432
PM400	Milestone Report 0: TestSavvy Automated Testing	Task 1	Project Management	M0PMT-4	\$ 163,364
P401	Project Management Plan and Resource Schedule	Task 1	Project Management	M1PMT-1	\$ 57,330
P402	Status Reporting Process	Task 1	Project Management	M1PMT-1	
P403	Communications Plan	Task 1	Project Management	M1PMT-2	\$ 57,330
P404	Organizational Change Management Plan	Task 1	Project Management	M1PMT-2	
P405	Completed Software Familiarization Sessions	Task 1	Project Management	M1PMT-3	\$ 120,000
PM401	Milestone Report 1: Project Strategy and Plan	Task 1	Project Management	M1PMT-4	\$ 39,900
T401	Configuration Management Procedures, if determined necessary	Task 2	Technical Services	M2PMT-1	\$ 188,000
T402	Environment Readiness	Task 2	Technical	M2PMT-1	

	Test Plan		Services		
T403	Updated Security Architecture and Design	Task 2	Technical Services	M2PMT-2	\$ 501,400
T404	Approved Security, Vulnerability and Penetration Plan	Task 2	Technical Services	M2PMT-2	
T405	Completed and Approved Security, Vulnerability and Penetration Test	Task 2	Technical Services	M2PMT-2	
T406	Performance Testing and Tuning Plan & Procedures	Task 2	Technical Services	M2PMT-3	\$ 501,400
T407	Completed and Approved Performance Testing and System Tuning	Task 2	Technical Services	M2PMT-3	
T408	Production and Production QA Environment Specification	Task 2	Technical Services	M2PMT-4	\$ 501,400
T409	Non-Production (SH1, and SH2) Environment Specification	Task 2	Technical Services	M2PMT-4	
T410B	Completed Production Environment (PRD) including environment readiness test results	Task 2	Technical Services	M2PMT-5	\$ 313,400
T410C	Completed User Acceptance Test Environment (MA1) including environment readiness test results	Task 2	Technical Services	M2PMT-6	\$ 313,400
T410D	Completed Training Environment (SH1) including environment readiness test results	Task 2	Technical Services	M2PMT-7	\$ 313,400
T410E	Completed Development Environment (SH2) including environment readiness test results	Task 2	Technical Services	M2PMT-8	\$ 313,400
PM402	Milestone Report 2: Technical Services	Task 1	Project Management	M1PMT-5	\$ 270,000
T411	Software Enhancement and Defect Assessment and Remediation	Task 3	Sprint Activities		

	Software Enhancement and Defect Assessment and Remediation – Assessment & Plan for Remediation	Task 3	Sprint Activities	M3PMT-1A	\$ 157,980.60
	Software Enhancement and Defect Assessment and Remediation - Remediation	Task 3	Sprint Activities	M3PMT-1B	\$ 105,320.40
T412	Interface Analysis and Confirmation Documentation and Remediation	Task 3	Sprint Activities		
	Interface Analysis and Confirmation Documentation and Remediation – Assessment & Plan for Remediation	Task 3	Sprint Activities	M3PMT-1C	\$ 184,310.70
	Interface Analysis and Confirmation Documentation and Remediation - Remediation	Task 3	Sprint Activities	M3PMT-1D	\$ 122,873.80
T413	Database Assessment and Remediation	Task 3	Sprint Activities		
	Database Assessment and Remediation – Assessment & Plan for Remediation	Task 3	Sprint Activities	M3PMT-1E	\$ 184,310.70
	Database Assessment and Remediation - Remediation	Task 3	Sprint Activities	M3PMT-1F	\$ 122,873.80
PI401	Sprint Zero - Installation Test Plan and Results	Task 3	Sprint Activities	M3PMT-2	\$ 200,000
PI402A1	Program Increment 1 - Sprint 1 Documentation	Task 3	Sprint Activities	M3PMT-3	\$ 819,667
PI402A2	Program Increment 1 - Sprint 2 Documentation	Task 3	Sprint Activities	M3PMT-3	
PI402A3	Program Increment 1 - Sprint 3 Documentation	Task 3	Sprint Activities	M3PMT-3	
PI402A4	Program Increment 1 Documentation	Task 3	Sprint Activities	M3PMT-3	
PI402B1	Program Increment 2 -	Task 3	Sprint Activities	M3PMT-4	\$ 819,667

	<b>Sprint 1 Documentation</b>				
<b>PI402B2</b>	<b>Program Increment 2 - Sprint 2 Documentation</b>	<b>Task 3</b>	<b>Sprint Activities</b>	<b>M3PMT-4</b>	
<b>PI402B3</b>	<b>Program Increment 2 - Sprint 3 Documentation</b>	<b>Task 3</b>	<b>Sprint Activities</b>	<b>M3PMT-4</b>	
<b>PI402B4</b>	<b>Program Increment 2 - Sprint 4 Documentation</b>	<b>Task 3</b>	<b>Sprint Activities</b>	<b>M3PMT-4</b>	
<b>PI402B5</b>	<b>Program Increment 2 Documentation</b>	<b>Task 3</b>	<b>Sprint Activities</b>	<b>M3PMT-4</b>	
<b>PI402C1</b>	<b>Program Increment 3 - Sprint 1 Documentation</b>	<b>Task 3</b>	<b>Sprint Activities</b>	<b>M3PMT-5</b>	<b>\$ 819,666</b>
<b>PI402C2</b>	<b>Program Increment 3 - Sprint 2 Documentation</b>	<b>Task 3</b>	<b>Sprint Activities</b>	<b>M3PMT-5</b>	
<b>PI402C3</b>	<b>Program Increment 3 - Sprint 3 Documentation</b>	<b>Task 3</b>	<b>Sprint Activities</b>	<b>M3PMT-5</b>	
<b>PI402C4</b>	<b>Program Increment 3 - Sprint 4 Documentation</b>	<b>Task 3</b>	<b>Sprint Activities</b>	<b>M3PMT-5</b>	
<b>PI402C5</b>	<b>Program Increment 3 Documentation</b>	<b>Task 3</b>	<b>Sprint Activities</b>	<b>M3PMT-5</b>	
<b>CM401</b>	<b>Application Configuration Management Plan</b>	<b>Task 3</b>	<b>Sprint Activities</b>	<b>M3PMT-6</b>	<b>\$ 87,000</b>
<b>PM403</b>	<b>Milestone Report 3: Sprint Activities</b>	<b>Task 1</b>	<b>Project Management</b>	<b>M1PMT-6</b>	<b>\$ 467,000</b>
<b>T414</b>	<b>Data Migration Plan</b>	<b>Task 4</b>	<b>Data Migration</b>	<b>M4PMT-1</b>	<b>\$ 188,000</b>
<b>T415</b>	<b>Data Migration Program Designs</b>	<b>Task 4</b>	<b>Data Migration</b>	<b>M4PMT-1</b>	
<b>T416</b>	<b>Unit Tested Data Migration Programs</b>	<b>Task 4</b>	<b>Data Migration</b>	<b>M4PMT-1</b>	
<b>T417</b>	<b>Migrated Data in all non- production environments (SH1, SH2, MA1)</b>	<b>Task 4</b>	<b>Data Migration</b>	<b>M4PMT-2</b>	<b>\$ 313,400</b>
<b>T418</b>	<b>Migrated Data in Production Environment for User Acceptance Testing</b>	<b>Task 4</b>	<b>Data Migration</b>	<b>M4PMT-3</b>	<b>\$ 313,400</b>
<b>T419</b>	<b>Re-Migrated Data in Production Environment for Go-Live</b>	<b>Task 4</b>	<b>Data Migration</b>	<b>M4PMT-4</b>	<b>\$ 814,800</b>
<b>PM404</b>	<b>Milestone Report 4: Data Migration</b>	<b>Task 1</b>	<b>Project Management</b>	<b>M1PMT-7</b>	<b>\$ 150,000</b>
<b>T420</b>	<b>Disaster Recovery Test Plan</b>	<b>Task 5</b>	<b>Disaster Recovery Testing</b>	<b>M5PMT-1</b>	<b>\$ 725,000</b>

T421	Disaster Recovery Test Results for the SIGMA 4x environment	Task 5	Disaster Recovery Testing	M5PMT-1	
PM405	Milestone Report 5: Disaster Recovery Testing	Task 1	Project Management	M1PMT-8	\$ 75,000
U401	User Acceptance Test Plan and Scripting Assistance	Task 6	User Acceptance Testing Assistance	M6PMT-1	\$ 150,000
U402	User Acceptance Test Assistance	Task 6	User Acceptance Testing Assistance	M6PMT-2	\$ 1,000,000
U403	Integration Test Plan & Schedule	Task 6	User Acceptance Testing Assistance	M6PMT-3	\$ 400,000
U404	Integration Test Cases	Task 6	User Acceptance Testing Assistance	M6PMT-3	
U405	Integration Test Status Reporting	Task 6	User Acceptance Testing Assistance	M6PMT-3	
PM406	Milestone Report 6: User Acceptance Testing	Task 1	Project Management	M1PMT-9	\$ 233,150
DC401	Updated System Documentation	Task 7	Documentation	M7PMT-1	\$ 175,000
PM407	Milestone Report 7: Documentation	Task 1	Project Management	M1PMT-10	\$ 26,250
IM401	Implementation Cutover Plan including Implementation Cutover Checklist	Task 8	Implementation and Agency Change Management Assistance	M8PMT-1	\$ 116,250
IM402	Agency Implementation and Change Management Plans	Task 8	Implementation and Agency Change Management Assistance	M8PMT-1	

IM403	Completed and Approved Change Management Assistance	Task 8	Implementation and Agency Change Management Assistance	M8PMT-2	\$ 116,250
IM404	Production Job Schedule	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	\$ 816,250
IM405	Approved Batch jobs on Job Scheduler	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	
IM406	Completed Production Turnover	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	
IM407	Vendor/ Supplier/Customer/ Local Outreach Plan	Task 8	Implementation and Agency Change Management Assistance	M8PMT-4	\$ 116,250
IM408	Local Entity and Vendor Outreach Assistance	Task 8	Implementation and Agency Change Management Assistance	M8PMT-4	
PM408	Milestone Report 8: Implementation and Agency Change Management Assistance	Task 1	Project Management	M1PMT-11	\$ 168,750
PS401	Post Implementation Support	Task 9	Post Implementation Support	M9PMT-1	\$ 400,000
PS402	Decommission Plan for 3.11 environments	Task 9	Post Implementation Support	M9PMT-2	\$ 400,000
PS403	Written Confirmation of each Decommissioned Environment including SOM environments and PLT and PLP	Task 9	Post Implementation Support	M9PMT-2	

<b>PM409</b>	<b>Milestone Report 9: Post Implementation Support</b>	<b>Task 1</b>	<b>Project Management</b>	<b>M1PMT-12</b>	<b>\$ 133,750</b>
<b>N/A</b>	<b>Additional 3rd Party Software licenses</b>	<b>N/A</b>			<b>\$ 570,000</b>
				<b>Total</b>	<b>\$ 16,071,623</b>



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **16**

to

Contract Number **071B4300137**

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
	300 South Washington Square
	East Lansing, MI 48933
	Stephen Arrants
	303-898-1876
	stephen.arrants@cgi.com
	CV0059354

<b>STATE</b>	<b>Program Manager</b>	Ruth Schwartz	DTMB
		(517) 284-7585	
	schwartzr1@michigan.gov		
	<b>Contract Administrator</b>	Matt Weiss	DTMB
(517) 256-9895			
weissm4@michigan.gov			

**CONTRACT SUMMARY**

ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AN

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2032

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$203,655,723.00	\$0.00	\$203,655,723.00		

**DESCRIPTION**

Effective 12/13/2021, the following amendment is hereby incorporated into the Contract to restate the SIGMA 4x Upgrade Payment Schedule Table in section G. Compensation and Payment contained in CN14. Additionally, select references to the MA2 environment contained in CN12 are being replaced with MA1 or deleted as the MA2 environment no longer exists. No additional funding is needed at this time; existing funds are adequate to support this change.

All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency and DTMB procurement.



**MICHIGAN DEPARTMENT OF  
TECHNOLOGY, MANAGEMENT AND  
BUDGET  
IT SERVICES  
for  
SIGMA Project Additional Implementation  
Services Service Request**

This Service Request is entered into by the Department of Technology, Management and Budget (“DTMB” or “State”) and CGI Technologies and Solutions Inc. (“Contractor” or “Vendor”) under the terms of the Managed Services Agreement (Contract #071B4300137) (“Agreement”), dated June 25, 2014, between DTMB and Contractor in accordance Exhibit 2-1 Contract Change Management Process.

**Project Title:**

Additional ERP Implementation Services

**Period of Performance:**

6/1/2021 – 09/30/2032

**Project Director:**

Ruth Schwartz

SchwartzR1@michigan.gov

(517) 284-7585

**Contractor Project**

**Manager:** Stephen Arrants

[stephen.arrants@cgi.com](mailto:stephen.arrants@cgi.com)

(303) 898-1876

**1. OVERVIEW AND BACKGROUND**

The State and CGI have agreed to:

- reorder the SIGMA 4x Upgrade Payment Schedule Table in CN14, and
- correct references to the MA2 environment in CN12 either replacing with MA1 or deleting, and
- correct Standard 1 language overlaid incorrectly in CN14, and

**2. OBJECTIVES OF SERVICE REQUEST**

- Replace the SIGMA 4x Upgrade Payment Schedule Table from CN14 with a new table.
- Add a statement to clarify the environment naming convention surrounding the Advantage 4 upgrade as it pertains to environment naming convention. Environment names have since been updated from MA2 to MA1 (4). References to MA2 should be replaced with MA1(4) with a statement to clarify the difference.
- Correct Standard 1 language surrounding sliding scale penalty structure. During the drafting

of CN12, the sliding scale percentage was updated inaccurately. Previously the structure stated Penalties = None for percentages equal to or greater than 94%. The CN inadvertently updated this to 99.5%. The State and CGI agree this was unintentional and is updated inline below.

### **3. SCOPE OF WORK**

#### **Changes to Attachment 2 (Statement of Work)**

For the purposes of this agreement beginning with CN12 as it relates to the upgrade to Advantage 4.x, references to MA2 represent the MA1 (4) environment. As of April of 2020, MA2 is no longer in service and at the request of the State in alignment with CN8, MA2 was fully decommissioned. Examples of environment naming updates are shown below within Task 2 and Task 4. This change is specific to the SIGMA Upgrade to Advantage 4.x project and its Statement of Work. Other references to work with MA2 are required in case the State activates the MA2 environment option in the future and remain unaffected by this change notice.

#### **Task 2 Deliverables**

- 9. Non-Production (~~MA2-MA1(4)~~ SH1, and SH2) Environment Specification
- 10. Completed Test Environment ~~MA2-MA1(4)~~ including environment readiness test results

#### **Task 4 Deliverables**

- 4. Migrated Data in all non-production environments (SH1, SH2, ~~MA2-MA1(4)~~; MA1)

#### **F. Preparation and Certification of a Production Ready Production Environment**

The Contractor shall migrate configured, extended, enhanced, tested, and approved Advantage 4 software, data, and any other application software specified in the Proprietary Software License Agreement including all site specific code including that for reports, interfaces, enhancements to the Hosted/Managed Services ~~MA2-MA1(4)~~, Production, Training, SH2, and Production QA environment as mutually agreed to be needed to meet the schedule for performance testing, user acceptance testing, security testing or upgrade cutover. Prior to each implementation, the Contractor shall test the environment and certify its readiness for production use.

The Contractor shall also create and certify a Production QA environment that is identical in specification and capacity to the certified Production Environment. One difference between the Production and 'Quality Assurance' Environment will be the 'Quality Assurance' Environment will not be available on the Internet and the Production QA environment may share certain non-enterprise-wide third-party licensing with other non-production environments.

Section D of Exhibit A is modified as follows:

With the exception of the following changes, all other SLAs remain in effect as written in previous change notices and are applicable to Advantage Insight, if that option is exercised.

Only the Sliding Scale Penalty Structure for Standard 1 is modified as part of this change notice. The change, as specified below, restores the sliding scale penalty structure to its intended model from Change Notice 8.

Sliding Scale Penalty Structure				
Penalty	None	10%	25%	50%
Service Rate	>=94% <del>99.5%</del>	<94% 99.5% But >=92% 99%	<92% 99% But >=90% 95%	<90% 95%

Standard 4 of Section D is modified as specified below.

**Standard 4 – Non-Production On-Line Application Availability**

Application Suite						MA1 Hours of Availability		MA2 Hours of Availability	SH1 Hours of Availability	SH2 Hours of Availability	<b>Transactions to be Tested for Availability Determination:</b> Same as Standard 3.  <b>Availability Calculation:</b> Same as Standard 3 with the following exception: Once the outcome is calculated for any given environment (e.g., MA1, SH1, SH2), the percentage of the Sliding Scale Penalty Structure will be multiplied by the Weight for that environment found in the table to the left.  For the MA2 calculation, if MA2 is in service per the contract, the weighting row 'with MA2' will be used. If MA2 is contractually decommissioned, the weighting row with 'without MA2' will be used. No additional change to this SLA is required.  For the MA1(4) calculation during the SIGMA 4 Upgrade Project (while two MA1 environments exist), the weighting row
Non-Public Facing	HRM FM PB InfoADV	7am – 6pm Business Days	7am – 4pm Saturdays	<del>7am – 6pm</del> <del>6am – 6pm</del> Mon-Sat	7am – 6pm <del>6am – 6pm</del> Mon-Sat	7am – 6pm <del>6am – 6pm</del> Mon-Sat					
Public-Facing	ESS MSS VSS Trans Portal	24/7									
Weight with MA2	35%			20%	35%	10%					
Weight without MA2	45%			0%	45%	10%					
Weight during SIGMA 4 Upgrade Project	MA1 3.11: 35% MA1 (4): 35%			0%	20%	10%					

Sliding Scale Penalty Structure				
Penalty	None	10%	25%	50%
Service Rate	>=92%	<92% But >=87%	<87% But >=82%	<82%

	<p>'during SIGMA 4 Upgrade Project ' will be used.</p> <p>NOTE: ADV4 Upgrade note: As outlined in CN12 Task 8, Non-Production penalties will be applicable for Advantage MA1(4) and Advantage 4 Production environments prior to the go live. MA1(4) will be primary environment monitored against this standard. During User Acceptance Testing, PRD(4) will replace MA1(4) on the 'Weight during SIGMA 4 Upgrade Project' row.</p>
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**4. PROJECT SCHEDULE**

There are no project schedule changes for this change notice.

**5. PROJECT STAFFING**

There are no specific staffing requirements for this Change Notice.

**6. COMPENSATION AND PAYMENT**

The SIGMA 4x Upgrade Payment Schedule Table is replaced in its entirety.

**SIGMA 4x Upgrade Payment Schedule Table**

ID	Deliverable Payment / Milestone	Task	Task Name / Category	Milestone / Payment	Amount Implementation
TS401	TestSavvy Plan	Task 0	TestSavvy Automated Testing	MOPMT-1	\$ 185,146
TS402	TestSavvy Scripted, Tested and Approved Test Cases	Task 0	TestSavvy Automated Testing	MOPMT-2	\$ 509,151
TS403	TestSavvy Training	Task 0	TestSavvy Automated Testing	MOPMT-3	\$ 231,432

PM400	Milestone Report 0: TestSavvy Automated Testing	Task 1	Project Management	M0PMT-4	\$ 163,364
P401	Project Management Plan and Resource Schedule	Task 1	Project Management	M1PMT-1	\$ 57,330
P402	Status Reporting Process	Task 1	Project Management	M1PMT-1	
P403	Communications Plan	Task 1	Project Management	M1PMT-2	\$ 57,330
P404	Organizational Change Management Plan	Task 1	Project Management	M1PMT-2	
P405	Completed Software Familiarization Sessions	Task 1	Project Management	M1PMT-3	\$ 120,000
PM401	Milestone Report 1: Project Strategy and Plan	Task 1	Project Management	M1PMT-4	\$ 39,900
T401	Configuration Management Procedures, if determined necessary	Task 2	Technical Services	M2PMT-1	\$ 188,000
T402	Environment Readiness Test Plan	Task 2	Technical Services	M2PMT-1	
T403	Updated Security Architecture and Design	Task 2	Technical Services	M2PMT-2	\$ 501,400
T404	Approved Security, Vulnerability and Penetration Plan	Task 2	Technical Services	M2PMT-2	
T405	Completed and Approved Security, Vulnerability and Penetration Test	Task 2	Technical Services	M2PMT-2	
T406	Performance Testing and Tuning Plan & Procedures	Task 2	Technical Services	M2PMT-3	\$ 501,400
T407	Completed and Approved Performance Testing and System Tuning	Task 2	Technical Services	M2PMT-3	
T408	Production and Production QA Environment Specification	Task 2	Technical Services	M2PMT-4	\$ 501,400
T409	Non-Production (SH1, and SH2) Environment Specification	Task 2	Technical Services	M2PMT-4	
T410B	Completed Production Environment (PRD) including environment	Task 2	Technical Services	M2PMT-5	\$ 313,400

	readiness test results				
T410C	Completed User Acceptance Test Environment (MA1) including environment readiness test results	Task 2	Technical Services	M2PMT-6	\$ 313,400
T410D	Completed Training Environment (SH1) including environment readiness test results	Task 2	Technical Services	M2PMT-7	\$ 313,400
T410E	Completed Development Environment (SH2) including environment readiness test results	Task 2	Technical Services	M2PMT-8	\$ 313,400
PM402	Milestone Report 2: Technical Services	Task 1	Project Management	M1PMT-5	\$ 270,000
T411	Software Enhancement and Defect Assessment and Remediation	Task 3	Sprint Activities	M3PMT-1	\$ 877,670
T412	Interface Analysis and Confirmation Documentation and Remediation	Task 3	Sprint Activities	M3PMT-1	
T413	Database Assessment and Remediation	Task 3	Sprint Activities	M3PMT-1	
PI401	Sprint Zero - Installation Test Plan and Results	Task 3	Sprint Activities	M3PMT-2	
PI402A1	Program Increment 1 - Sprint 1 Documentation	Task 3	Sprint Activities	M3PMT-3	\$ 819,667
PI402A2	Program Increment 1 - Sprint 2 Documentation	Task 3	Sprint Activities	M3PMT-3	
PI402A3	Program Increment 1 - Sprint 3 Documentation	Task 3	Sprint Activities	M3PMT-3	
PI402A4	Program Increment 1 Documentation	Task 3	Sprint Activities	M3PMT-3	
PI402B1	Program Increment 2 - Sprint 1 Documentation	Task 3	Sprint Activities	M3PMT-4	\$ 819,667
PI402B2	Program Increment 2 - Sprint 2 Documentation	Task 3	Sprint Activities	M3PMT-4	
PI402B3	Program Increment 2 - Sprint 3 Documentation	Task 3	Sprint Activities	M3PMT-4	
PI402B4	Program Increment 2 -	Task 3	Sprint Activities	M3PMT-4	

	Sprint 4 Documentation				
PI402B5	Program Increment 2 Documentation	Task 3	Sprint Activities	M3PMT-4	
PI402C1	Program Increment 3 - Sprint 1 Documentation	Task 3	Sprint Activities	M3PMT-5	\$ 819,666
PI402C2	Program Increment 3 - Sprint 2 Documentation	Task 3	Sprint Activities	M3PMT-5	
PI402C3	Program Increment 3 - Sprint 3 Documentation	Task 3	Sprint Activities	M3PMT-5	
PI402C4	Program Increment 3 - Sprint 4 Documentation	Task 3	Sprint Activities	M3PMT-5	
PI402C5	Program Increment 3 Documentation	Task 3	Sprint Activities	M3PMT-5	
CM401	Application Configuration Management Plan	Task 3	Sprint Activities	M3PMT-6	\$ 87,000
PM403	Milestone Report 3: Sprint Activities	Task 1	Project Management	M1PMT-6	\$ 467,000
T414	Data Migration Plan	Task 4	Data Migration	M4PMT-1	\$ 188,000
T415	Data Migration Program Designs	Task 4	Data Migration	M4PMT-1	
T416	Unit Tested Data Migration Programs	Task 4	Data Migration	M4PMT-1	
T417	Migrated Data in all non-production environments (SH1, SH2, MA1)	Task 4	Data Migration	M4PMT-2	\$ 313,400
T418	Migrated Data in Production Environment for User Acceptance Testing	Task 4	Data Migration	M4PMT-3	\$ 313,400
T419	Re-Migrated Data in Production Environment for Go-Live	Task 4	Data Migration	M4PMT-4	\$ 814,800
PM404	Milestone Report 4: Data Migration	Task 1	Project Management	M1PMT-7	\$ 150,000
T420	Disaster Recovery Test Plan	Task 5	Disaster Recovery Testing	M5PMT-1	\$ 725,000
T421	Disaster Recovery Test Results for the SIGMA 4x environment	Task 5	Disaster Recovery Testing	M5PMT-1	
PM405	Milestone Report 5: Disaster Recovery Testing	Task 1	Project Management	M1PMT-8	\$ 75,000

U401	User Acceptance Test Plan and Scripting Assistance	Task 6	User Acceptance Testing Assistance	M6PMT-1	\$ 150,000
U402	User Acceptance Test Assistance	Task 6	User Acceptance Testing Assistance	M6PMT-2	\$ 1,000,000
U403	Integration Test Plan & Schedule	Task 6	User Acceptance Testing Assistance	M6PMT-3	\$ 400,000
U404	Integration Test Cases	Task 6	User Acceptance Testing Assistance	M6PMT-3	
U405	Integration Test Status Reporting	Task 6	User Acceptance Testing Assistance	M6PMT-3	
PM406	Milestone Report 6: User Acceptance Testing	Task 1	Project Management	M1PMT-9	
DC401	Updated System Documentation	Task 7	Documentation	M7PMT-1	\$ 175,000
PM407	Milestone Report 7: Documentation	Task 1	Project Management	M1PMT-10	\$ 26,250
IM401	Implementation Cutover Plan including Implementation Cutover Checklist	Task 8	Implementation and Agency Change Management Assistance	M8PMT-1	\$ 116,250
IM402	Agency Implementation and Change Management Plans	Task 8	Implementation and Agency Change Management Assistance	M8PMT-1	
IM403	Completed and Approved Change Management Assistance	Task 8	Implementation and Agency Change Management Assistance	M8PMT-2	\$ 116,250
IM404	Production Job Schedule	Task 8	Implementation and Agency Change Management	M8PMT-3	\$ 816,250

			Assistance		
IM405	Approved Batch jobs on Job Scheduler	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	
IM406	Completed Production Turnover	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	
IM407	Vendor/ Supplier/Customer/ Local Outreach Plan	Task 8	Implementation and Agency Change Management Assistance	M8PMT-4	\$ 116,250
IM408	Local Entity and Vendor Outreach Assistance	Task 8	Implementation and Agency Change Management Assistance	M8PMT-4	
PM408	Milestone Report 8: Implementation and Agency Change Management Assistance	Task 1	Project Management	M1PMT-11	\$ 168,750
PS401	Post Implementation Support	Task 9	Post Implementation Support	M9PMT-1	\$ 400,000
PS402	Decommission Plan for 3.11 environments	Task 9	Post Implementation Support	M9PMT-2	\$ 400,000
PS403	Written Confirmation of each Decommissioned Environment including SOM environments and PLT and PLP	Task 9	Post Implementation Support	M9PMT-2	
PM409	Milestone Report 9: Post Implementation Support	Task 1	Project Management	M1PMT-12	\$ 133,750
N/A	Additional 3rd Party Software licenses	N/A			\$ 570,000
				Total	\$ 16,071,623





**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **15**  
 to  
 Contract Number **071B4300137**

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
	300 S. Washington Square
	East Lansing, MI 48933
	Stephen Arrants
	(303) 898-1876
	<a href="mailto:stephen.arrants@cgi.com">stephen.arrants@cgi.com</a>
	CV0059354

<b>Program Manager</b>	Ruth Schwartz	DTMB
	(517) 284-7585	
	<a href="mailto:schwartzr1@michigan.gov">schwartzr1@michigan.gov</a>	
<b>Contract Administrator</b>	Matt Weiss	DTMB
	517-256-9895	
	<a href="mailto:Weissm4@michigan.gov">Weissm4@michigan.gov</a>	

**CONTRACT SUMMARY**

ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AND MAINTENANCE AGREEMENT

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2032

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input checked="" type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$203,549,950.00	\$105,773.00	\$203,655,723.00		

**DESCRIPTION**

Effective 5/28/2021, this Contract is increased by \$105,773.00 and the following amendment is hereby incorporated to move the AT&T dedicated circuit associated with the banking ODFI from Livonia, MI to Elk Grove Village, IL.

Cost Breakdown:

- \$85,525.00 – Cost difference between current and new circuit from 10/1/2021 – 9/30/2032
- \$1,912.00 - Cost difference between current and new circuit from 9/1/2021-9/30/2021
- \$18,336.00 - One-time circuit move

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



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
for  
SIGMA Project Additional Implementation Services  
Service Request**

This Service Request is entered into by the Department of Technology, Management and Budget (“DTMB” or “State”) and CGI Technologies and Solutions Inc. (“Contractor” or “Vendor”) under the terms of the Managed Services Agreement (Contract #071B4300137) (“Agreement”), dated June 25, 2014, between DTMB and Contractor in accordance Exhibit 2-1 Contract Change Management Process.

**Project Title:**

Additional ERP Implementation Services

**Period of Performance:**

6/1/2021 – 09/30/2032

**Project Director:**

Ruth Schwartz

SchwartzR1@michigan.gov

(517) 284-7585

**Contractor Project Manager:**

Stephen Arrants

[stephen.arrants@cgi.com](mailto:stephen.arrants@cgi.com)

(303) 898-1876

**1. OVERVIEW AND BACKGROUND**

The State and CGI have agreed to:

- (1) Relocate the AT&T circuit that connects Comerica Banks Data Center to CGI’s Phoenix Data Center. The circuit will be moved

From: 39200 W Six Mile Road, Livonia, MI

To: 1905 Lunt Ave Elk Grove Village, IL

**2. OBJECTIVES OF SERVICE REQUEST**

Complete the circuit move per the costs Section 6 of this Change Notice.

**3. SCOPE OF WORK**

Contractor will perform the task and other services specified in this Section 3 (“Services”) at the rates specified in Section 6 of this Statement of Work. The schedule for performance of the Services is specified in Section 4.

The Scope of Work is as follows:

1. A one-time effort to move the AT&T circuit from: 39200 W Six Mile Road, Livonia, MI to 1905 Lunt Ave Elk Grove Village, IL.

**4. PROJECT SCHEDULE**

The schedule for performance of the Services is specified in the Integration Master Schedule (IMS), Agency Implementation Plan, and Agency Technical Schedule. The high level project schedule dates are included below.

Key Date	Date
Project Start Date	06/01/2021
Order New Circuit from AT&T	06/01/2021
Acquire, configure and deploy Switch Gear and Firewall to new circuit location.	09/30/2021
Turn up and test new circuit	10/01/2021
Deactivate existing Livonia circuit	9/30/2022

**5. PROJECT STAFFING**

There are no specific staffing requirements for this Change Notice.

## 6. COMPENSATION AND PAYMENT

- The activities described in this Service Request fall within the definition of a “Change” as set out in Section 3.2 of Exhibit 2-1 Contract Change Management Process.
- CGI has informed the State that this Service Request constitutes a Contract Change Request and has provided explanation of the basis on which CGI has made the determination.
- The State Project Executives have delegated review and approval of this service request to the State Project Director via email on July 25, 2016.
- The State Project Director acknowledges and agrees that the Service Request constitutes a Contract Change Request.
- The State Project Director has submitted the Contract Change Request.

CGI will complete the specified one-time circuit move for a fixed price as follows:

Payment Milestone 1 - \$18,336

Due upon completion and activation of the circuit at 1905 Lunt Ave Elk Grove Village,

The circuit move is required to be completed before September 15, 2021. The scope of work is predicated upon the following assumptions:

- Prices are based on requirements and assumptions per Sections 3 and 6 in this document. Changes to either will result in changes to the pricing which will be presented as change requests.
- AT&T no longer offers the 1.5Mb circuit speed that was implemented in Livonia. The minimum new speed available is 10Mb resulting in a price increase. The prices in this document reflect the 10Mb circuit that will be implemented in Elk Grove Village.
- Terms of services are applicable to the duration of time to complete the aforementioned circuit move.
- There is up to a 128 day lead time for this change once the request is submitted to AT&T.
- Execution of this Change Notice is required prior to submitting the request for change to AT&T and any delays in the same will result in an extended wait time with AT&T in addition to the 99 days mentioned above.

There will be an increase of \$1,912 per month effective 09/01/2021 for a period of 12 months while both the existing Livonia circuit and the additional Elk Grove Village circuits are active. Starting with month 13 the rate will decrease from \$1,912 to \$533 per month until 09/30/2032 as a result of a credit of \$1379.00 per month for costs of the original circuit that are included in the annual hosting fees listed in CN-14.

## Summary Table for Annual Fees

Starting in FY22, this Contract Change Notice modifies Attachment 3 Payment Schedule replacing as specified in this Section 4: (i) the Summary Table for Annual Fees and (ii) Price Table 4. All other components of Attachment 3 remain unchanged.

	Year 8/FY22 10/1/2021 - 9/30/2022	Year 9/FY23 10/1/2022 - 9/30/2023	Year 10/FY24 10/1/2023 - 9/30/2024	Year 11/FY25 10/1/2024 - 9/30/2025	Year 12/FY26 10/1/2025 - 9/30/2026	Year 13/FY27 10/1/2026 - 9/30/2027	Year 14/FY28 10/1/2027 - 9/30/2028	Year 15/FY29 10/1/2028 - 9/30/2029	Year 16/FY30 10/1/2029 - 9/30/2030	Year 17/FY31 10/1/2030 - 9/30/2031	Year 18/FY32 10/1/2031 - 9/30/2032
<b>Summary Price Table by Component</b>											
<b>Advantage and Bundled Software and Maintenance</b>											
OnCue360											
<b>TOTAL Advantage and Bundled Software and Maintenance</b>	\$2,201,949	\$2,258,749	\$2,426,028	\$2,586,028	\$2,592,478	\$2,677,104	\$2,895,761	\$2,945,135	\$3,070,945	\$3,145,945	\$3,195,945
<b>Hosting, Managed and SaaS Services</b>											
Credit for Shut Down of Comerica Circuit at old location	(1,379)	(16,548)	(16,548)	(16,548)	(16,548)	(16,548)	(16,548)	(16,548)	(16,548)	(16,548)	(16,548)
Comerica Circuit at new Location	22,944	22,944	22,944	22,944	22,944	22,944	22,944	22,944	22,944	22,944	22,944
<b>TOTAL Hosting, Managed or SaaS Services</b>	\$ 5,634,616	\$ 5,584,571	\$ 5,761,803	\$ 5,601,803	\$ 6,023,340	\$ 5,938,714	\$ 6,015,571	\$ 5,966,197	\$ 5,840,387	\$ 6,141,887	\$ 6,091,887
<b>GRAND TOTALS</b>											
<b>All Services Above</b>	\$ 7,836,565	\$ 7,843,320	\$ 8,187,831	\$ 8,187,831	\$ 8,615,818	\$ 8,615,818	\$ 8,911,332	\$ 8,911,332	\$ 8,911,332	\$ 9,287,832	\$ 9,287,832

In addition to the changes noted in the Summary Table for Annual Fees, additional payments of:

- \$1,912.00 will be due on September 1, 2021 for FY21.
- \$18,336 will be due upon completion and activation of the circuit at 1905 Lunt Ave Elk Grove Village.



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **14**

to

Contract Number **071B4300137**

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
	300 S. Washington Square
	East Lansing, MI 48933
	Stephen Arrants
	(303) 898-1876
	<a href="mailto:stephen.arrants@cgi.com">stephen.arrants@cgi.com</a>
	CV0059354

<b>Program Manager</b>	Ruth Schwartz	DTMB
	(517) 284-7585	
	<a href="mailto:schwartzr1@michigan.gov">schwartzr1@michigan.gov</a>	
<b>Contract Administrator</b>	Matt Weiss	DTMB
	517-256-9895	
	<a href="mailto:Weissm4@michigan.gov">Weissm4@michigan.gov</a>	

**CONTRACT SUMMARY**

ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AND MAINTENANCE AGREEMENT

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2021

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input checked="" type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
x	8, 1-Year Options	<input type="checkbox"/>		September 30, 2032
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$99,989,951.00	\$103,559,999.00	\$203,549,950.00		

**DESCRIPTION**

Effective 12/15/2020, the State is hereby exercising the option specified in Contract Change Notice 12 to execute the SIGMA 4x Upgrade project. The following amendments, schedule, attachment, exhibit, and Statement of Work are hereby incorporated. In addition, the State exercises 8 option years. The revised Contract expiration date is September 30, 2032. The Contract is increased by \$103,559,999.00 to cover costs through this period.

This Change Notice also addresses clerical errors found in Change Notices 10 and 11 and corrects the "CURRENT VALUE" to account for a missing \$2,251,200.00. The new "CURRENT VALUE" is \$99,989,951.00.

The "CURRENT VALUE" on CN 10 should have been \$72,608,751.00 adding \$2,251,200.00 to the Contract and bringing the "ESTIMATED AGGREGATE CONTRACT VALUE" to \$74,859,951.00, not \$74,532,351.00. The "CURRENT VALUE" on CN 11

should have been \$74,859,951.00 adding \$0.00 to the Contract and bringing the "ESTIMATED AGGREGATE CONTRACT VALUE" to \$74,859,951.00, not \$72,608,751.00."

All other terms, conditions, specifications, and pricing remain the same per Contractor and Agency agreement, DTMB Procurement approval, and State Administrative Board approval on December 15, 2020.



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
SIGMA 4x Upgrade Project**

<b>Project Title:</b> SIGMA 4X Upgrade Project	<b>Period of Coverage:</b> December 2020 – March 2026
<b>Requesting Department:</b> DTMB	
<b>DTMB Project Manager:</b> Ruth Schwartz	<b>Phone:</b> (517) 284-7585

**Summary**

**OVERVIEW AND BACKGROUND:**

Exercise of Option by the State

Contract Change Notice 12 provided the State with the option at a future date to contract to upgrade SIGMA from Advantage 3.11 to the CGI Advantage 4 release (also known as SIGMA 4x Upgrade, Advantage 4, and Advantage 4x Upgrade). The option included a Statement of Work for the upgrade and other terms and conditions required to support the upgrade. By entering into this Contract Change Notice 14, the State exercises the option granted in Contract Change Notice 12. In addition, this Contract Change Notice 14 specifies the final, mutually agreed Statement of Work and other terms and conditions of supporting the upgrade and extends the term of the Contract. In addition to codifying the State’s exercise of the option for the upgrade to Advantage 4, this Contract Change Notice (“CCN”) extends (i) the term of the Contract through September 30, 2032 and (ii) the Flex Team Allotment through September 30, 2024 in accordance with Pricing Table Two of Contract Attachment 3 (Payment Schedule). This CCN also provides the State an option to implement Advantage Insight via a future Contract Change Notice to be exercised at the sole discretion of the State.

**1.0 Advantage Insight Option**

CGI is proposing Advantage Insight as an option in this Change Notice 14. Advantage Insight is an advanced business intelligence (BI), analytics, & reporting solution.

Advantage Insight provides the following capabilities:

- Ability to bring in data from across your enterprise ecosystem and external sources, not just Advantage 4 ERP
- Ingestion of data near real time, & through asynchronous processes
- Advanced Analytics
- Predict future trends and suggest possible solutions with machine learning and sentiment analysis
- Eliminate technical complexity and easily find and access information using a business driven semantic layer

Report Migration – If this Advantage Insight option is exercised, existing Webi Reports will be predominantly

migrated to PowerBI Paginated Reports leveraging a Migration Utility. Some manual intervention is expected to finalize migrated report development degree based upon complexity. A subset of reports will be recreated as an analytic or configurable inquiry with the State expanding the number of analytics/inquiries over time. CGI will be responsible for the migration/conversion of reports that have been adopted as part of the SIGMA System.

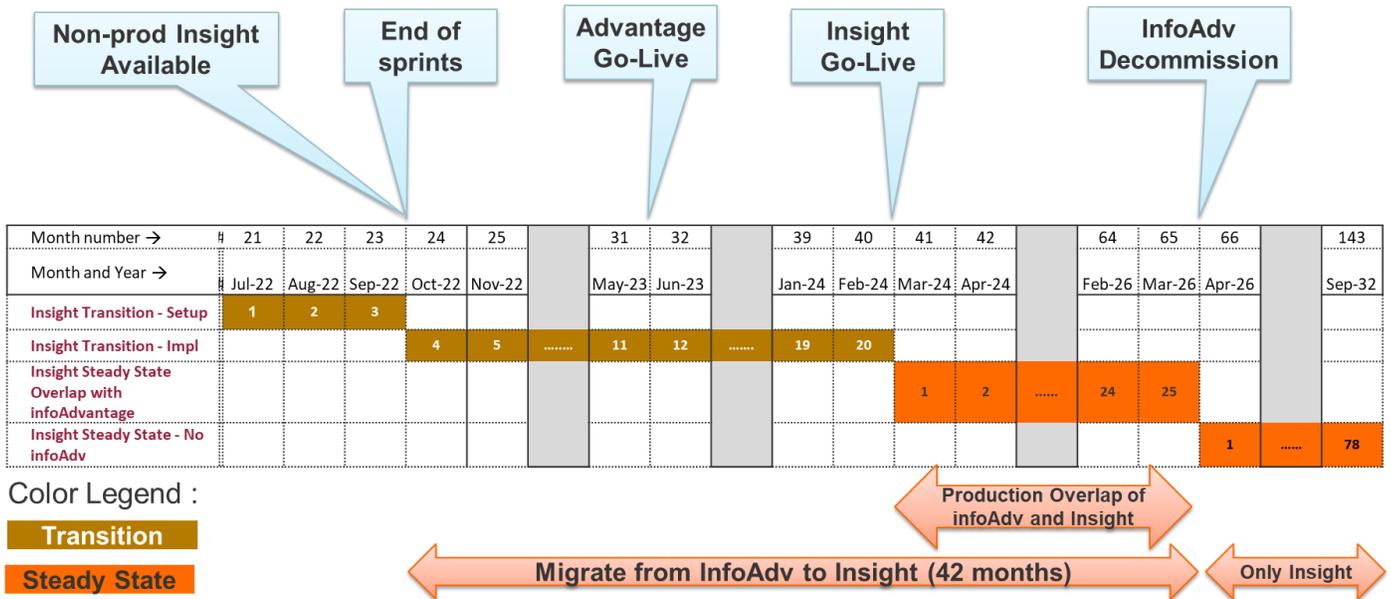
Reports Assessment - If this Advantage Insight option is exercised, sprints will be conducted to assess the reports that should be recreated either as an analytic or configurable inquiry the numbers of analytics/inquiries will be bounded within a sprint. Sprints will review existing reports and group into classifications focused on core reports and not all reports:

- No Longer needed
- Replaced by Configurable Inquiries
- Rebuilt as Power BI Analytics
- Migrate to Power BI Pagination Reports

CGI estimates that initially approximately 10% as Configurable Inquiries and 10% as Analytics Remaining 80% will be migrated to PowerBI paginated reports. CGI will provide training to Departments for them to perform similar assessments assumption is they are migrated unless specifically identified.

Timeline

## Advantage Insight Rollout Timeline



Price

If the option is exercised in accordance with the timeline above, the pricing during the implementation of Advantage Insight is based on an annual fee for the software, hosting, and managed services of \$1,328,787 as follows:

	<b>Advantage Insight (AI) Pricing</b>	<b>InfoAdvantage Pricing Prior to and During AI Implementation</b>
FY21		389,057
FY22		389,057
FY23	680,000	389,057
FY24	1,000,000	272,640
FY25	1,328,787	189,486
FY26	1,328,787	189,486
FY27	1,328,787	-
FY28	1,328,787	-
FY29	1,328,787	-
FY30	1,328,787	-
FY31	1,328,787	-
FY32	1,328,787	-
<b>Total</b>	<b>12,310,296</b>	<b>1,818,783</b>

InfoAdvantage pricing of \$389,057 annually is part of current contract costs and included in pricing summary table.

Optional Implementation Services Costs for 44 FTE months of Non-Adopted Report Conversion Support: \$1,005,213.75.

## **2.0 CGI Advantage 4 Upgrade:**

### **A. Budget Checkpoints**

The parties acknowledge that the State has occasional budget checkpoints, including the State of Michigan January Consensus Revenue Estimating Conference in January 2021. If it is determined during these checkpoints that there are insufficient funds to continue the project, the State has the right to terminate pursuant to Section 2.154 of the Contract.

### **B. SIGMA Upgrade Background**

SIGMA is currently on the CGI Advantage 3.11 release of the software. Advantage 4 brings a simplified and intuitive user interface. In addition, Advantage 4:

- Delivers a role-based paradigm allowing the State to tailor the user experience for individual types of users without customization, addressing the remaining usability challenges for self-service users.
- Shifts from the software delivery model of costly, major upgrades every 3 to 5 years to a 'Feature Set' model.
  - New features and functions will be delivered on an 8-month cadence and will be included in our base managed services costs.
  - This eliminates major technical upgrades and related projects every 3 to 5 years.
  - This positions SIGMA Operations and Support to deliver continual updates and improvements in an agile manner.
- Introduces a container layer into the architecture that reduces the complexity to deploy updates.

An upgrade approximately 3 years after implementation was always planned in order to meet the overarching objective of staying current with technology. Due to the shift in the software delivery model, this project will be the first and last major upgrade for SIGMA.

The objective and scope of the upgrade are detailed in Change Notice 12 and further revised as stated below:

**C. SCOPE OF WORK:**

The following tasks and deliverables are added to the scope of work:

**Task 0 - TestSavvy Automated Testing**

The Contractor shall be responsible for the following TestSavvy tasks, activities and deliverables:

1. Installation and configuration of TestSavvy software
2. Automation and execution of the 275 Michigan shakedown/regression test scripts
3. Automation and execution of 944 Michigan User Acceptance test scripts (50% of the 1,887 test scripts).
4. Provide TestSavvy training to State team members
5. Provide TestSavvy assistance

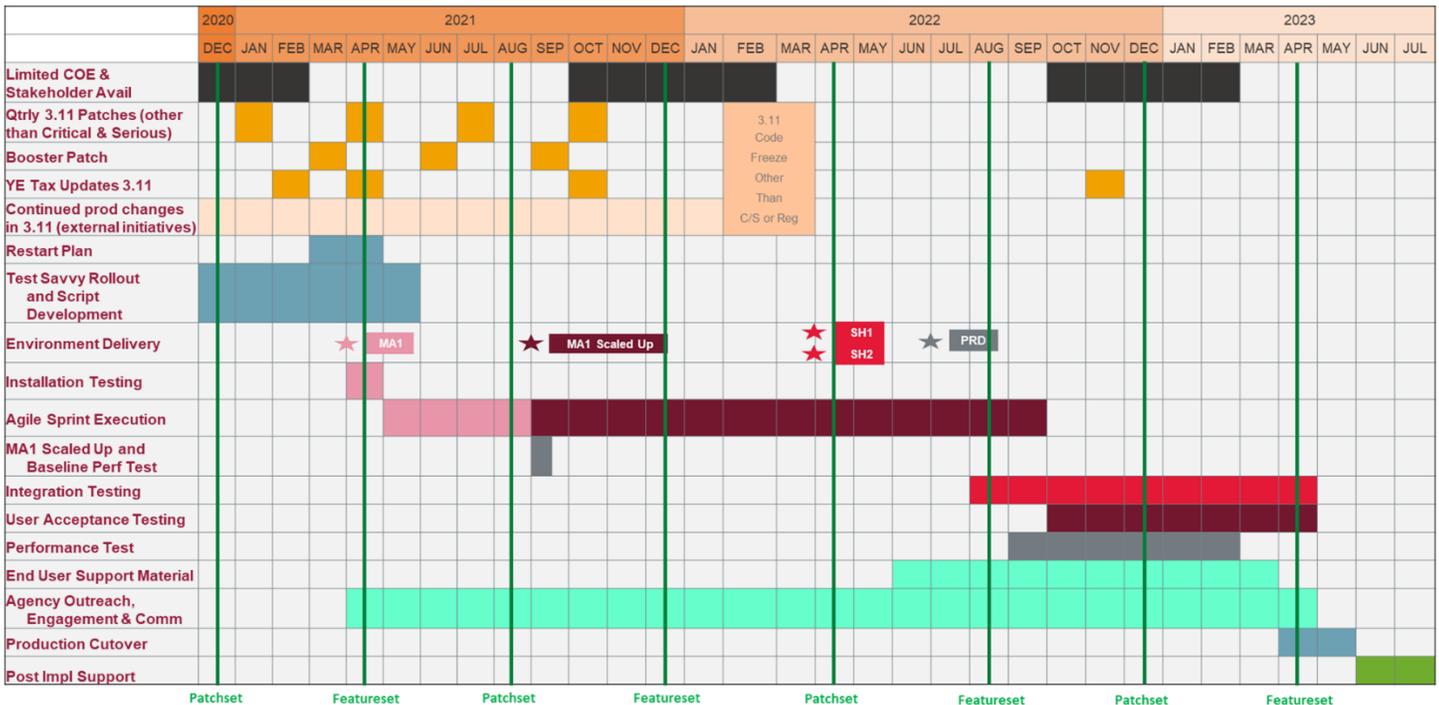
The State will be responsible for identification of the 944 test cases within 30 days after the start of the project.

**Task 0 Deliverables**

1. TestSavvy Plan
2. TestSavvy Scripted, Tested and Approved Test Cases
3. TestSavvy Training

**D. PROJECT SCHEDULE:**

The following timeline reflects the State and CGI’s upgrade planning efforts that were completed in May 2020. The timeline includes multiple layers of information including the project tasks, environment delivery schedule and the Advantage 4 Patchset schedule.



**E. PROJECT STAFFING AND KEY PERSONNEL:**

The following roles have been designated as Key Personnel Roles and are subject to the provisions of Article 2- Sections 2.062 and 2.243 and Attachment 4 covering Key Personnel and Service Level Credits. The Key Personnel identified in the table below are unique to the SIGMA 4x Upgrade Project. These positions will not be considered Key Personnel after the completion of the SIGMA 4x Upgrade Project. Upon restart, a staffing plan to address these roles will be prepared by CGI in consultation with the State and is subject to the approval of the State. As a result of the COVID-19 pandemic and the resulting mitigation efforts including lockdowns and closing of offices, the designation of location is subject to change. It is anticipated that the project will be conducted remotely to start and onsite work will be limited and mutually agreed upon.

Labor Category	Name	Functional Area	Location
Project Manager	TBD	Project Management	Partially Onsite
Agile Coach/Scrum Master	TBD	Agile Sprint Management	Partially Onsite
Scrum Master	TBD	Agile Sprint Management	Partially Onsite
Scrum Master	TBD	Agile Sprint Management	Partially Onsite
Advantage Configuration SME	TBD	Configuration	Partially Onsite
Security & Workflow SME	TBD	Security and Workflow	Partially Onsite
Data Analytics	TBD	Analytics	Offsite
Advantage Integration SME	TBD	Integration	Offsite
Test Savvy Support	TBD	Test Savvy Test Automation	Offsite
<b>Implementation SMEs</b>			
Budget	TBD	Budget Development	Partially Onsite
FIN - Inv/Assets - Debt/Treasury	TBD	Record to Report	Partially Onsite
Cost Acctg/Grants	TBD	Projects and Grants	Partially Onsite
PROC/VSS	TBD	Procure to Pay	Partially Onsite
TELL	TBD	TELL	Partially Onsite
<b>COE Staff Augmentation</b>			
Financial	TBD	Staff Augmentation	Partially Onsite
Financial	TBD	Staff Augmentation	Partially Onsite
Various	TBD	Staff Augmentation	Partially Onsite
Procurement	TBD	Staff Augmentation	Partially Onsite
TELL	TBD	Staff Augmentation	Partially Onsite

**The following roles are critical to the success of the project and will be required to participate as specified in the state approved SIGMA Upgrade Staffing Plan.**

<b>Product SMEs</b>			
FIN - Inv/Assets - Debt/Treasury - Cost Acctg/Grants	TBD	Product Manager	Partially Onsite for Familiarization Sessions, Sprint 1 and as necessary within approved staffing plan
Procurement/VSS	TBD	Product Manager	Partially Onsite for Familiarization Sessions, Sprint 1 and as necessary within approved staffing plan

TELL	TBD	Product Manager	Partially Onsite for Familiarization Sessions, Sprint 1 and as necessary within approved staffing plan
Budget*	TBD	Product Manager	Partially Onsite for Familiarization Sessions, Sprint 1 and as necessary within approved staffing plan
InfoAdvantage	TBD	Product Manager	Partially Onsite for Familiarization Sessions, Sprint 1 and as necessary within approved staffing plan
Technical*	TBD	Product Manager	Partially Onsite for Familiarization Sessions, Sprint 1 and as necessary within approved staffing plan
* Staffing level expectation with regard to amount of time is shared between Budget and Technical.			

## F. Upgrade Roles and Responsibilities

The following Roles and Responsibilities matrix outlines the primary roles the State and CGI will assume to execute the upgrade project. These roles may be further delineated in other sections of this document.

Services	State	CGI
Technical upgrade activities including Technical Project Management	Consulted	Lead
Overall Project Management	Joint	Joint
Agile Sprints	Assist	Lead
Application/Software Configuration Updates	Assist	Lead
Integrated System Test	Joint	Joint
User Acceptance Testing	Lead	Assist
Performance Testing	Assist	Lead
Overall Defect Management	Joint	Joint
Training and OCM	Joint	Joint
Cutover Coordination and Post-implementation Support	Assist	Lead

## G. COMPENSATION AND PAYMENT:

Payment will be made on satisfactory acceptance of deliverables and milestones 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 DTMB within forty-five (45) days after receipt of properly completed

invoices. See SIGMA 4x Upgrade Payment Schedule Table.

**SIGMA 4x Upgrade Payment Schedule Table**

<b>ID</b>	<b>Deliverable Payment / Milestone</b>	<b>Task</b>	<b>Task Name / Category</b>	<b>Milestone / Payment</b>	<b>Amount</b>
TS401	TestSavvy Plan	Task 0	TestSavvy Automated Testing	M0PMT-1	\$185,146
TS402	TestSavvy Scripted, Tested and Approved Test Cases	Task 0	TestSavvy Automated Testing	M0PMT-2	\$509,151
TS403	TestSavvy Training	Task 0	TestSavvy Automated Testing	M0PMT-3	\$231,432
	Milestone Report 0: TestSavvy Automated Testing	Task 1	Project Management	M0PMT-4	\$163,364
P401	Project Management Plan and Resource Schedule	Task 1	Project Management	M1PMT-1	\$57,330
P402	Status Reporting Process	Task 1	Project Management	M1PMT-1	
P403	Communications Plan	Task 1	Project Management	M1PMT-2	\$57,330
P404	Organizational Change Management Plan	Task 1	Project Management	M1PMT-2	
P405	Completed Software Familiarization Sessions	Task 1	Project Management	M1PMT-3	\$120,000
PM401	Milestone Report 1: Project Strategy and Plan	Task 1	Project Management	M1PMT-4	\$39,900
T401	Configuration Management Procedures, if determined necessary	Task 2	Technical Services	M2PMT-1	\$188,000
T402	Environment Readiness Test Plan	Task 2	Technical Services	M2PMT-1	
T403	Updated Security Architecture and Design	Task 2	Technical Services	M2PMT-2	\$501,400
T404	Approved Security, Vulnerability and Penetration Plan	Task 2	Technical Services	M2PMT-2	

T405	Completed and Approved Security, Vulnerability and Penetration Test	Task 2	Technical Services	M2PMT-2	
T406	Performance Testing and Tuning Plan & Procedures	Task 2	Technical Services	M2PMT-3	
T407	Completed and Approved Performance Testing and System Tuning	Task 2	Technical Services	M2PMT-3	\$501,400
T408	Production and Production QA Environment Specification	Task 2	Technical Services	M2PMT-4	
T409	Non-Production (SH1, and SH2) Environment Specification	Task 2	Technical Services	M2PMT-4	\$501,400
T410B	Completed Production Environment (PRD) including environment readiness test results	Task 2	Technical Services	M2PMT-5	\$313,400
T410C	Completed User Acceptance Test Environment (MA1) including environment readiness test results	Task 2	Technical Services	M2PMT-6	\$313,400
T410D	Completed Training Environment (SH1) including environment readiness test results	Task 2	Technical Services	M2PMT-7	\$313,400
T410E	Completed Development Environment (SH2) including environment readiness test results	Task 2	Technical Services	M2PMT-8	\$313,400
PM402	Milestone Report 2: Technical Services	Task 1	Project Management	M1PMT-5	\$270,000

T411	Software Enhancement and Defect Assessment and Remediation	Task 3	Sprint Activities	M3PMT-1	
T412	Interface Analysis and Confirmation Documentation and Remediation	Task 3	Sprint Activities	M3PMT-1	\$877,670
T413	Database Assessment and Remediation	Task 3	Sprint Activities	M3PMT-1	
PI401	Sprint Zero - Installation Test Plan and Results	Task 3	Sprint Activities	M3PMT-2	\$200,000
PI402A1	Program Increment 1 - Sprint 1 Documentation	Task 3	Sprint Activities	M3PMT-3	\$140,750
PI402A2	Program Increment 1 - Sprint 2 Documentation	Task 3	Sprint Activities	M3PMT-4	\$140,750
PI402A3	Program Increment 1 Documentation	Task 3	Sprint Activities	M3PMT-5	\$259,500
PI402B	Program Increment 2 Documentation	Task 3	Sprint Activities	M3PMT-6	\$482,000
PI402C	Program Increment 3 Documentation	Task 3	Sprint Activities	M3PMT-7	\$482,000
PI402D	Program Increment 4 Documentation	Task 3	Sprint Activities	M3PMT-8	\$482,000
PI402E	Program Increment 5 Documentation	Task 3	Sprint Activities	M3PMT-9	\$472,000
CM401	Application Configuration Management Plan	Task 3	Sprint Activities	M3PMT-10	\$87,000
PM403	Milestone Report 3: Sprint Activities	Task 1	Project Management	M1PMT-6	\$467,000
T414	Data Migration Plan	Task 4	Data Migration	M4PMT-1	
T415	Data Migration Program Designs	Task 4	Data Migration	M4PMT-1	\$188,000
T416	Unit Tested Data Migration Programs	Task 4	Data Migration	M4PMT-1	
T417	Migrated Data in all non-production environments (SH1, SH2, MA1)	Task 4	Data Migration	M4PMT-2	\$313,400

T418	Migrated Data in Production Environment for User Acceptance Testing	Task 4	Data Migration	M4PMT-3	\$313,400
T419	Re-Migrated Data in Production Environment for Go-Live	Task 4	Data Migration	M4PMT-4	\$814,800
PM404	Milestone Report 4: Data Migration	Task 1	Project Management	M1PMT-7	\$150,000
T420	Disaster Recovery Test Plan	Task 5	Disaster Recovery Testing	M5PMT-1	\$725,000
T421	Disaster Recovery Test Results for the SIGMA 4x environment	Task 5	Disaster Recovery Testing	M5PMT-1	
PM405	Milestone Report 5: Disaster Recovery Testing	Task 1	Project Management	M1PMT-8	\$75,000
U401	User Acceptance Test Plan and Scripting Assistance	Task 6	User Acceptance Testing Assistance	M6PMT-1	\$150,000
U402	User Acceptance Test Assistance	Task 6	User Acceptance Testing Assistance	M6PMT-2	\$1,000,000
U403	Integration Test Plan & Schedule	Task 6	User Acceptance Testing Assistance	M6PMT-3	\$400,000
U404	Integration Test Cases	Task 6	User Acceptance Testing Assistance	M6PMT-3	
U405	Integration Test Status Reporting	Task 6	User Acceptance Testing Assistance	M6PMT-3	
PM406	Milestone Report 6: User Acceptance Testing	Task 1	Project Management	M1PMT-9	\$233,150
DC401	Updated System Documentation	Task 7	Documentation	M7PMT-1	\$175,000
PM407	Milestone Report 7: Documentation	Task 1	Project Management	M1PMT-10	\$26,250
IM401	Implementation Cutover Plan including Implementation Cutover Checklist	Task 8	Implementation and Agency Change Management Assistance	M8PMT-1	\$116,250

IM402	Agency Implementation and Change Management Plans	Task 8	Implementation and Agency Change Management Assistance	M8PMT-1	
IM403	Completed and Approved Change Management Assistance	Task 8	Implementation and Agency Change Management Assistance	M8PMT-2	\$116,250
IM404	Production Job Schedule	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	
IM405	Approved Batch jobs on Job Scheduler	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	\$816,250
IM406	Completed Production Turnover	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	
IM407	Vendor/Supplier/Customer/Local Outreach Plan	Task 8	Implementation and Agency Change Management Assistance	M8PMT-4	\$116,250
IM408	Local Entity and Vendor Outreach Assistance	Task 8	Implementation and Agency Change Management Assistance	M8PMT-4	
PM408	Milestone Report 8: Implementation and Agency Change Management Assistance	Task 1	Project Management	M1PMT-11	\$168,750
PS401	Post Implementation Support	Task 9	Post Implementation Support	M9PMT-1	\$400,000
PS402	Decommission Plan for 3.11 environments	Task 9	Post Implementation Support	M9PMT-2	
PS403	Written Confirmation of each Decommissioned Environment including SOM environments and PLT and PLP	Task 9	Post Implementation Support	M9PMT-2	\$400,000

PM409	Milestone Report 9: Post Implementation Support	Task 1	Project Management	M1PMT-12	\$133,750
	Additional 3rd Party Software licenses	N/A			\$570,000
				Total	\$16,071,623

**EXPENSES:**

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

**3.0 ADDITIONAL CONTRACT CHANGES ASSOCIATED WITH THIS CHANGE NOTICE:**

**A. Changes to Article 2 (Terms and Conditions)**

If the Advantage Insight option is exercised Article 2, Section 2.243 (Service Level Credits), as previously amended by Contract Change Notice 8 (green font) is amended as follows (blue font):

It is agreed between Contractor and the State that the actual damages to the State as a result of Contractor's failure to provide the promised Services and/or Deliverables in the manner specified in Attachment 2, Exhibit A of this Agreement, would be difficult or impossible to determine with accuracy. The State and Contractor therefore agree that service level credits as set out in in this Agreement shall be a reasonable approximation of the damages that shall be suffered by the State as a result thereof. Accordingly, in the event of such damages, the State may assess service level credits as set forth herein. Service level credits will be assessed against the next payment due for Managed Services unless no other payments are due under the Agreement, in which case, Contactor will pay State in readily available funds. The State will notify Contractor in writing of any assessment of service level credits on or before the date the State assesses such credits. No delay by the State in assessing or collecting service level credits shall be construed as a waiver of such rights. Assessment of service level credits pursuant to this Section 2.243 shall be the State's sole and exclusive monetary remedy with respect to the failure or delay giving rise to the assessment. The State shall not be permitted to assess service level credits under this Section 2.243 where: (i) the parties have entered into dispute resolution proceedings under Section 1.105 of this Agreement regarding the facts and circumstances giving rise to the State's claim and where such dispute resolution proceedings are still pending; or (ii) where the applicable failure of Contractor results entirely or in part from the action or inaction of the State., ~~its personnel, its other contractors, or other conditions or events set forth in Section 2.244 below. The aggregate amount of all service level credits will not exceed ten percent (10%) of Managed Services fees paid annually and will apply against the limitation of liability in Section 2.221. The amount of combined Service Credits Penalties, excluding Power BI, assessed as a Service Credit in any month will not exceed one-twelfth of the fees specified in Row 7 of Summary Table of Annual Fees of Attachment 3 for the current Fiscal Year. The cumulative amount of Service Credits assessed in any given calendar year, will not exceed the lesser of (i) 14% of the fees specified in Row 7 of Summary Table of Annual Fees of Attachment 3 for the Fiscal Year in which the applicable calendar year begins or (ii) \$800,000. The maximum credit amount will reduce by \$55,000 when infoAdvantage is no longer in use by the STATE and is removed from the invoicing. This annual cap on assessed Service Credits will reset annually on January 1 each year. In the event that the number of months remaining in the Contract is less than 12, the denominator for the applicable Amount at Risk will be prorated based on the number of months remaining instead of 12. For the Power BI component of Advantage Insight, the amount of the combined Service Credits assessed as a Service Credit in any one month will not exceed~~

one-twelfth of the fees specified for annual price of Advantage Insight for the current Fiscal Year. The cumulative amount of Service Credits associated with Advantage Insight in any given calendar year will not exceed the lesser of 14% of the annual price of Advantage Insight for the current Fiscal year or \$150,000. The new cumulative amount of Service Credits will not exceed \$895,000 after infoAdvantage is no longer in use and Advantage Insight is in production. This annual cap on assessed Service Credits for the Power BI component of Advantage Insight will reset annually on January 1 each year. In the event that the number of months remaining in the Contract is less than 12, the denominator for the applicable Amount at Risk will be prorated based on the number of months remaining instead of 12.

If more than one service level failure results from the same cause, only the highest available credit shall be imposed. For example, if a network outage results in a failure by Contractor to meet the Availability SLA, and the On Line Response Time SLA, only the highest credit shall be payable, but Contractor's failure to meet the Issue Response Time SLA following the outage, (which was not itself caused by the outage) would result in a second, separate credit. The exception to this is in the event that a defect or issue related to Power BI results in the Advantage solution being unavailable, both the Power BI availability SLA and the Advantage availability SLA will be applied.

## **B. Changes to Attachment 2 (Statement of Work)**

Pursuant to this CCN, the following provisions of Attachment 2 Statement of work are hereby modified as specified below effective when the Advantage 4.x upgrade project is complete:

- Monitoring and measuring for Service Level metrics may be performed by one or more tools, as necessary, which may change during the contract life, as long as the contractually required metrics are met or exceeded by the tools chosen by CGI. Any changes will be made in accordance with Attachment 2, "Hosting and Managed Services Statement of Work", Section 3, "Hardware, System Software, and Infrastructure Maintenance, Timeliness, Tracking, Scheduling".
- Exhibit A Service Level Agreement

### **Attachment 2, Exhibit A – Service Level Agreement**

Section B(7) of Exhibit A is modified by replacing the first sentence as follows: "SLA Standard 5: Online Response Time shall not apply to reports run through CGI infoAdvantage **and/or Advantage Insight.**"

Section B(10) is added to Exhibit A as follows: **(10) If the Advantage Insight Option is exercised, Upon go-live of the Advantage Insight/Power BI and the decommission of infoAdvantage all Service Level Agreement Standards will cease to apply with respect to InfoAdvantage.**

Section D of Exhibit A is modified as follows:

**With the exception of the following changes, all other SLAs remain in effect as written in previous change notices and are applicable to Advantage Insight, if that option is exercised.**

Standard 1 of Section D is modified as specified below.

Standard 3b is added to Section D as follows:

**Standard 3b – Production On-Line Application Availability (for PowerBI only)**

Application		Hours of Availability
Public-Facing	Insight/PowerBI	24/7

Calculations for Public-Facing applications excluding InfoAdvantage from Standard 3 apply here.

Sliding Scale Penalty Structure				
Penalty	None	10%	25%	50%
Service Rate	>=97%	<97% But >=92%	<92% But >=87%	<87%

Standard 4b is added to Section D as follows:

**Standard 4b – Non-Production On-Line Application Availability (for PowerBI only)**

Application Suite		MA1 Hours of Availability	SH1 Hours of Availability	SH2 Hours of Availability
Public-Facing	Insight/PowerBI	24/7	6am – 6pm Mon-Sat	6am – 6pm Mon-Sat
Weight		45%	45%	10%

Calculations for Public-Facing applications from Standard 4 apply here.

Sliding Scale Penalty Structure				
Penalty	None	10%	25%	50%
Service Rate	>=90%	<90% But	<85% But	<80%

		>=85%	>=80%			
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Summary Price Table by Component	Year 8/FY22	Year 9/FY23	Year 10/FY24	Total
	10/1/2021 - 9/30/2022	10/1/2022 - 9/30/2023	10/1/2023 - 9/30/2024	
Professional Consulting Services (Discretionary, Flex, SME, etc.)				
Flex Team Allotment for Additional Services	\$2,430,182	\$2,503,087	\$2,578,180	\$7,511,449

*The Summary Table For Annual Fees includes the full 12 month FY21 fees for Hosting, Managed Services and Software License, Maintenance and Support. The client will only be invoiced for nine (9) months of Hosting, Managed Advantage, and Software Maintenance and Support for the remainder of FY21. CGI has already invoiced and the State has already paid for the annual Software License, Maintenance and Support fees for FY21.*

*With this change notice invoices for Hosting and Managed Services will be issued annually on October 1 of each State Fiscal Year. There will be a holdback of the annual cap for Service Level Credits from the annual invoice. Any amount not utilized for Service Level Credits will be invoiced quarterly in the following allocation of unused Service Level Credit fees:*

*Q1 (October 1 – December 31) – 20%*

*Q2 (January 1 – March 31) – 20%*

*Q3 (April 1 – June 30) – 20%*

*Q4 (July 1 – September 30) – 40%*

Contract Change Notice 12 Test Savvy option to be exercised upon written request from the State. Not invoiced unless exercised. In the event fewer than 7 licenses are requested, the license amount will be prorated based on how many licenses are requested.

\*If the SIGMA 4 X upgrade has not been completed by December 2024, the annual Hosting and Managed Services fees for version 3.11 will be subject to an escalation of 10% applied to the total Software Maintenance and Hosting and Managed Services fees. This escalation will be prorated for the number of full months remaining in Fiscal Year 2025 at the point CGI notifies the State in writing that extended support for version 3.11 is required. This notification may be on or after December 1, 2024. The escalation fee will be waived if circumstances beyond the control of the State delay the completion of the upgrade.

As effectuated in Change Notice 12, replacement Section 20.0 defines the continuous software update activities, including deployment of Feature Sets, that will be performed by the Contractor under the terms of this Agreement. Effective with this Change Notice 14, there are no charges for the delivery, installation, and support of Feature Sets, they are included in the annual fees as defined in the “Summary Table for Annual Fees” above.

**Price Table 4: Rates for Additional Services and Larger Projects**

The work shall be completed on-site unless the State provides prior approval. If work is completed offsite the offsite rate shall apply. The State does not compensate Contractors for premium overtime or holiday pay. The Onsite rates are inclusive of any travel or other expenses as described in Section 1.600. The State reserves the right to negotiate lower rates and to seek a fixed price for any larger efforts it may wish to undertake using

Contractor staff.

Professional Service Category (e.g. Programmer/Analyst)	Hourly Rate Onsite	Hourly Rate Offsite
Project Manager	\$260	\$240
Deputy Project Manager	\$235	\$215
Subject Matter Expert	\$245	\$225
Security Lead	\$300	\$280
Security Specialist	\$220	\$200
Technical Architect	\$245	\$225
Technical Lead	\$195	\$175
Team Lead	\$195	\$175
Senior BA	\$175	\$155
BA	\$135	\$115
Senior PA	\$175	\$155
PA	\$135	\$115
Change Management/Communications	\$175	\$155
Tester	\$120	\$100
Trainer	\$135	\$115
System Administrator	\$135	\$135
Operations Support	\$135	\$135
Technical Writer	\$95	\$95
Project Assistant	\$70	\$70

\*Note – The Flex Team Allowance is not to be included in the calculation of the limits on annual Service Level Credits provided in Sections 2.243 and 2.221 of the Contract.

Starting with FY25 the hourly rates specified in Price Table 4 will increase by a percentage not to exceed the lesser of 3% or the percentage increase in the Consumer Price Index – All Urban Consumers published by the US Bureau of Labor Statistics for the preceding year

**D. Changes to Attachment 5 Capacity, Processing and Other Standards**

Attachment 5 (Change Notice 8 Appendix C) Bullet C is modified as specified below.

C. User Capacity Requirements **for Advantage 3.11**

For all functions other than time and leave management – support 1,500 concurrent users across the FIN, VSS and PB application modules.
For the time and leave management functions – support 3230 concurrent users across the HRM, MSS and ESS application modules.

**C.1 User Capacity Requirements for Advantage 4**

For VSS and PB application modules – support 1,500 concurrent users.
<b>For all functions across FIN, HRM and Advantage Insight (exclusive of Power BI) modules – support 4,730 unique concurrent users in each applicable module.</b>
<b>PowerBI – support 2100 concurrent users and an additional 2630 concurrent users for 4 primary timekeeping days during each of the state’s 26 pay periods as identified on the State’s Annual Processing Calendar.</b>

The following matrix highlights which modules are used for specific functions:

**Advantage 4 Analytics, Visualizations and Reporting**

<b>Function</b>	<b>Module/infoAdvantage</b>	<b>Module/Insight</b>
Visualizations	High Charts	High Charts
Paginated Reports	infoAdvantage, <b>Power BI</b>	Insight, <b>Power BI</b>
Configurable Inquiries	N/A	Insight, High Charts
Embedded Analytics	infoAdvantage, <b>Power BI</b>	Insight, <b>Power BI</b>

**E. Attachment 6 – Contractor Licensed Software**

Pursuant to CCN 12, the Advantage Toolkit Modules List Table included in Attachment 6 was replaced on an ongoing basis by Section 6 (Bundled Software Products) of Attachment 9, Exhibit A Proprietary Software License Agreement.

**F. Changes to Attachment 9, Exhibit A Proprietary Software License Agreement**

Pursuant to this CCN 14, Exhibit A to Attachment 9 (Proprietary Software License Agreement) is amended as follows:

## Attachment 9, Exhibit A

### CGI Technologies and Solutions Inc. Proprietary Software License Agreement

#### 1. Changes to Section 1. "Licensed Software".

Advantage infoAdvantage \*  
Advantage infoAdvantage Dashboard \*

\* Advantage infoAdvantage and Advantage infoAdvantage Dashboard will be replaced with Advantage Insight should the Client chose to exercise the option adding Advantage Insight.

#### 2. Changes to Section 6. "Bundled Software Products and Third Party Software".

The following is added to the list Annual Subscriptions Products under Third-Party Software under section 6.

Microsoft Power BI Embedded – support 2100 concurrent users and an additional 2630 concurrent users for 4 days during each of the state's 26 pay periods.

#### **Additional Terms and Conditions for this CCN 14 Statement of Work:**

1. Accessibility. CGI will provide reasonable accommodations consistent with ADA. Contractor must provide a description of conformance with WCAG 2.0 Level AA specifications by providing a completed PAT for Advantage ERP provided under the Contract. At a minimum, Contractor must comply with the WCAG 2.0 Level AA conformance claims it made to the State, including the level of conformance provided in any PAT. Throughout the Term of the Contract, for all Software provided by Contractor under this, and any future, Statement of Work Contractor must:
  - 1.1. meet or exceed the level of conformance provided in its written materials, including the level of conformance provided in each PAT;
  - 1.2. use reasonable efforts to comply with plans and timelines approved by the State to achieve conformance in the event of any deficiencies;
  - 1.3. ensure that no Maintenance Release, New Version, update or patch, when properly installed in accordance with this Contract, will have any adverse effect on the conformance of Contractor's Software to WCAG 2.0 Level AA as described in the completed PAT for such Software;
  - 1.4. promptly respond to and resolve any complaint the State receives regarding accessibility of Contractor's Software;
  - 1.5. upon the State's written request, provide evidence of compliance with this Section by delivering to the State Contractor's most current PAT for Advantage ERP provided under the Contract; and
  - 1.6. participate in the State of Michigan Digital Standards Review described below.

2. State of Michigan Digital Standards Review. Contractor must assist the State, at no additional cost, with development, completion, and on-going maintenance of an accessibility plan, which requires Contractor, upon request from the State, to submit a completed PAT, as set forth above, or other reasonable information requested to complete the Digital Standards Review.. Prior to the solution going-live and thereafter on an annual basis, or as otherwise required by the State, re-assessment of accessibility may be required. At no additional cost, Contractor must remediate all issues identified from any assessment of accessibility in accordance with the existing SLAs.
3. Warranty. Contractor warrants that all WCAG 2.0 Level AA conformance claims made by Contractor pursuant to this Contract, including all information provided in any PAT Contractor provides to the State, are true and correct.

## SCHEDULE E – DATA SECURITY REQUIREMENTS

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

“Contractor Security Officer” has the meaning set forth in Section 2 of this Schedule.

“FedRAMP” means the Federal Risk and Authorization Management Program, which is a federally approved risk management program that provides a standardized approach for assessing and monitoring the security of cloud products and services.

“FISMA” means The Federal Information Security Modernization Act of 2014 (Pub.L. No. 113-283 (Dec. 18, 2014)).

“Hosting Provider” means any Permitted Subcontractor that is providing any or all of the Hosted Services under this Contract.

“NIST” means the National Institute of Standards and Technology.

“PCI” means the Payment Card Industry.

“PSP” or “PSPs” means the State’s IT Policies, Standards and Procedures.

“SSAE” means Statement on Standards for Attestation Engagements.

“Security Accreditation Process” has the meaning set forth in Section 6 of this Schedule

2. Security Officer. Contractor will appoint a Contractor employee to respond to the State’s inquiries regarding the security of the Hosted Services who has sufficient knowledge of the security of the Hosted Services and the authority to act on behalf of Contractor in matters pertaining thereto (“Contractor Security Officer”).
3. Contractor Responsibilities. Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to:
  - 3.1. ensure the security and confidentiality of the State Data;
  - 3.2. protect against any anticipated threats or hazards to the security or integrity of the State Data;
  - 3.3. protect against unauthorized disclosure, access to, or use of the State Data;
  - 3.4. ensure the proper disposal of any State Data in Contractor’s or its subcontractor’s possession; and
  - 3.5. ensure that all Contractor Representatives comply with the foregoing.

The State has established Information Technology (IT) PSPs to protect IT resources under the authority outlined in the overarching State 1305.00 Enterprise IT Policy. In no case will the safeguards of Contractor’s data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable public and non-public (within 6 months of when non-public policies are provided to the Contractor or as mutually agreed) State IT policies and standards, of which the publicly available ones are at [https://www.michigan.gov/dtmb/0,5552,7-358-82547\\_56579\\_56755---](https://www.michigan.gov/dtmb/0,5552,7-358-82547_56579_56755---)

[.00.html](#). Any change or enhancement to the Contractor's Services, obligations, or Advantage 4 which are required due to new or changed State IT PSPs which are not tied to Federal standards will be documented through a Change Order which will address the scope of the change, and the impact on the Contract price and schedule, if they give rise to any significant ongoing Contractor costs.

This responsibility also extends to all service providers and subcontractors with access to State Data or an ability to impact the contracted solution. Contractor responsibilities are determined from the PSPs based on the services being provided to the State, the type of IT solution, and the applicable laws and regulations.

4. Acceptable Use Policy. To the extent that Contractor has access to the State's IT environment, Contractor must comply with the State's Acceptable Use Policy, see [https://www.michigan.gov/documents/dtmb/1340.00.01\\_Acceptable\\_Use\\_of\\_Information\\_Technology\\_Standard\\_458958\\_7.pdf](https://www.michigan.gov/documents/dtmb/1340.00.01_Acceptable_Use_of_Information_Technology_Standard_458958_7.pdf). All Contractor Personnel will be required, in writing, to agree to the State's Acceptable Use Policy before accessing State systems. The State reserves the right to terminate Contractor's and/or subcontractor(s) or any Contractor Personnel's access to State systems if the State determines a violation has occurred.
5. Protection of State's Information. Throughout the Term and at all times in connection with its actual or required performance of the Services, Contractor will:
  - 5.1. If Hosted Services are provided by a Hosting Provider, ensure each Hosting Provider maintains FedRAMP authorization for all Hosted Services environments throughout the Term, and in the event a Hosting Provider is unable to maintain FedRAMP authorization, the State, at its sole discretion, may either a) require the Contractor to move the Software and State Data to an alternative Hosting Provider selected and approved by the State at Contractor's sole cost and expense without any increase in Fees, or b) immediately terminate this Contract for cause pursuant to Section 15.1 of the Contract;
  - 5.2. for Hosted Services provided by the Contractor, maintain either a FedRAMP authorization or an annual SSAE 18 SOC 2 Type II audit based on State required NIST Special Publication 800-53 MOD Controls using identified controls and minimum values as established in applicable State PSPs.
  - 5.3. ensure that the Software and State Data is securely hosted, supported, administered, accessed, and backed up in a data center(s) that resides in the continental United States, and minimally meets Uptime Institute Tier 3 standards ([www.uptimeinstitute.com](http://www.uptimeinstitute.com)), or its equivalent;
  - 5.4. maintain and enforce an information security program including safety and physical and technical security policies and procedures with respect to its Processing of the State Data that complies with the requirements of the State's data security policies as set forth in this Contract, and must, at a minimum, remain compliant with FISMA and NIST Special Publication 800-53 MOD Controls using identified controls and minimum values as established in applicable State PSPs;
  - 5.5. provide technical and organizational safeguards against accidental, unlawful or unauthorized access to or use, destruction, loss, alteration, disclosure, encryption, transfer, commingling or processing of such information that ensure a level of security appropriate to the risks presented by the processing of State Data and the nature of such State Data, consistent with best industry practice and consistent with applicable standards (including, but not limited to, compliance with FISMA, NIST, CMS, IRS, FBI, SSA, HIPAA, FERPA and PCI requirements as applicable);
  - 5.6. take all reasonable measures to:
    - 5.6.1. secure and defend all locations, equipment, systems and other materials and facilities employed in connection with the Services against "malicious actors" and others who may seek, without

authorization, to destroy, disrupt, damage, encrypt, modify, copy, access or otherwise use Hosted Services or the information found therein; and

- 5.6.2. prevent (i) the State and its Authorized Users from having access to the data of other customers or such other customer's users of the Services; (ii) State Data from being commingled with or contaminated by the data of other customers or their users of the Services; and (iii) unauthorized access to any of the State Data;
  - 5.7. ensure that State Data is encrypted in transit and at rest using FIPS validated AES encryption modules and a key size of 128 bits or higher;
  - 5.8. ensure the Hosted Services support Identity Federation/Single Sign-on (SSO) capabilities using Security Assertion Markup Language (SAML), Open Authentication (OAuth) or comparable State approved mechanisms;
  - 5.9. ensure the Hosted Services implements NIST compliant multi-factor authentication for privileged/administrative and other identified access.
6. Security Accreditation Process. Throughout the Term, Contractor will assist the State, at no additional cost, with its Security Accreditation Process, which includes the development, completion and on-going maintenance of a system security plan (SSP) using the State's automated governance, risk and compliance (GRC) platform, which requires Contractor to submit evidence, upon request from the State, in order to validate Contractor's security controls within two weeks of the State's request. On an annual basis, or as otherwise required by the State such as for significant changes, re-assessment of the system's controls will be required to receive and maintain authority to operate (ATO). All identified risks from the SSP will be remediated through a Plan of Action and Milestones (POAM) process with remediation time frames based on the risk level of the identified risk. For all findings associated with the Contractor's solution, at no additional cost, Contractor will be required to create or assist with the creation of State approved POAMs and perform related remediation activities. The State will make any decisions on acceptable risk, Contractor may request risk acceptance, supported by compensating controls, however only the State may formally accept risk. Failure to comply with this section will be deemed a material breach of the Contract.
  7. Unauthorized Access. Contractor may not access, and shall not permit any access to, State systems, in whole or in part, whether through the Hosted Services or otherwise, without the State's express prior written authorization. Such authorization may be revoked by the State in writing at any time in its sole discretion. Any access to State systems must be solely in accordance with the Contract and this Schedule, and in no case exceed the scope of the State's authorization pursuant to this Section. All State-authorized connectivity or attempted connectivity to State systems shall be only through the State's security gateways and firewalls and in compliance with the State's security policies set forth in the Contract as the same may be supplemented or amended by the State and provided to Contractor from time to time.
  8. Security Audits.
    - 8.1. During the Term, Contractor will maintain complete and accurate records of its data protection practices, IT security controls, and the security logs relating to State Data, including but not limited to any backup, disaster recovery or other policies, practices or procedures relating to the State Data and any other information relevant to its compliance with this Contract.
    - 8.2. Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Services and from time to time during the term of this Contract. The State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. If the State

chooses to perform an on-site audit, Contractor will, make all such records, appropriate personnel and relevant materials available during normal business hours for inspection and audit by the State or an independent data security expert that is reasonably acceptable to Contractor, provided that the State: (i) gives Contractor at least five (5) Business Days prior notice of any such audit; (ii) undertakes such audit no more than once per calendar year, except for good cause shown; and (iii) conducts or causes to be conducted such audit in a manner designed to minimize disruption of Contractor's normal business operations and that complies with the terms and conditions of all data confidentiality, ownership, privacy, security and restricted use provisions of the Contract. The State may, but is not obligated to, perform such security audits at the STATE's cost, which shall, at the State's option and request, include penetration and security tests performed by a mutually agreed third party, of any and all Hosted Services and their housing facilities and operating environments.

8.3. During the Term, Contractor will, when requested by the State, provide a copy of Contractor's or Hosting Provider's FedRAMP System Security Plan(s) or SOC 2 Type 2 report(s) to the State within two weeks of the State's request. The System Security Plan and SSAE audit reports will be recognized as Contractor's Confidential Information.

8.4. With respect to State Data, Contractor must implement any safeguards required by this Contract, as identified by the State or by any audit of Contractor's data privacy and information security program.

9. The State reserves the right, at its sole election, to immediately terminate this Contract or a Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this Section 8. Application Scanning. During the Term, Contractor must, at its sole cost and expense, scan all Contractor provided applications, and must analyze, remediate and validate all vulnerabilities identified by the scans as required by the State Secure Web Application and other applicable PSPs.

Contractor's application scanning and remediation must include each of the following types of scans and activities:

9.1. Dynamic Application Security Testing (DAST) – Scanning interactive application for vulnerabilities, analysis, remediation, and validation (may include Interactive Application Security Testing (IAST)).

9.1.1. Contractor must either a) grant the State the right to dynamically scan a deployed version of the Software; or b) in lieu of the State performing the scan, Contractor must dynamically scan a deployed version of the Software using a State approved application scanning tool, and provide the State a vulnerabilities assessment after Contractor has completed such scan. These scans and assessments i) must be completed and provided to the State quarterly (dates to be provided by the State) and for each major release; and ii) scans must be completed in a non-production environment with verifiable matching source code and supporting infrastructure configurations or the actual production environment.

9.2. Static Application Security Testing (SAST) - Scanning Source Code for vulnerabilities, analysis, remediation, and validation.

9.2.1. For Contractor provided applications, Contractor, at its sole expense, must provide resources to complete static application source code scanning, including the analysis, remediation and validation of vulnerabilities identified by application Source Code scans. These scans must be completed for all Source Code initially, for all updated Source Code, and for all Source Code for each major release and Contractor must provide the State a vulnerability assessment after Contractor has completed the required scans.

9.3. Software Composition Analysis (SCA) – Third Party and/or Open Source Scanning for vulnerabilities, analysis, remediation, and validation.

9.3.1. For Software that includes third party and open source software, all included third party and open source software must be documented and the source supplier must be monitored by the Contractor for notification of identified vulnerabilities and remediation. SCA scans may be included as part of SAST and DAST scanning or employ the use of an SCA tool to meet the scanning requirements. These scans must be completed for all third party and open source software initially, for all updated third party and open source software, and for all third party and open source software in each major release and Contractor must provide the State a vulnerability assessment after Contractor has completed the required scans if not provided as part of SAST and/or DAST reporting.

9.4. In addition, application scanning and remediation may include the following types of scans and activities if required by regulatory or industry requirements, data classification or otherwise identified by the State.

9.4.1. If provided as part of the solution, all native mobile application software must meet these scanning requirements including any interaction with an application programming interface (API).

9.4.2. Penetration Testing – Simulated attack on the application and infrastructure to identify security weaknesses.

## 10. Infrastructure Scanning.

10.1. For Hosted Services, Contractor must ensure the infrastructure and applications are scanned using an approved scanning tool (Qualys, Tenable, or other PCI Approved Vulnerability Scanning Tool) at least monthly and provide the scan's assessments to the State in a mutually agreed upon format to be used to track the remediation. Contractor will ensure the remediation of issues identified in the scan according to the remediation time requirements documented in the State's PSPs.

## 11. Nonexclusive Remedy for Security Breach.

11.1. Any failure of the Services to meet the requirements of this Schedule with respect to the security of any State Data or other Confidential Information of the State, including any related backup, disaster recovery or other policies, practices or procedures, is a material breach of the Contract for which the State, at its option, may terminate the Contract immediately upon written notice to Contractor without any notice or cure period, and Contractor must promptly reimburse to the State any Fees prepaid by the State prorated to the date of such termination.



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **13**

to

Contract Number **071B4300137**

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
	300 S. Washington Square
	East Lansing, MI 48933
	Stephen Arrants
	(303) 898-1876
	<a href="mailto:stephen.arrants@cgi.com">stephen.arrants@cgi.com</a>
	CV0059354

<b>Program Manager</b>	Ruth Schwartz	DTMB
	(517) 284-7585	
	<a href="mailto:schwartzr1@michigan.gov">schwartzr1@michigan.gov</a>	
<b>Contract Administrator</b>	Matt Weiss	DTMB
	517-256-9895	
	<a href="mailto:Weissm4@michigan.gov">Weissm4@michigan.gov</a>	

CONTRACT SUMMARY				
ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AND MAINTENANCE AGREEMENT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2024	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input checked="" type="checkbox"/> Other		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
		<input type="checkbox"/>		September 30, 2024
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$97,608,751.00	\$130,000.00	\$97,738,751.00		
DESCRIPTION				
Effective 9/23/2020, this Contract is hereby increased by \$130,000.00 and amends the Proprietary Software License Agreement (Attachment 9) to add a subscription to CGI OnCue360 CRF Sub-Recipient Reporting Portal and provides associated implementation services through addition of an Implementation Statement of Work, and makes associated pricing changes through amendment of the Payment Schedule (Attachment 3).				
All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency and DTMB procurement.				



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET**

<b>Project Title:</b> Implementation of CGI OnCue360 CRF Sub-Recipient Reporting Portal	<b>Period of Coverage:</b> June 24, 2014 – September 30, 2024
<b>Requesting Department:</b> DTMB	
<b>DTMB Project Manager:</b> Ruth Schwartz	<b>Phone:</b> (517) 284-7585

**PROJECT REQUEST**

This Statement of Work (“SOW”) is created for CGI Technologies and Solutions Inc. (“Contractor”) to provide the CGI OnCue360 CRF Sub-Recipient Reporting Portal to assist the State of Michigan (“State”) in managing grant funds received through the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”).

All work performed pursuant to this SOW is subject the Terms and Conditions of the existing Contract 071B4300137 (the “Contract”), except as otherwise expressly stated herein. All terms, conditions, and specifications contained in the existing Contract remain in full force and effect; provided, however, that this Statement of Work includes an update to Contract Attachment Three (Payment Schedule). This SOW includes additional terms for the Amazon Cloud Managed Services scope required to complete this project. Any additional terms contained within this SOW will not govern any Services performed under the Contract that are outside of this SOW.

We have documented our understanding as follows:

- Contractor’s Understanding of the State’s Objectives
- Project Scope and Approach
  - Solution Overview
  - Assumptions
  - Out of Scope
- Project Timeline
- Parties’ Respective Staff, Roles, and Responsibilities
- Project Pricing
- Additional Terms and Conditions

**CONTRACTOR’S UNDERSTANDING OF THE STATE’S OBJECTIVES**

CGI understands the State’s objectives are be to establish a system that will do the following: 1). Provide the State the capability to collect expenditure data from municipalities, school districts and other recipients of CARE Act funding from the state. 2). Facilitate personnel from the state,

municipalities and school districts throughout Michigan who have received funds from the CARES Act to report on a quarterly basis how the money has been spent by entering the data into a system that will produce reports that can be used by the state to support data entry into the Grants Solution system developed by the US Treasury.

## **PROJECT SCOPE AND APPROACH**

### **Solution Overview**

CGI is proposing to implement the CGI OnCue360 Desktop Data Collection system and develop forms and reports necessary to support entry of data and related reporting to accomplish the CARES Act reporting. The CGI OnCue360 solution will be deployed on the Amazon Web Services (AWS) public cloud and will consist of a (1) non-production and (1) production environments

### **Assumptions**

Solution will be hosted on the AWS Public Cloud

State will provide CGI with requirements for this system based on the US Treasury OIG & PRAC Financial Reporting requirements no later than September 8, 2020

At this time, this Solution is known to consist of (3) OnCue360 forms and (7) OnCue360 reports. Additional forms, reports, or functions may be developed under the supplemental services contract.

State will conduct a User Acceptance of the deployed system, form and reports and approve for release into the production environment

State will provide outreach and training to the users of the system

State authorized users will provide all data entry and input into the system

At the end of the term of the SOW CGI will provide the state the form data entered into the system in one of the standard OnCue360 report formats (PDF or Excel) within thirty (30) days of the SOW expiration.

CGI will load the initial Sub-Recipient Profile information into the system via spreadsheet import

State will provide all Sub-Recipient Profile information to CGI in a mutually agreed Excel spreadsheet format prior to go-live.

### **Out of Scope**

Interfaces or integration to or from the OnCue360 system to any other system

Data Conversion other than the import of Sub-Recipient Profile information from a mutually agreed Excel spreadsheet format

End User Training for departmental, Michigan municipality or Michigan school district users of the system

## **PROJECT TIMELINE**

The implementation project will start on September 1, 2020 and will go live with user access on

September 21, 2020. The hosting services and support will start on September 1, 2020 and end on August 31, 2021.

## **PARTIES' RESPECTIVE STAFF, ROLES AND RESPONSIBILITIES**

This Section specifies the types of support that CGI will provide. For each such category, this Section specifies the support that CGI will provide and the respective responsibilities of the parties with respect to the Managed Applications.

### 1. Technical and Operational Management

#### 1.1. CGI Responsibilities

1.1.1. Perform issue management and resolution.

1.1.2. Configure hosting facility infrastructure for the Managed Application environments and provide the infrastructure management strategy, standards, procedures and third-party supplier management.

#### 1.2. State Responsibilities

1.2.1. Provide, manage, and operate State employee workstation hardware, software, and other onsite State equipment.

### 2. Network Management

#### 2.1. CGI Responsibilities

2.1.1. Provision infrastructure and install/configure/test network elements in support of the CGI System.

2.1.2. Provide Internet access to the Managed Applications in the hosting facility.

#### 2.2. State Responsibilities

2.2.1. Provision, configure, maintain, and manage SMTP electronic mail services, specifically Office 365, sent from the Managed Applications.

### 3. Physical/Virtual Environment and Storage

#### 3.1. CGI Responsibilities

3.1.1. Provide, install, and maintain hardware, operating system, database, monitoring, and other software required to support the CGI provided Managed Applications.

3.1.2. Perform the following monitoring activities to support the Managed Applications.

3.1.2.1. Device discovery

3.1.2.2. Anti Malware

3.1.2.3. Vulnerability scanning

3.1.2.4. Security Incident and Event Management (SIEM)

3.1.2.5. Security Orchestration And Response (SOAR)

3.1.2.6. Log Analytics / Storage - 365 days retention - currently baseline

3.1.2.7. Host Intrusion Detection (HIDS)

### 3.1.2.8. File Integrity Monitoring (FIM)

3.1.3. For the CRF Sub-Recipient Reporting Portal, provide one (1) production environment (xx) and one (1) non-production environment. The AWS hosting service will auto scale up when average data volume exceeds 150MBytes of data sent or received during a five minute period. The AWS hosting services will scale back down when average data volume drops below 20MBytes for a five minute period. This auto scale feature will provide a seamless performance experience for the users. CGI does not anticipate the system needing to scale up with the number of users, forms and data content on each form.

3.1.4. Install and configure the CGI System storage infrastructure to support the Managed Applications.

3.1.4.1. Provision and allocate storage capacity for the Managed Application environments.

3.1.4.2. Perform storage growth analysis and monitoring, capacity and performance management to support the environments.

3.1.4.3. Perform daily backups.

3.1.5. Define requirements and perform set-up of the requisite environment configuration to support the Managed Applications. This includes, but is not limited to, configuration of operating system, database and port settings; naming and other conventions for use by the State and CGI; and system user access.

### 3.1.6. State Responsibilities

3.1.6.1. Provide .GOV URLs for the non-production and production sites

3.1.6.2. Provide and maintain certificates for the two sites

## 4. Managed Application Environments

### 4.1. CGI Responsibilities

4.1.1. Define, configure, manage and maintain the databases required for the Managed Applications. Provide database administration support including configuration and monitoring.

4.1.2. Provide and install the Managed Applications by the readiness date of September 8, 2020 for the non-production environment and September 18, 2020 for the production application.

4.1.3. On the readiness date per Section 1.4.1.2, provide online access to the Managed Applications 7 days per week from 8 AM to 9 PM (the "Hours of Availability") in the State's time zone for the project activities absent the need to schedule maintenance during those hours to achieve project goals.

4.1.4. The CGI System will be unavailable during Scheduled Maintenance, including Sundays from 12am ET to Monday 6am ET weekly.

4.1.5. Provide online access to the Managed Applications during the Hours of Availability. CGI may add Scheduled Maintenance in the event:

- 4.1.5.1. Of an urgent business necessity, to coincide with times of minimal traffic or use for the State and on reasonable advance notice to State; or,
- 4.1.5.2. CGI determines that a failure to do so may harm CGI or the State, immediately on notice to State at any time of day.

In either case, CGI will make reasonable efforts to obtain the State's prior written approval of the institution of such Scheduled Maintenance.

## 5. State Responsibilities

- 5.1. Provide support for reporting including, but not limited to, creating, maintaining, and resolving issues with custom State reports.
- 5.2. Execute testing including user acceptance testing.

## 6. Managed Application Maintenance

### 6.1. CGI Responsibilities

- 6.1.1. Perform issue management and resolution.

#### Issue Resolution for Defects with CGI OnCue360 Software

The support programs include response to and resolution of defects with CGI OnCue360 Software. Defect is a reproducible error, flaw, failure or fault in the supported software that produces an incorrect or unexpected result, or to behave in unintended ways or in a manner that is contrary to the system documentation or user guide.

As mutually agreed upon, resolution may include the following:

1. Work around;
2. Delivery of a new release of supported software;
3. Other resolution provided over the phone or remotely.

All specified response and resolution times are limited to the standard OnCue360 Business Hours. With mutual agreement, CGI will classify and respond to reported software issues and defects with the CGI OnCue360 software based on the severity of the problem. The following describes the severity levels and response times. If CGI is unable to meet the target timeframes set out below, the analyst will contact the client with a revised timetable.

Classification: Severity 1 Problem (Critical) — All users unable to login or work within the application, application is down. and no workaround is available.

Response: CGI agrees that it will acknowledge the issues upon receipt and commence its investigation promptly, and provide a response within 2 hours. CGI will continue to work on the issue as a priority until the issue is resolved or mitigated. The resolution will be delivered to client as a mutually agreed workaround, software release provided by CGI, or other resolution that provides a reasonable degree of relief to the problem. Client is responsible for assisting triage of the problem at CGI's request, and for providing additional information requested by CGI to diagnose and remedy the issue. CGI will keep client informed on an hourly basis while resolution of the issue is in progress.

Classification: Severity 2 Problem (High) — Specific key or mission critical functionality/process is not working within the software due to a defect and no

work around is available to perform the specific process.

Response: CGI agrees that it will acknowledge the issues upon receipt and commence its investigation promptly, and provide a response within 24 business hours. CGI will continue to work on the issue as a priority until the issue is resolved or mitigated. The resolution will be delivered to client as a mutually agreed workaround, software release provided by CGI, or other resolution that provides a reasonable degree of relief to the problem. Client is responsible for assisting triage of the problem at CGI's request, and for providing additional information requested by CGI to diagnose and remedy the issue. CGI will provide the client an update every 4 business hours while resolution of the issue is in progress.

Classification: Severity 3 Problem (Medium) — all defects related to non-production environments (except emergency fixes provided as a result of a severity 1 or severity 2 issue). Defects in the production environment that causes an inconvenience where tasks can continue to process or a mutually agreed workaround exists.

Response: CGI agrees that it will provide a response by an analyst within three (3) business days. CGI will exercise reasonable efforts to provide workarounds or other resolutions, or provide software fixes in future releases as applicable. Client is responsible for implementing a workaround. Client is responsible for assisting triage of the problem at CGI's request. CGI will keep client informed at reasonable intervals while the issue is open.

Classification: Severity 4 Problem (Low) — Tasks can continue, there is a mutually agreed workaround and the issue is cosmetic and minor without day-to-day impact.

Response: CGI will log the defect and consider it when planning future releases.

In addition to these category classifications for problems, clients may pose a general inquiry. CGI will provide a reasonably and timely response to general inquiries. Inquiries are to appropriate parties for response.

### **Service Level Credit Allocations**

The service level credits will be determined based on the allocation of the annual OnCue360 subscription fee between three components: AWS Hosting Fees, OnCue360 Solution Fees, and Security and Monitoring Services Fees as specified in the following table. SLA credits arising from the OnCue360 Solution issue service obligations apply only to the allocated amount the OnCue360 Solution fees. Credits arising from AWS Hosting Services availability apply only to the allocated amount of AWS hosting fees. The Security and Monitoring Services and associated allocated fee amounts are not subject to SLA credits.

<u>Component</u>	<u>Allocated Amount</u>
AWS Hosting Fees	\$36,000.00 per year
OnCue360 Solution fees	\$60,000.00 per year

Security and Monitoring Services	\$34,000.00 per year
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### OnCue360 Solution Issue Service Obligation Target Table

The OnCue360 Response and Resolution Times are measured only during standard OnCue360 Business Hours. The maximum amount of fees subject to these credits is \$5,000.00 per month which represents the monthly fee for the OnCue360 Solution. The maximum SLA credit arising from the OnCue360 Solution for any month shall not exceed \$750.00. Where the OnCue360 Solution is rendered inoperable or unavailable due to an AWS service, only the service credits specified for the AWS hosting services specified above apply. In the event of any other outage caused by events or conditions beyond CGI's control, no service credits apply.

Severity	Response Time	Resolution Time	Response and Resolution Credit	Example Problem
1-Critical	2 business hours	1 business day	10% of the OnCue360 monthly fee	Subrecipients cannot enter data or no one can log into the OnCue360 solution.
2-Major	8 business hours	2 business days	5% of OnCue360 monthly fee	Data can be entered but cannot be saved or submitted or all reporting functions are down.
3-Medium	48 business hours	Provide software fixes in future releases as applicable	No penalty	Non-cosmetic problem with a specific form or report.
4-Low	Within reasonable period	Within reasonable period	No penalty	Cosmetic issue on screen or report.
				A minor issue that does not impact the overall function of the system.

### Amazon Web Services (AWS) Availability Service Credits

The following table reflects the standard AWS Service Level Agreement for system availability. The maximum amount of fees subject to these credits is \$3,000.00 per month which represents the AWS hosting fees applicable to system availability.

## AWS Hosting Services Credits

Monthly Uptime Percentage	Service Credit Percentage
Less than 99.99% but equal to or greater than 99.0%	10%
Less than 99.0% but equal to or greater than 95.0%	30%
Less than 95.0%	100%

- 6.1.2. Provide configuration management and application code version control and tracking for the Managed Applications.
- 6.2. State Responsibilities
  - 6.2.1. Establish and perform application functional support and configuration activities.
- 7. Operations Management
  - 7.1. CGI Responsibilities
    - 7.1.1. Report any issues with configuration and/or processing to the appropriate State contact(s) for resolution.
    - 7.1.2. Perform updates to processing scripts and backups for the Managed Application production environment as CGI determines to be necessary.
- 8. Security
  - 8.1. CGI Responsibilities
    - 8.1.1. CGI is expected to comply with “Security Accreditation Process” outlined in the “Statement of Work Terms and Conditions”. If CGI, through the accreditation process, is found to not comply with any of the State Information Technology (IT) Policies, Standards and Procedures (PSPs), CGI will work with the State to resolve them and come into compliance.
  - 8.2. State Responsibilities
    - 8.2.1. The State will issue CGI a provisional ATO (Authority to Operate) to allow for the expedited implementation of this solution.

## **PROJECT PRICING**

### **Changes to Attachment 3 (Payment Schedule)**

Pursuant to this CCN, Attachment 3 (Payment Schedule) is amended and restated in its entirety as follows:

### Attachment 3 Payment Schedule

The new Summary Table for Option Years and Major and Minor Upgrade Removal is added to Attachment 3 (Change Notice 8 Appendix B). The Statement of Work associated with the SIGMA 4x Upgrade Project will contain a separate Payment Schedule. Continuous Update Pricing is specified below the Summary Table for Option Years. All other components of Attachment 3 remain unchanged.

### Summary Table for Option Years

	FY20	FY21	Option Year 1		Option Year 2		Option Year 3*		
	10/02/2019 - 9/30/2020	10/02/2020 - 9/30/2021	10/1/2021 - 9/30/2022		10/1/2022 - 9/30/2023		10/1/2023 - 9/30/2024		
<b>Hosting</b>									
Original Contract Option Year 7 Total			\$3,031,791		\$3,148,290		\$3,259,120		
CN1a Added network connection for Comerica			\$16,548		\$16,548		\$16,548		
CN1b Added infoAdvantage Environment			\$199,571		\$199,571		\$199,571		
CN 5 Addition of Transparency Portal			\$25,500		\$25,500		\$25,500		
CN8 Increased storage and hardware			\$521,381		\$610,016		\$713,719		
CN8 Option years for hosting/managed Proc. And VSS			\$84,270		\$86,187		\$87,994		
Test Savvy Hosting #	\$33,000	\$33,000	\$33,000		\$33,000		\$33,000		
<b>Revised option year price after change notices</b>			<b>\$3,912,061</b>	<b>\$3,912,061</b>	<b>\$4,119,112</b>	<b>\$4,119,112</b>	<b>\$4,335,452</b>	<b>\$4,335,452</b>	
<b>Managed</b>									
Original Contract Option Year 7 Total			\$2,394,515		\$2,401,597		\$2,423,049		
CN 7/8 Reduction in discretionary services			(\$516,000)		(\$516,000)		(\$516,000)		
CN 7/8 additional key personnel			\$329,000		\$329,000		\$329,000		
<b>Revised option year price after change notices</b>			<b>\$2,207,515</b>	<b>\$2,207,515</b>	<b>\$2,214,597</b>	<b>\$2,214,597</b>	<b>\$2,236,049</b>	<b>\$2,236,049</b>	
	\$6,285,906	\$6,275,934		\$6,119,576		\$6,333,709		\$6,571,501	
<b>Removal of Major and Minor Upgrade line 19</b>	<b>(\$241,050)</b>	<b>(\$482,101)</b>		<b>(\$482,101)</b>		<b>(\$482,101)</b>		<b>(\$482,101)</b>	
<b>Total Hosting &amp; Managed Services</b>	<b>\$6,044,856</b>	<b>\$5,793,833</b>		<b>\$5,637,475</b>		<b>\$5,851,608</b>		<b>\$6,089,400</b>	
<b>Software License and Maintenance</b>									
Original ADV Maintenance			\$993,141		\$993,141		\$1,082,524		
Original Bundled Maintenance			\$391,837		\$403,591		\$429,824		
CN 1a Swap Adobe for BIRT			(\$348)		(\$357)		(\$380)		
CN 1b Increased for Proc/MIDB 3rd Party			\$237,840		\$249,741		\$265,974		
CN 6 Change for Patternstream			\$4,117		\$4,240		\$4,516		
CN 8 Increased for Procurement			\$478,405		\$509,502		\$542,619		
CN 8 Increased for Procurement (3rd Party)			\$29,757		\$31,691		\$33,751		
CN 12 Increased for Test Savvy (7 licenses) #	\$67,200	\$67,200	\$67,200		\$67,200		\$67,200		
CN 12 MA2 in optional years									
<a href="#">CN 13 CGI OnCue360 Grant Application Portal</a>			<a href="#">\$130,000.00</a>						
<b>Revised option year price after change notices</b>	<b>\$2,213,612</b>	<b>\$2,278,416</b>	<b>\$2,201,949</b>	<b>\$2,201,949</b>	<b>\$2,258,749</b>	<b>\$2,258,749</b>	<b>\$2,426,028</b>	<b>\$2,426,028</b>	
<b>Total Revised Hosting, Manages Services and Software and Mainte</b>	<b>\$8,258,468</b>	<b>\$8,072,249</b>		<b>\$7,839,424</b>		<b>\$8,110,357</b>		<b>\$8,515,428</b>	

Exercised upon written request from client. Not invoiced unless exercised. In the event fewer than 7 licenses are requested, the license amount will be prorated based on how many licenses are requested.

\*If the SIGMA 4 X upgrade has not been completed by December 2023, the annual Hosting and Managed Services fees for version 3.11 will be subject to an escalation of 10% applied to the total Software Maintenance and Hosting and Managed Services fees. This escalation will be prorated for the number of full months remaining in Fiscal Year 2024 at the point CGI notifies the State in writing that extended support for version 3.11 is required. This notification may be on or after December 1, 2023.

This CCN retitles and replaces Section 20.0 (formerly titled "Major and Minor Technical Upgrades and Updates," as retitled, "Continuous Updates") of Attachment 2 (Statement of Work). Replacement Section 20.0 defines the continuous software update activities, including deployment of Feature Sets that will be performed by the Contractor under the terms of this Agreement. During the term of this Agreement, the fee charged for each Feature Set deployed is \$710,000, and the annual fee for Feature Sets (averaged for annual fixed fee pricing) is \$1,065,000 based on deployment of three (3) Feature Sets every two (2) contract years (beginning October 1). The average annual fee of \$1,065,000 will be added to the annual managed services fees commencing upon go live with the Advantage 4 solution; provided, however, if the Advantage 4 go live does not occur at the beginning of a contract year (October 1), CGI will invoice and the State will pay the per-Feature-Set fee of \$710,000 for any Feature Set deployed during the partial contract year following Advantage 4 go-live, and thereafter the average annual fee of \$1,065,000 will be included in the applicable managed services fee beginning with the first full contract year after go live.

In the event of termination of this Agreement pursuant to Article 2, Section 2.150, of the Agreement, the State and Contractor will determine the impact of the number of Feature Sets that have been deployed. In the event that a termination of this Agreement does not fall at the conclusion of a two-contract-year cycle of deployment of three (3) Feature Sets, the applicable fees will be adjusted as follows:

- Where the annual average fee(s) paid by the State for the two-contract-year cycle in question is more than the aggregate per-Feature-Set fee(s) for the Feature Set(s) actually deployed during the applicable two-contract year cycle, Contractor will refund to the State the difference between the applicable average annual fee(s) paid and the applicable aggregate per-Feature-Set fee(s).
- Where the annual average fee(s) paid by the State for the two-contract-year cycle in question is less than the aggregate per-Feature-Set fee(s) for the Feature Set(s) actually deployed during the applicable two-contract-year cycle, the State will pay Contractor the difference between the applicable average annual fee(s) paid and the applicable aggregate per-Feature-Set fees(s).

## **ADDITIONAL TERMS AND CONDITIONS**

### **Intellectual Property Rights**

To the extent any intellectual property is created under this SOW, the State is granted ownership of such intellectual property created by Contractor under this SOW pursuant to the terms of the Contract.

### **Inapplicable Contract Terms and Conditions**

Given the nature of these services and the resulting cloud-based solution, the parties agree that the following sections of the Contract and any service levels/performance standards set forth therein, will not apply to this SOW: Article 1; Article 2, Sections 2.073, 2.074, 2.094, 2.111, 2.121(h)-(k), 2.231, 2.232, 2.270, 2.290, 2.400 as they relate to AWS and the AWS Services; Article 2, Sections 2.095, 2.096, 2.243; and Attachments 1 (definitions of issue and incident priority and severity), 2, 4, 5, 6, 7, 8, and 10.

### **Statement of Work Terms and Conditions**

Notwithstanding anything to the contrary in the Contract, or this SOW, the following terms and conditions apply to this SOW:

“AWS” means Amazon Web Services.

“AWS Services” means the AWS infrastructure, hosting, and all other services to be provided by AWS.

“State End Users” means all persons authorized by the State to access and use the OnCue360 Solution.

“OnCue360 Solution” means the [CGI OnCue360 CRF Sub-Recipient Reporting Portal](#), including all related forms, reports, portal, applications, and AWS Services provided by Contractor under this SOW.

“OnCue360 Solution Business Hours” means 8 am to 5 pm Eastern Time, Monday through Friday, exclusive of statutory holidays.

Third Party Supplier. AWS is a third party supplier to Contractor under this SOW, as described in Article 2, Section 2.402. Contractor will be responsible and liable for the acts and omissions of each such third party supplier in their performance of services supporting work under this SOW, including but not limited to AWS.

State Standards. The State has established Information Technology (IT) Policies, Standards and Procedures (PSPs) to protect IT resources under the authority outlined in the overarching State 1305.00 Enterprise IT Policy. In no case will the safeguards of

Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable public and non-public State IT PSPs, of which the publicly available ones are at [https://www.michigan.gov/dtmb/0,5552,7-358-82547\\_56579\\_56755---,00.html](https://www.michigan.gov/dtmb/0,5552,7-358-82547_56579_56755---,00.html). This responsibility also extends to all service providers and Subcontractors with access to State Data or an ability to impact the contracted solution. Contractor responsibilities are determined from the PSPs based on the services being provided to the State, the type of IT solution, and the applicable laws and regulations.

**State Data.** All data and content used, collected, or generated by the OnCue360 Solution is included in the definition of State Data. Upon expiration or termination of this SOW for any reason, Contractor agrees to return and destroy all State Data stored or retained by Contractor and any of its Subcontractors pursuant to this SOW in accordance with written instructions provided by the State.

**Discovery.** Contractor shall immediately notify the State upon receipt of any requests which in any way might reasonably require access to State Data. Contractor shall notify the State Program Manager by the fastest means commercially available and also in writing. Contractor shall not respond to subpoenas, service of process, FOIA requests, and other legal requests related to the State without first notifying the State (to the extent legally permitted by such request) and obtaining the State's prior approval of Contractor's proposed responses. Contractor agrees to use reasonable efforts to provide its completed responses to the State, ideally with adequate time for State to review and suggest revisions.

**ADA Compliance.** The State is required to comply with the Americans with Disabilities Act of 1990 (ADA), and has adopted a formal policy regarding accessibility requirements for websites and software applications. The State acknowledges that at the time of execution of this SOW, Contractor's OnCue360 Solution was not tested for compliance with level AA of the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0. Throughout the term of the SOW, Contractor agrees to (a) make commercially reasonable efforts to test for and comply with Web Content Accessibility Guidelines (WCAG) 2.0 level, (b) provide updates regarding efforts and progress towards compliance with the WCAG 2.0 level AA standard any time upon the reasonable request of the State; and (c) promptly respond to and use commercially reasonable efforts to resolve complaints the State receives alleging noncompliance of Contractor's OnCue360 Solution with level AA of the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0.

**Security Accreditation Process.** Contractor will provide the State, at no additional cost, with evidence of compliance by the OnCue360 Solution to the security, technical, and organizational measures stated in this SOW and the applicable documentation for the OnCue360 Solution. Updates to this evidence (such as, but not limited to, attestations, third party audit reports, or responses to requests for information), shall be provided not

less than annually. In the case that any Contractor or Contractor's third-party assessment or audit risk findings, Contractor will create and implement a remediation plan to remove or remediate the cause of such findings. Contractor will not diminish or remove any of its obligations regarding the security, protections, or privacy requirements of the OnCue360 Solution at any time during the term of this SOW. The State will utilize the provided information (whether requested via its automated governance, risk, and compliance (GRC) platform, or requested separately, to validate Contractor's controls.

### **Modification to Warranties Provision**

Article 2, Section 2.121(g) is replaced in its entirety with respect to this SOW as follows:

During the term of Contract Change Notice 13, the OnCue360 Solution will conform in all material respects to the specifications, functions, descriptions, standards, and requirements set forth in Contract Change Notice 13. Contractor shall correct any failure of the OnCue360 Solution to operate in accordance with the performance warranty set forth above at no additional cost to the State.

### **Modification to Contract Limitation of Liability Provision**

Article 2, Section 2.221 (Limitation of Liability) of the Contract is modified as follows as it applies to this SOW: In the first sentence of the second paragraph and in the third paragraph of Section 2.221 the limit on each party's liability for damages to the other party arising from Contract Change Notice 13 is limited to the total specified price of this SOW. The parties acknowledge that any damages recovered under or related to Contract Change Notice 13 will not apply to the limitations of liability cap specified in Article 2 Section 2.221 pertaining to the scope other than as specified in Contract Change Notice 13. All other provisions of Article 2, Section 2.221 otherwise apply to Contract Change Notice 13.

### **Amazon Cloud Managed Services Terms**

The following additional terms and conditions apply to the AWS Services:

- The Contractor shall have and maintain in effect at all times, during the term of this SOW, all licenses and rights necessary in, and in connection with, the AWS Services that Contractor is using to provide the OnCue360 Solution to the State. All AWS Services will be hosted within the continental United States, and all State Data stored within the AWS Services will be stored only within the continental United States, including any State Data stored on backup or disaster recovery systems and media. Contractor and its Subcontractors may only transmit, process, destroy, use, and disclose State Data as provided for, authorized by, or contemplated by this SOW, or as required by applicable law.

- Backup and Extraction of State Data. Contractor will conduct, or cause to be conducted back-ups of State Data at a frequency and in a manner so that no more than one (1) Business Day of data is lost and any lost data could be restored within 24 hours of the State's request. Contractor must, within five (5) Business Days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of State Data in a mutually agreed format, or make State Data available for download by Contractor.
- The State acknowledges that the only access the State shall have to the AWS Services shall be through the OnCue360 Solution as end users, without any administrative access or management rights to the AWS Services.
- The parties agree that use of the OnCue360 Solution is subject to the CGI Solution Provider Account Access Policy attached below.
- The State agrees and acknowledges that the AWS Services will utilize AWS infrastructure and notwithstanding anything to the contrary in the Contract, any security or infrastructure security requirements specified in the Contract shall apply only with respect to Contractor systems and infrastructure used to provide the AWS Services, excluding the AWS infrastructure. The security standards and controls applicable to the AWS infrastructure are documented in "Amazon Web Services: Overview of Security Processes" dated March 2020 and may be found at, [https://d1.awsstatic.com/whitepapers/aws-security-whitepaper.pdf?did=wp\\_card&trk=wp\\_card](https://d1.awsstatic.com/whitepapers/aws-security-whitepaper.pdf?did=wp_card&trk=wp_card)
- Additionally, information regarding the AWS infrastructure and security controls, including applicable SOC Reports, are documented in "Introduction to AWS Security" dated January 2020 and may be found at: [https://d1.awsstatic.com/whitepapers/Security/Intro\\_to\\_AWS\\_Security.pdf](https://d1.awsstatic.com/whitepapers/Security/Intro_to_AWS_Security.pdf)
- If AWS changes any security standards and controls in any manner that may negatively impact the security of State Data, Contractor will notify the State within 72 hours of being notified by AWS of such change, and the State may, as mutually agreed, either a) perform a new Michigan Security Accreditation Process (MiSAP) to identify modifications to the solution that the State may want to address, if any, or (b) request that the Contractor move the OnCue360 Solution and State Data to an alternative hosting arrangement selected and approved by the parties, provided Contractor is not obligated to make any such modifications unless and until the parties agree in writing to the scope and impacts associated therewith via a mutually executed Change Notice. If the parties are unable to reach agreement on a Change Notice as specified in (a) or (b) above, the State may immediately terminate this SOW without any notice or cure period, and Contractor must promptly reimburse to the State any fees prepaid by the State prorated to the date of such termination, and Contractor must also pay for all reasonable costs incurred by the State in terminating this SOW, including but not limited to any reasonable direct additional costs the State may incur to procure the Solution required by this SOW from other sources, up to a cap of \$25,000. For the purposes of

clarification, such termination will not be deemed Termination for Cause.

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## **Changes to Attachment 9 (Proprietary Software License Agreement)**

Pursuant to this CCN, Exhibit A to Attachment 9 (Proprietary Software License Agreement) is amended and restated in its entirety as follows (updated language noted in green, underscored font):

### **Attachment 9, Exhibit A Proprietary Software License Agreement**

#### **Attachment 9, Exhibit A**

#### **CGI Technologies and Solutions Inc.**

#### **Proprietary Software License Agreement**

1. **Licensed Software.** CGI is licensing to Client the following computer software components: Proprietary software comprising the “Advantage Software”:  
CGI Advantage® Financial Management Base System including:

- Advantage Asset Management
- Advantage Grant Lifecycle Management
- Advantage Cash Management
- Advantage Travel and Expense Management
- Advantage Inventory Management

CGI Advantage Procurement Professional including

- Advantage Procurement/Vendor Self Service
- Advantage VSS Mobile
- Advantage Procurement/VSS – Locality License

CGI Advantage Performance Budgeting & Formulation (includes Salary and Benefits Forecasting)

Advantage Human Resource Management Base System (restricted use) including:

- Advantage Labor Distribution
- Advantage HR Self-Service (restricted use – functions beyond time and labor and expense reimbursement are not in scope)

- Advantage infoAdvantage
- Advantage infoAdvantage Dashboard
- Advantage FileNet Integration Adapter
- Advantage Documentum Adapter
- Advantage Transparency Portal

CGI OnCue360 CRF Sub-Recipient Reporting Portal – Limited to use for CRF Sub-Recipient Reporting, effective through August 31, 2021 – subject to terms and conditions specified in Contract Change Notice 13. In lieu of an electronic copy of the CGI OnCue360 CRF Sub-Recipient Reporting Portal, CGI will provide the Client with access to one test and one production instance of CGI OnCue360 CRF Sub-Recipient Reporting Portal via AWS.

CGI will provide one (1) electronic copy of the Advantage Software to the Client.

Optional CGI Advantage® software components available to the State are specified in Attachment 2 to Exhibit A.

2. **Licensed Documentation.** The Specifications for the Advantage Software are as set forth in the documentation, which is available for download on the CGI website and which is collectively (along with documentation for Bundled Software and Third Party Software) referred to in this License Agreement and the Contract as “Documentation”:

Documentation for Advantage Financial  
Documentation for Advantage Human Resource Management  
Documentation for Advantage Performance Budgeting  
Documentation for Advantage Administration

CGI will provide Client access to its Documentation on the CGI website,

<https://sc.cgi.com/advantage/>

CGI will inform Client of revisions and updates to Bundled Software and Additional Third Party Software within 30 days of any such update. Documentation for Bundled Software or additional Third Party Software is available on the applicable third party website.

3. **License Type.** The Advantage Software is licensed to Client on the following basis:

The Advantage Software described in Paragraph 1 (Licensed Software) of this Attachment 9, Exhibit A) above is licensed to the Client as an enterprise license.

**Site License.** Client is permitted to use the Advantage Software at the computer facility or facilities listed below with the exception of CGI infoAdvantage which is a named user license (or server license if Server Bundle). In the event of the failure of the computers at the listed location(s), Client may use the Advantage Software at a back-up computer facility in the same country until operations at the primary facility have been restored.

CGI Phoenix Data Center

Should the Client elect to discontinue Hosting and Managed Services, the Advantage Software may be used in accordance with this Attachment 9: Software License Agreement.

Should Client desire to use the Software for additional named users or at additional facilities, as the case may be, Client may purchase additional licenses at CGI's then-current prices.

**Locality License.** Each participating Locality, as defined in the Statement of Work, will be given two Advantage Procurement/VSS system users.

4. **Work That May Be Processed.** Client may only use the Advantage Software for its own business purposes.
5. **License Fee.** The licenses specified in this Attachment 9, Exhibit A are granted to Client for a License Fee specified in Attachment 6, Contractor Licensed Software, Section 1, License Fees.
6. **Bundled Software Products and Third Party Software.** Included in the license fees set forth in Section 5 of this Attachment 9, Exhibit A are the license fees for certain bundled software products (the "Bundled Software Products"). CGI is also providing to the Client; Annual Subscription Products, Third Party Software Products and Third Party Products Added/Upgraded by this Contract Change Notice 12 (billed as "Additional 3rd Party Software Licenses" in the SIGMA 4x Upgrade Payment Schedule Table)(collectively "Third Party Software"). The Bundled Software Products and Third Party Software are all required to be used in connection with Advantage Software.

CGI is providing the following Bundled Software Products to Client:

Adobe RoboHelp – 1 Authorized User

Eclipse BIRT Engine – Production – 4 Core

Eclipse BIRT Engine – Non-Production – 4 Core

*\*\* Unlimited copies of BIRT Designer come with BIRT modules\*\**

Pervasive Data Integrator Universal Edition Engine – 1 License – 4-cores

Pervasive Data Integrator Universal Edition Engine (non-prod) – 1 License – 4-cores

Pervasive Data Integrator Universal Edition Developer – 5 Authorized Licenses Stream

Finite Matters, Pattern Stream with FrameScript – 5 Named User Licenses

Adobe FrameMaker® – 5 Named User Licenses for use with Pattern Stream – Maintenance services to be cancelled with this Amendment 12

Adobe Acrobat Pro – 5 Named User Licenses – Maintenance services to be cancelled with this Amendment 12

Versata Logic Server – 1 Site license  
Versata Designer Studio – 3 Named User License

IBM WebSphere Application Server Network Deployment –10,000 IBM Processor Value Units (PVU) - Sub-Capacity – Maintenance services to be cancelled October 1, 2022 upon Go-live.

IBM WebSphere Application Server Processor – 400 IBM Processor Value Units – Maintenance services to be cancelled October 1, 2022 upon Go-live.

IBM Process Server – 100 IBM Processor Value Units (Maintenance cancelled in Change Notice 1)

Monsell EDM DeltaXML – 1 Site License

BA&T SAP BusinessObjects Business Intelligence Platform – 175 concurrent sessions  
BA&T SAP BusinessObjects Web Intelligence – 175 concurrent sessions  
BA&T SAP BusinessObjects Dashboard – 175 concurrent sessions  
BA&T SAP BusinessObjects Explorer - 175 concurrent sessions  
BA&T SAP BusinessObjects Crystal Reports – 25 concurrent sessions  
BA&T SAP BusinessObjects Business Int. Platform Mobile add-on - 150 concurrent sessions  
BA&T SAP BusinessObjects Analysis Edition for OLAP - 25 concurrent sessions  
BA&T SAP BusinessObjects Analysis Edition for Office - 25 concurrent sessions  
SAP Application Standalone BI Limited User – 380 Named Users  
BA&T SAP BusinessObjects Business Intelligence Platform – 400 Named Users  
SAP Application Standalone Business Analytics Professional User - 20 Named User

SAP Business Objects Enterprise Public Document – 9 Named Users

CGI is providing the following Third Party Software to Client:

**Annual Subscription Products**

Convey Taxport- unlimited users based on 25,000 of documents created [*Annual service use is governed by Publisher's Shrink-wrap License*]

Liaison punch-out – up to 5 vendors

**Additional Third Party Software Products**

Pitney Bowes Group 1 – 1 Prod & 1 Non Prod – Enterprise

Perforce – 20 Named User Licenses

Jira – 100 Named User Licenses

jMeter [www.jmeter.apache.org]  
MapQuest Enterprise Edition

**Bundled Software Products and Additional Third Party Products  
Added/Upgraded with Amendment 12:**

Action Data Integrator v9 (formerly Pervasive Data Integrator)

Action Data Integrator Universal Edition Engine – 1 License – 4-cores

Action Data Integrator Universal Edition Engine (non-prod) – 1 License – 4-cores

Action Data Integrator Universal Edition Developer – 5 Authorized Licenses

With regard to the Actian Third Party Software Product specified in this Section 6, applicable product-specific license terms of the Actian Third Party Supplier is attached to Exhibit A to the Agreement as indicated below:

- Attachment 1.a – Actian License Terms [\(added through CCN 12\)](#)

All rights and licenses of Client in and to the Bundled and Third Party Software Products are governed by the terms and conditions of Article 2 – Terms and Conditions of the Contract, including but not limited to Section 2.260 of the Contract, this Attachment 9, Exhibit A: Proprietary Software License Agreement, the Managed Services Agreement, the Maintenance Agreement, and the Implementation Services Agreement. CGI may provide some Bundled or Third Party Software by utilizing a third party supplier's cloud or hosting services. All such third party suppliers are deemed to be Subcontractors under the Contract, and pursuant to Section 2.073 of the Contract Terms, CGI is responsible for the service and performance of its Subcontractors. CGI does not itself give or make any warranty of any kind with respect to the Bundled Software Products. Changes in the Software which CGI may make from time to time may make it necessary for CGI to provide Client updated versions of the Bundled Software Products or Third Party Software, which may require additional fees.

Any audit rights contained in any third-party software license agreement or end user license agreement for third-party software incorporated in or otherwise used in conjunction with the Advantage Software, will apply solely to CGI's (or its Subcontractors) facilities and systems that host the services (including any disaster recovery site), and regardless of anything to the contrary contained in any third-party software license agreement or end user license agreement, third-party software providers will have no audit rights whatsoever against Client systems or networks.

CGI acknowledges that Client cannot indemnify any third parties, including but not limited to any third-party software providers that provide software that will be incorporated in or otherwise used in conjunction with the Advantage Software, and that notwithstanding anything to the contrary contained in any third-party software license agreement or end

user license agreement, the Client will not indemnify any third party software provider for any reason whatsoever. Further, CGI agrees that Client will not be bound by any terms requiring consent to arbitration, permitting remote access to the State's systems, or agreeing to be bound by the laws of another jurisdiction contained in any third-party software license agreement or end user license agreement.

Agreed to and initialed for identification by:

\_\_\_\_\_  
(Client)      (CGI)      \_\_\_\_\_

# CGI SOLUTION PROVIDER ACCOUNT ACCESS POLICY

This CGI Solution Provider Account r Access Policy (“**Access Policy**”) is hereby incorporated into this Contract Change Notice 13 (the “**Agreement**”) and is between [ State of Michigan ] (“**Customer**”) and [ CGI ] (“**Solution Provider**”) regarding Customer’s use of and access to the **Solution Provider Accounts**. Section 7 contains definitions of capitalized terms.

1. **Scope.** This Access Policy is not an agreement with Amazon Web Services, Inc. (“**AWS**”). It sets out the rules, conditions, and restrictions that apply to Customer’s use of the Solution Provider Accounts.

## 2. Use of the Services.

**2.1 Generally.** Solution Provider gives Customer access to the AWS Services via Solution Provider Accounts, and Customer’s use of and access to the AWS Services is governed by the Agreement and this Access Policy. Contractual commitments by AWS to Solution Provider (for example, service level agreements) do not apply as between Customer and AWS. Customer must look solely to Solution Provider under this Agreement regarding any claims or damages relating to, or arising out of, the AWS Services. Solution Provider is not an agent of AWS and is not acting on behalf of AWS, and Customer is not a third party beneficiary of any agreement between Solution Provider and AWS.

**2.2** If AWS terminates Contractor’s Solution Provider Accounts for any reason that is not the fault of Customer, Contractor may move the OnCue360 Solution and State Data to an alternative hosting arrangement selected and approved by the parties, provided the parties agree in writing to the scope and impacts associated therewith via a mutually executed Change Notice. If the parties are unable to reach agreement on such Change Notice, the State may immediately terminate this SOW without any notice or cure period, and Contractor must promptly reimburse to the State any fees prepaid by the State prorated to the date of such termination, and Contractor must also pay for all reasonable costs incurred by the State in terminating this SOW, including but not limited to any reasonable direct additional costs the State may incur to procure the Solution required by this SOW from other sources, up to a cap of \$25,000. For the purposes of clarification, such termination will not be deemed Termination for Cause.

**2.3 Third-Party Content.** Through the use of the AWS Services or the AWS Site, Customer may have access to Third-Party Content, which is made available directly to Customer by other entities or individuals under separate terms and conditions, including separate fees and charges. Customer’s use of any Third-Party Content is at its sole risk.

**2.4 AWS Services Policies.** All access to and use of AWS Services is subject to the AWS Services Policies. Notwithstanding the foregoing sentence, Customer will not be bound by any terms requiring indemnification by the Customer to third-parties; consent to arbitration; provisions regarding audits; provisions regarding remote access to Customer's systems; agreeing to be bound by the laws of another state; or to waive any claims or defenses, including governmental or sovereign immunity contained in any of the AWS Services Policies. Further, Solution Provider hereby accepts the terms of the AWS Services Policies and Solution Provider is solely responsible for ensuring that its use of the AWS Services and its use and provision of the Solution Provider Accounts it provides to Customer comply with the AWS Services Policies (Notwithstanding anything in the Acceptable Use Policy and AWS Service Terms, these two AWS Services Policies are not separate agreements between Customer and AWS.)

**2.5 Customer Responsibilities.** Customer is responsible for (a) compliance of Account Content that is State Data with the AWS Services Policies and applicable law; (b) any action Customer permits, assists, or facilitates any End User to take under Solution Provider Accounts; and (c) use of AWS Services or Account Content by End Users under Solution Provider Accounts (and ensuring that End Users comply with Customer obligations under this Access Policy). If Customer becomes aware of any violation of its obligations under this Access Policy caused by itself or an End User, Customer will immediately suspend such End User's access to Account Content and the AWS Services by such End User, and upon investigation, may, in its sole discretion, terminate End User's access..

**3. AWS Services Interruption.** Customer and Solution Provider acknowledge that AWS may suspend the Solution Provider Accounts used by Customer to access the AWS Services immediately if AWS determines Customer's or an End User's use of the AWS Services (i) violates the AWS Services Policies; (ii) poses a security risk to the AWS Services or any other AWS customer, (iii) may harm AWS systems or the systems or Content of any other AWS customer; or (iv) may subject AWS to liability as a result of any of the foregoing.. In the event of such AWS Services suspension, Solution Provider will immediately, and no later than 1 calendar day following such suspension, provide notice to the State of such service suspension and will provide all necessary information relating to the suspension, including all relevant records, logs, files, and other materials and include the actions it believes the Customer must take to resolve the suspension and reinstate its access. Nothing in this Section 3 will operate to limit Customer's rights or remedies otherwise available to Customer against Solution Provider under the Agreement or applicable law.

**4. Transition of Solution Provider Accounts.** Except as otherwise provided by law or the Agreement, a transition of Solution Provider Accounts from Solution Provider to a third party (or directly to AWS) requires advance written consent by Solution Provider (which Solution Provider must also obtain from AWS).. In any case, absent prior authorization by AWS, Customer may not transfer Solution Provider Accounts to other providers that are not authorized to resell AWS Services.

## 5. Proprietary Rights

**5.1 Generally.** AWS or its licensors own all right, title, and interest in and to the AWS Services, and all related technology and intellectual property rights. Customer (a) has the right to access and use the AWS Services under Solution Provider Accounts solely in accordance with this Access Policy and the Agreement, and (b) may copy and use the AWS Content provided by Solution Provider (or, as applicable, by AWS) solely in connection with Customer's permitted use of the AWS Services. Except as provided in this Section 5, Customer obtains no rights under this Access Policy from AWS, its affiliates, or Solution Provider to the AWS Services, the AWS Content, or Third-Party Content, including any related intellectual property rights. Some AWS Content and Third-Party Content may be provided to Customer under a separate license, such as the Apache License, Version 2.0, or other open source license. By using those materials, Customer is subject to such additional terms.

**5.2 Restrictions.** Neither Customer nor any End User nor Solution Provider will use the AWS Services or AWS Content in any manner or for any purpose other than as expressly permitted by this Access Policy and the Agreement. Neither Customer nor any End User nor Solution Provider will, or will attempt to (a)

modify, distribute, alter, tamper with, repair, or otherwise create derivative works of any AWS Content or Content included in the AWS Services (except to the extent Content included in the AWS Services is provided to Customer under a separate license that expressly permits the creation of derivative works), (b) reverse engineer, disassemble, or decompile the AWS Services or apply any other process or procedure to derive the source code of any software included in the AWS Services (except to the extent applicable

law doesn't allow this restriction), or (c) access or use the AWS Services in a way intended to avoid incurring fees or exceeding usage limits or quotas.

**6. Representations and Warranties.** Customer agrees that to the best of its knowledge Customer's and its End Users' use of the Solution Provider Accounts (including any use by its employees, personnel, and (except for Solution Provider) contractors) will not violate this Access Policy. Each party represents and warrants with regard to its own Account Content, that (a) the party owns all right, title, and interest in and to its Account Content; and (b) the Account Content (including the use, development, design, production, advertising, or marketing of Account Content) or the combination of Account Content with other applications, Content, or processes, do not and will not violate any applicable laws or infringe or misappropriate any third-party rights.

## 7. Definitions.

**"Account Content"** means Content that Customer or any End User or Solution Provider (a) runs on the AWS Services, (b) causes to interface with the AWS Services, or (c) uploads to the AWS Services or otherwise transfer, process, use or store in connection with the AWS Services.

**"AWS Content"** means Content AWS makes available (either directly or indirectly) in connection with the AWS Services or on the AWS Site to allow or facilitate access to and use of the AWS Services, including WSDLs; Documentation; sample code; software libraries; command line tools; and other related technology. AWS Content does not include the AWS Services.

**"AWS Services"** means, collectively or individually (as applicable), the web services made commercially available by us to Solution Provider for use under this Access Policy, including (as applicable) those web services described in the AWS Service Terms.

**"AWS Services Agreement"** means the AWS Customer Agreement at <http://aws.amazon.com/agreement>, or other written agreement by and between AWS and Customer (if any) governing Customer's access to and use of the AWS Services.

**"AWS Services Policies"** means the following provisions (uses of the pronoun "you" shall refer to Customer):

- *AWS Acceptable Use Policy*, located at <http://aws.amazon.com/aup> (as it may be updated by AWS from time to time), which describes prohibited uses of the AWS Services and the AWS Site;
- *AWS Service Terms*, located at <http://aws.amazon.com/serviceterms> (as they may be updated by AWS from time to time), which include the rights and restrictions for particular AWS Services;
- *AWS Site Terms*, located at <http://aws.amazon.com/terms/> (as they may be updated by AWS from time to time), which govern the use of the AWS Site; and
- All restrictions described in the AWS Content and on the AWS Site.

**"AWS Site"** means <http://aws.amazon.com> and any successor or related site designated by AWS.

**"Content"** means software (including machine images), data, text, audio, video or images.

**“Documentation”** means the developer guides, getting started guides, user guides, quick reference guides, and other technical and operations manuals, instructions and specifications for the Services currently located at <http://aws.amazon.com/documentation>, as such documentation may be updated by us from time to time.

**“End Customer Account”** means an AWS account designated as such under the AWS Solution Provider Program, through which AWS Services are provided by Solution Provider to Customer, and in connection with which AWS and Customer have an AWS Services Agreement.

**“End User”** means all persons authorized by the Customer to access and use the OnCue360 Solution. The term “End User” does not include individuals or entities when they are accessing or using the AWS Services or any Content under their own AWS account, rather than Solution Provider Accounts.

**“Solution Provider Accounts”** means Solution Provider’s AWS accounts through which AWS Services are provided by Solution Provider to Customer.

**“Suggestions”** means all suggested improvements to the AWS Services or AWS Content that Customer provides to AWS or its affiliates.

**“Third-Party Content”** means Content made available to Customer by any third party on the AWS Site or in conjunction with the AWS Services.



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **12**  
 to  
 Contract Number **071B4300137**

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
	300 S. Washington Square
	East Lansing, MI 48933
	Stephen Arrants
	(303) 898-1876
	<a href="mailto:stephen.arrants@cgi.com">stephen.arrants@cgi.com</a>
	CV0059354

<b>Program Manager</b>	Ruth Schwartz	DTMB
	(517) 284-7585	
	<a href="mailto:schwartzr1@michigan.gov">schwartzr1@michigan.gov</a>	
<b>Contract Administrator</b>	Matt Weiss	DTMB
	517-256-9895	
	<a href="mailto:Weissm4@michigan.gov">Weissm4@michigan.gov</a>	

**CONTRACT SUMMARY**

**ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AND MAINTENANCE AGREEMENT**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2021

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input checked="" type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

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**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
x	3, 1-Year Options	<input type="checkbox"/>		September 30, 2024
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$72,608,751.00	\$25,000,000.00	\$97,608,751.00		

**DESCRIPTION**

Effective 5/20/2020, the State is exercising 3 option years for this Contract, with an increase of \$25,000,000.00. The revised Contract expiration date is September 30, 2024. The attached amendments and Statement of Work associated with the SIGMA 4x Upgrade project are being included as an Option that can be exercised at a future date. The contract is reduced \$2,169,243 by elimination of the funds for a Major or Minor Upgrade. Please note, the Contract Administrator has been changed to Matt Weiss.

All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency agreement, DTMB Procurement approval, and State Administrative Board approval on May 19, 2020.



## MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET

<b>Project Title:</b> SIGMA 4X Upgrade Project	<b>Period of Coverage:</b> June 24, 2014 – September 30, 2024
<b>Requesting Department:</b> DTMB	
<b>DTMB Project Manager:</b> Ruth Schwartz	<b>Phone:</b> (517) 284-7585

### Summary

- **OVERVIEW AND BACKGROUND**

This CCN exercises three Option Years and adds an option to exercise an upgrade project. SIGMA is currently on the CGI Advantage 3.11 release of the Advantage Software and will be upgraded to the Advantage 4 release. In addition, this CCN will address a shift in the Advantage Software delivery model, shifting from major upgrades every 3 to 5 years to a 'feature set' model. Additional contract administrative changes and the execution of option years are included in this CCN.

- **OBJECTIVES OF REQUESTED CHANGES**

The purpose of this CCN is to effectuate the Contract updates.

- **CHANGES IN SCOPE AND PROCESS**

Pursuant to this CCN the State exercises three Option Years (through September 30, 2024) as specified in Attachment 3 of the Agreement.

In addition, this CCN modifies the following provisions of the Contract relating to scope and process:

- Attachment 2 (Statement of Work)
- Attachment 5 (Capacity, Processing, and Other Standards)
- Attachment 6 (Contractor Licensed Software)
- Attachment 9 (Proprietary Software License Agreement)

This CCN also includes a statement of work ("Upgrade Statement of Work") associated with upgrading the SIGMA system to Advantage 4.

- **ADMINISTRATIVE CHANGES IN OTHER CONTRACT TERMS**

Other terms and conditions of the Contract are modified as specified below. Except as so modified, the Contract remains in full force and effect. Replacements of entire Attachments to the Contract are specified as such with the replacement attachment attached to this CCN. In-line modifications within Contract provisions are tracked as follows: additions are noted with blue underlining, deletions are noted with blue strikes, moves are noted with blue double underlining and double strikes.

**A. Changes to Scope and Pricing**

**1. Changes to Article 1 – Statement of Work**

Pursuant to this CCN, the following provisions of Article 1 are hereby modified as specified below:

- Article I, Section 1.202 (State Staff, Roles, and Responsibilities)
- Article I, Section 1.302 (Contract Management), relating to meetings

All other sections of Article 1 remain unchanged.

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

The named State resources will consist of a Project Director (which will be filled by the SIGMA Operations and Support Director) and ~~a DTMB Business Relationship Manager (BRM)~~ the SIGMA Business Operations and New Development (BOND) Director.

**State Project Director and ~~BRM~~ BOND Director**

The State's Project Director and ~~BRM~~ BOND Director will provide the following services:

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

*State Project Director and ~~BRM~~ BOND Director*

<b>Name</b>	<b>Agency/Division</b>	<b>Title</b>
Ruth Schwartz	DTMB – SBO	Project Director / <u>SIGMA</u>

		<u>Operations and Support Director</u>
Lisa Evani	DTMB – <u>Customer Services-SBO</u>	<u>Business Relationship Manager Business Operations and New Development Director</u>

### 1.302 CONTRACT MANAGEMENT

The Contractor must carry out this project under the direction and control of the Michigan Department of Technology, Management and Budget.

#### A. Orientation Meeting

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

#### B. Reports

The Contractor will provide the reports identified in Attachment 7 through the life of the Agreement.

#### C. Meetings

At a minimum and upon go-live of the respective ERP functionality, the following meetings must be held between appropriate representatives of the Contractor and the State to review the Contractor's performance under the agreement. The meetings will be held in Lansing, Michigan, or by teleconference, as mutually agreed by the State and the Contractor:

##### The Weekly Client Status Meeting will include:

1. Change Management Meeting – Reviews any problems that have occurred during the previous week and reviews the schedule for the next week. This meeting must be attended by both the State and the Contractor management and staff, and must be conducted on a weekly basis;
2. Production Coordination Meeting – Weekly review the development and production requirements to assure the production schedule must meet the needs of the State;

##### The SLA Weekly Call will include:

3. Service Level Attainment Review – Ad-hoc meetings with the State Division Director and Technical Manager to review Service Level Reports from the prior month as needed;

##### The following meetings are scheduled as described below:



4. Quarterly Executive Governance Meeting -

- Meeting attendees include representatives from the State and the Contractor
  - State of Michigan SIGMA Operations and Support Director
  - State of Michigan Business Operations and Development Director
  - State of Michigan Business Centers of Excellence Director
  - State of Michigan Business End User Support Director
  - Additional SBO and DTMB Senior Executives based on meeting agenda
  - Contractor Delivery Executive
  - Contractor Project Executive
  - Contractor Senior Vice President of Great Lakes Business Unit
  - Contractor Advantage Client Delivery & Cloud Services Executive
  - Contractor Strategic Operations Executive
  - Contractor Vice President of Government Solutions
  
- Discuss the evolving business agenda of both organizations
- Review and refresh the strategic goals for the ongoing relationship
- Identify changes on the horizon that will need to be managed
- Explore ways to extend the relationship to solve new business problems
- Quarterly Capacity Planning Meeting – Quarterly meeting to review projected utilization of server resources.

Offsite Contractor representatives may on occasion participate in this meeting remotely.

5. Annual Technical and Security Plan Meeting - At least once each year representatives of the Contractor must meet with the State to review technical and security plans and discuss possible changes to be implemented during the coming year. At such meetings the Contractor must present recommendations to the State on Hardware and Software improvements and changes that the Contractor believes would significantly reduce costs, improve service or enhance the operability or reliability of the ERP Solution. If necessary, the State can request meetings more frequently.

- Meeting attendees include representatives from the State and the Contractor:
  - State of Michigan Project Director SIGMA Operations and Support Director
  - State of Michigan Business Operations and Development Director
  - State of Michigan DTMB Agency Services Team supporting SIGMA
  - State of Michigan DTMB CyberSecurity liaison
  - State of Michigan Centers of Excellence Director (Optional)
  - State of Michigan End User Support Director (Optional)
  - Contractor Delivery Executive and designees

- Contractor Project Executive and designees
  - Contractor Operations Manager
  - Contract Application Support Lead (Optional)
6. Joint Steering Committee (JSC) Meeting Weekly SIGMA Management Meeting – The objectives of the JSC are:
- Meeting attendees include representatives from the State and the Contractor
    - State of Michigan ~~Project Director~~ SIGMA Operations and Support Director
    - State of Michigan ~~Business Relationship Manager~~ Business Operations and Development Director
    - State of Michigan Centers of Excellence Director
    - State of Michigan End User Support Director (Optional)
    - Contractor Delivery Executive
    - Contractor Project Executive
    - Contractor ~~Delivery Project Executive~~ Operations Manager
    - Contract Application Support Lead
  - Discuss the evolving business agenda of both organizations
  - Review and refresh the strategic goals for the ongoing relationship
  - Ratify (and sometimes recommend) changes to the agreement and/or how it is being managed
  - Identify changes on the horizon that will need to be managed
  - Review performance against the strategic goals (business and relationship)
  - Review industry business trends and the impact of technology
  - Evaluate Contractor industry initiatives for applicability
  - Explore ways to extend the relationship to solve new business problems
7. Joint Management Committee (JMC) Meeting Weekly Technology Checkpoint Meeting – The objectives of the JMC are:
- Meeting attendees include
    - ~~State of Michigan Project Director~~
    - State of Michigan ~~Business Relationship Manager~~ Business Operations and New Development Director
    - State of Michigan ~~Manager DTMB~~ BOND Managers
    - ~~Contractor Project Executive~~
    - Contractor Delivery Project Executive
    - Contractor On-site Operations Project Manager
  - Develop strategies and plans to meet the goals set by the ~~Joint Steering Committee Weekly Management Meeting~~
  - Review performance against set metrics, and address any systemic contractual or management problems
  - Periodically, systematically and formally assess the quality of the working relationship, and plan appropriate actions to strengthen it
  - Spot and address conflicts on the horizon; resolve conflicts escalated to ~~JMC~~ this group
  - Spot and manage impending change
  - Continuously (informally) assess how the State and the

Contractor are working together, and plans to improve the relationship

- Continuously looks for new places/ways to deliver business value
- Make recommendations to the Joint Steering Committee on any large changes that need to be made to objectives or strategy, the agreement, or the relationship

Meetings must have a published agenda distributed sufficiently in advance of the meeting to allow meeting participants a reasonable opportunity to prepare for the meeting.

## **B. Changes to Article 2 – Terms and Conditions**

Pursuant to this CCN, the following provisions of Article 2 (Terms and Conditions) are hereby modified as specified below:

- Article 2, Section 2.021 (Issue Office)
- Article 2, Section 2.023 (State Project Director)
- Article 2, Exhibit 2-1 (Contract Change Management Process)

All other Terms and Conditions remain unchanged.

### **2.021 Issuing Office**

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

~~Whitnie Zuker~~ [Matt Weiss](#)

State of Michigan  
Department of Technology,  
Management and Budget  
Procurement  
1st Floor, Constitution Hall 525  
West Allegan Street

Email: ~~ZukerW@michigan.gov~~

[WeissM4@michigan.gov](mailto:WeissM4@michigan.gov)

Phone: ~~517-284-7030~~

[517-256-9895](tel:517-256-9895)

Lansing, Michigan 48909

### **2.023 State Project Director**

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The ~~following individual~~ [SIGMA Operations and Support Director](#) will oversee the project:

Ruth Schwartz  
State of Michigan  
State Budget Office  
The Victor Center, 7<sup>th</sup> 8<sup>th</sup> Floor  
201 N Washington Sq  
Lansing, MI 48909

Email: SchwartzR1@michigan.gov  
Phone: 517-284-7585

## **Exhibit 2-1 Contract Change Management Process**

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### **3.3 Service Requests Versus Contract Change Requests**

Whenever the State submits a formal request to Contractor, or otherwise directs Contractor, to take specific action under or in relation to the Agreement (whether or not the requested action qualifies as a Change), the State's request will constitute a "**Service Request**." Any State Service Request that the State does not itself identify as a Contract Change Request will presumptively be deemed to be a request for Contractor to carry out previously contracted Services under the Agreement (i.e., not a Change) unless all of the following conditions are satisfied, in which case the Service Request shall also constitute a Contract Change Request:

- (a) The activities requested fall within the definition of a "Change" as set out in Section 3.2 above;
- (b) Prior to carrying out the Service Request, Contractor informs the State in writing that Contractor considers the Service Request to constitute a Contract Change Request and provides a reasonable explanation of the basis on which Contractor has made its determination; and
- (c) The [State Project Executives SIGMA Operations and Support Director](#) or their designee acknowledges or agrees in writing that the Service Request constitutes a Contract Change Request.

Any dispute between Contractor and the State as to whether a Service Request constitutes a Contract Change Request will be escalated and resolved via first escalating to the [State's Project Director SIGMA Operations and Support Director](#) and if it cannot be resolved there to the [State's Project Executives Deputy State Budget Director](#) for resolution.

### **C. Changes to Attachment 2 (Statement of Work)**

Pursuant to this CCN, the following provisions of Attachment 2 Statement of work are hereby modified as specified below:

- Section 9.0 Database Support
- Section 21.0 Discretionary Services
- Section 44.0 Subscription Product Environments

- Exhibit A Service Level Agreement

## 9.0 Database Support

Section 9.0 is modified as specified below.

The Contractor shall provide ERP Application **and Data warehouse (InfoAdvantage)** Data Base Management System (DBMS) maintenance and support as follows:

- A. Installing, configuring, maintaining, and upgrading Database System Software and associated program products upon State approval
- B. Installing and applying Database fixes as requested by the State or as identified by Contractor if under a Managed Services model and per update/upgrade requirements and Section 20 in this Agreement.
- C. Identifying and resolving Database and Database subsystem problems and/or related database problems
- D. Providing ongoing Database subsystem performance management
- E. Providing physical database design, review, and support, as required
- F. Providing DBMS performance utilization tracking
- G. Table reorganization synchronization, and compression activities, as needed, to ensure optimum application performance per Contractor's obligations in this Agreement
- H. Table space and directory structure management activities
- I. Ongoing data integrity maintenance at the database table level
- J. Any other activities, as needed, to ensure the integrity and optimal performance of the database

## 21.0 Discretionary Services

Section 21.0 is modified as specified below.

Contractor shall be responsible for making minor alterations or enhancements as mutually agreed to Applications within the scope of the Managed Services. Due to the sporadic nature of these requirements (e.g., minor display field changes, edits, reports, etc.), the State may require the Contractor to provide these services as needed. The Contractor must include, for each year of the Agreement, a pool of four thousand (4,000) hours per year, to be used for such services. The Contractor and the State agree that, in the event there are insufficient hours available in the Development Pool of Hours in the Implementation Services Agreement, Contract number 071B4300138 and in accordance with its provisions, the State may elect to use these hours during the implementation of

Phase 2. Dependent on the nature of work, the Contractor will ensure appropriately skilled resources are leveraged to conduct the work. Such hours will not be used to address defects in the delivered software nor to correct variances from approved designs or concept papers.

The Contractor must also provide tracking and reporting of hours used and remaining available within a given year. Upon receipt of an approved request from the State, the Contractor shall:

- A. Prepare and deliver a proposal that includes the following:
  1. A Project Plan including project schedule
  2. Delivery cost **estimate (in hours)** and resource estimates for each phase of the Project.
    - a. **The cost and resource estimates must be provided within two (2) - four (4) weeks depending on the complexity of the request unless an alternate date for delivery of the estimates is mutually agreed upon.**
    - b. **Cost estimate hours are without regard to resource level, if the State requests specific, named, onsite resources the cost estimate hours may involve a negotiated and mutually agreed upon factor. The State may authorize the named resource to conduct work remotely.**
  3. Cost estimates for the ongoing maintenance resource and infrastructure requirements and costs for the solution(s) post-implementation
  4. Provisions for project management due diligence including:
    - a. Preparation and maintenance of project plans and schedules using Microsoft Project or other tool as may be required by State standards at the time
    - b. Preparation and maintenance of project organization and staffing chart
    - c. Status reports and weekly status meetings
    - d. Issue identification, logging, review, escalation, and resolution
    - e. Monitoring, reporting, and analyzing actual results versus forecasted results including budget, hours, milestone achievement, estimates to complete, key dependencies, key quality or acceptance gates and any other items the Contractor or State deems necessary to deliver the Project
- B. For each proposed project approved by the State, the Contractor shall:

1. Deliver Projects in a manner that is designed to help minimize disruption to the State business environment.
2. Balance Project scope, quality, effort, schedule, budget, and resource risks or conflicts jointly with the State.
3. Develop and report business and technical risk and impact analyses.
4. Conduct post-delivery analysis, documenting preferred experiences, and compiling recommendations for purposes of continuous service improvements.

### C. Report and Universe Support

1. The Contractor will provide an onsite resource to improve the support for reports and universes by being on the ground to have direct and immediate access to the issues and also to have the direct channels into the CGI support organizations to provide more timely efficient response to issues and requests. The cost of the onsite would be split between CGI and State. The State will leverage 1,000 discretionary hours to cover this cost each fiscal year essentially lowering the total annual discretionary hours available for other activities from 4,000 to 3,000). This cost will be prorated in the event the resource is not onsite and assigned to the State full time for the entire year.

The proposed model will provide the following benefits over the existing model:

- Eliminate the need for the report adoption process as it currently exists but still providing the review and guidance to maintain good performance and accurate results with from new reports
- There would be no additional charges for supporting each new report as this would be supported by the onsite resource within the 1000 discretionary hour allocation
- Provides a resource on the ground to have direct and immediate access to issues and direct access to CGI support organizations to provide more timely efficient response to issues and requests
- Provides an additional resource to assist the state's report team with development or modification of reports and universes for the state's business users
- Provide an advocate for the state's report team on all report and universe support issues

The following tables outline the roles and responsibilities for Report and Universe Support. The activities described in the tables below, as it relates to InfoAdvantage, include all reports, universes, ETL, etc... identified as part of the R09 Deliverable

as approved on 12/04/2019.

**Report Related: Support Activities**

Category	Activity	Current Model	New Model
<b>Baseline Reports</b>			
	Recreate issue in MI PLT	CGI infoAdv CAPS	CGI infoAdv CAPS
	Recreate issue in Baseline	CGI infoAdv CAPS	CGI infoAdv CAPS
	Fix issue in Baseline	CGI infoAdv Solutions	CGI infoAdv Solutions
	Deploy and test fix in PLT	CGI infoAdv CAPS	CGI infoAdv CAPS
	Packaging and Documentation	CGI infoAdv CAPS	CGI infoAdv Solutions
	Deploy Fix in MA1, MA2, SH1 and SH2	CGI ACDCS CM	CGI ACDCS CM
	Deploy on Production	CGI ACDCS CM	CGI ACDCS CM
	Deploy Fix in PLP	CGI infoAdv CAPS	CGI infoAdv CAPS
	SME Support for Client Testing	CGI infoAdv CAPS	Onsite Support *
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS
<b>SIGMA Corporate Reports (Centrally Supported Reports)</b>			
	Recreate issue	CGI infoAdv CAPS	Onsite Support *
	Root Cause Analysis	CGI infoAdv CAPS	Onsite Support *
	Fix Issue in PLT	CGI infoAdv CAPS	CGI infoAdv CAPS
	Packaging and Documentation	CGI infoAdv CAPS	Onsite Support *
	Deploy Fix in MA1, MA2, SH1 and SH2	CGI ACDCS CM	CGI ACDCS CM
	Deploy on Production	CGI ACDCS CM	CGI ACDCS CM
	Deploy Fix in PLP	CGI infoAdv CAPS	CGI infoAdv CAPS
	SME Support for Client Testing	CGI infoAdv CAPS	Onsite Support *
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS

**Universe Related: Support Activities**

Category	Activity	Current Model	New Model
<b>Baseline Universes</b>			
	Recreate issue in PLT	CGI infoAdv CAPS	CGI infoAdv CAPS
	Recreate issue in Baseline	CGI infoAdv CAPS	CGI infoAdv CAPS
	Root Cause Analysis	CGI infoAdv Solutions	CGI infoAdv Solutions
	Fix Issue in PLT	CGI infoAdv CAPS	CGI infoAdv CAPS
	Packaging and Documentation	CGI infoAdv CAPS	CGI infoAdv CAPS

Category	Activity	Current Model	New Model
	Deploy Fix in MA1, MA2, SH1 and SH2	CGI ACDCS CM	CGI ACDCS CM
	Deploy on Production	CGI ACDCS CM	CGI ACDCS CM
	Deploy Fix in PLP	CGI infoAdv CAPS	CGI infoAdv CAPS
	SME Support for Client Testing	CGI infoAdv CAPS	CGI infoAdv CAPS
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS
<b>Custom Universes</b>			
	Recreate Issue in PLT	CGI infoAdv CAPS	Onsite Support *
	Root Cause Analysis	CGI infoAdv CAPS	Onsite Support *
	Fix Issue in PLT	CGI infoAdv CAPS	Onsite Support *
	Packaging and Documentation	CGI infoAdv CAPS	Onsite Support *
	Deploy Fix in MA1, MA2, SH1 and SH2	CGI ACDCS CM	CGI ACDCS CM
	Deploy on Production	CGI ACDCS CM	CGI ACDCS CM
	Deploy Fix in PLP	CGI infoAdv CAPS	Onsite Support *
	SME Support for Client Testing	CGI infoAdv CAPS	Onsite Support *
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS

#### Migration Related: Support Activities

Category	Task	Current Model	New Model
<b>Baseline Report/Universe Migration</b>			
	Package Delivery to ACDCS	CGI infoAdv CAPS	CGI infoAdv CAPS
	Deploying to MA1	CGI ACDCS CM	CGI ACDCS CM
	Deploying to Prod	CGI ACDCS CM	CGI ACDCS CM
	Deploying to MA2, SH1, and SH2	CGI ACDCS CM	CGI ACDCS CM
	Deploy on Production	CGI ACDCS CM	CGI ACDCS CM
	Deploy Fix in PLP	CGI infoAdv CAPS	CGI infoAdv CAPS
	SME Support for Deployment	CGI infoAdv CAPS	CGI infoAdv CAPS
<b>Custom Report/Universe Migration</b>			
	Package Delivery to ACDCS	CGI infoAdv CAPS	Onsite Support *
	Deploying to MA1	CGI ACDCS CM	CGI ACDCS CM
	Deploying to Prod	CGI ACDCS CM	CGI ACDCS CM
	Deploying to MA2, SH1, and SH2	CGI ACDCS CM	CGI ACDCS CM
	Deploy on Production	CGI ACDCS CM	CGI ACDCS CM
	Deploy Fix in PLP	CGI infoAdv CAPS	Onsite Support *

Category	Task	Current Model	New Model
	SME Support for Deployment	CGI infoAdv CAPS	Onsite Support *

### Change Requests: Support Activities

Category	Activity	Current Model	New Model
<b>Custom Report/Universe</b>			
	<b>Change Request</b>	<b>Client</b>	<b>Onsite Support * /Client</b>
	LOE and SOW	CGI infoAdv CAPS	The need for an LOE does not exist in the New Model as this activity is covered by the Onsite Support resource. One exception is if the Onsite Support resource does not have the availability to complete a large request in the desired timeframe. In that scenario, the State and CGI may agree to pursue the change through the LOE process.
	Development and Testing (PLT)	CGI infoAdv Solutions	Onsite Support *
	Packaging and Documentation	CGI infoAdv Solutions	Onsite Support *
	Deployment on MA1	CGI ACDCS CM	CGI ACDCS CM
	Deployment on Prod	CGI ACDCS CM	CGI ACDCS CM
	Deployment on PLP	CGI infoAdv CAPS	Onsite Support *
	Deployment on MA2, SH1 and SH2	CGI ACDCS CM	CGI ACDCS CM
	SME Support during and post deployment	CGI infoAdv CAPS	Onsite Support *
<b>Baseline Universe</b>			
	<b>Change Request</b>	<b>Client</b>	<b>Client</b>
	LOE and SOW	CGI infoAdv Solutions	CGI infoAdv Solutions
	Development and Testing	CGI infoAdv Solutions	CGI infoAdv Solutions
	Packaging and Documentation	CGI infoAdv Solutions	CGI infoAdv Solutions
	Deployment on PLT	CGI infoAdv CAPS	CGI infoAdv CAPS
	Deployment on MA1	CGI ACDCS CM	CGI ACDCS CM
	Deployment on Prod	CGI ACDCS CM	CGI ACDCS CM
	Deployment on PLP	CGI infoAdv CAPS	CGI infoAdv CAPS

Category	Activity	Current Model	New Model
	Deployment on MA2, SH1 and SH2	CGI ACDCS CM	CGI ACDCS CM
	SME Support during and post deployment	CGI infoAdv CAPS	CGI infoAdv CAPS

### Report Adoption: Support Activities

Category	Task	Responsible Team	New Model
<b>Adoption of Custom Reports</b>			
	Knowledge Transition to CGI CAPS	Client / CGI infoAdv CAPS	Onsite Support *
	Deploy on PLT	CGI infoAdv CAPS	Onsite Support *
	Deploy on Prod	CGI ACDCS CM	CGI ACDCS CM
	Deploy on PLP	CGI infoAdv CAPS	Onsite Support *
	Deploy on MA2, SH1, and SH2	CGI ACDCS CM	CGI ACDCS CM
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS
<b>Re-Adoption</b>			
	Knowledge Transition to CGI	Client / CGI infoAdv CAPS	Onsite Support *
	Deploy on PLT	CGI infoAdv CAPS	Onsite Support *
	Deploy on Prod	CGI ACDCS CM	CGI ACDCS CM
	Deploy on MA2, SH1, and SH2	CGI ACDCS CM	CGI ACDCS CM
	Deploy on PLP	CGI infoAdv CAPS	Onsite Support *
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS

Re-Adoption indicates a handoff from the Onsite Support resource to the CGI infoAdv CAPS support. This is addressed by CGI behind the scenes and is used to ensure future support needs for the re-adopted report is streamlined. If report adoption alters the number or complexity of reports being supported by managed services, adjustments to support hours may be necessary. This will be evaluated on a quarterly basis and is subject to the mutual agreement of the State and Contractor.

### ETL: Support Activities

Category	Task	Responsible Team	New Model
<b>ETL</b>			
	Trouble shoot and fix ETL issues	CGI infoAdv CAPS	Onsite Support * / Arch-DBA / CGI ACDCS OPS
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS

### Data Assurance: Support Activities

Category	Task	Responsible Team	New Model
<b>Data Assurance</b>			
	Trouble shoot Data integrity issue and fix	CGI infoAdv CAPS	Client / CGI infoAdv CAPS / ACDCS -OPS
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS

### Report Performance Tuning: Support Activities

Category	Task	Responsible Team	New Model
<b>Performance related to Reports</b>			
	Confirm and validate report design to CGI-Info Adv standards / report development guide lines	CGI infoAdv CAPS	Onsite Support / CGI infoAdv CAPS
	Design / testing phase - SQL tuning & recommendation – MA2 & MA1	Client / CGI infoAdv CAPS / Arch-DBA	Client / Onsite Support / CGI infoAdv CAPS / Arch-DBA
	Trouble shoot performance issue and fix - PROD	Client / CGI infoAdv CAPS / Arch-DBA	Client / Onsite Support / CGI infoAdv CAPS / Arch-DBA
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS

\* While the intention is to have a single resource cover these activities, this report support model does not diminish CGI infoAdv CAPS (now named CGI Advantage Customer Support) responsibilities to provide support should additional resources or escalation of issues be required to meet the service level obligations.

#### 44.0 Subscription Product Environments

Section 44.0 is modified as specified below.

Punch-Out Catalog Subscription Product(s) such as **Open Text (formerly Liaison)** will be configured functionality for the Production and Production QA environments only. Additional production environments can be configured at additional costs from CGI and the Subscription Product vendor(s).

#### Attachment 2, Exhibit A – Service Level Agreement

Section B.7 is modified as specified below.

SLA Standard 5: Online Response Time shall not apply to reports run through CGI infoAdvantage. The Parties have identified up to six (6) reports using Business Objects that will serve as benchmarks for 'ad hoc' query performance. These reports will be representative of the range of expected reasonable production 'ad hoc' queries in terms of size, complexity, and result sets. This set of reports is not intended to be representative of the largest ad hoc queries that the State might create but rather the range of query sizes that are typical of State use in a given month. If a change is required to the benchmarks identified, replacement benchmark reports and the performance standards for each will be mutually agreed upon by the State SIGMA Operations Director and the Contractor Project Manager and will be performance tested to validate that the standards are reasonable and can be met.

The State is able to submit and run the benchmark reports periodically and record the results. If standards for the benchmark reports are not met, then Contractor agrees to work with the State to address any performance issues. Contractor will have access to, and the right to periodically run the benchmark reports as a basis for proactively monitoring report performance and response times or in an attempt to validate State reported performance issues.

If the State observes that benchmark performance is not being met on a consistent basis over a 30 day period the State will notify Contractor of the performance issue. If Contractor does not address the issue in a manner that is mutually agreed to be satisfactory, then the Parties agree to create a new Service Metric related to ad hoc query performance and to include it in the Managed Services Agreement via a change order within 15 business days of the State's request.

The reports currently identified as the benchmark are:

<b>Row</b>	<b>Report Name</b>	<b>Benchmark (report duration in seconds)</b>
1	MI-TELL-0003 <b>Prompts:</b> Enter Pay Period End date: 1/12/19 Enter Department: 313	TBD 223
2	MI-BS-0001 Trial Balance <b>Prompts:</b> Enter Fiscal Year: 2018 Enter Accounting Period: 13 Enter Department: 751 Enter Fund Class: 112	TBD 296
3	FIN-GA-0017 Detailed Transaction Listing <b>Prompts:</b> Enter Fiscal Year: 2019 Enter Accounting Period: 1 Enter Beginning Record Date: 10/1/18 Enter Ending Record Date: 10/31/18 Enter Doc Department: 751 Enter Fund Class: 112	TBD 146

4	FIN-TREA-0010 Check Disbursement Printing and Handling Control <b>Prompts:</b> No prompts	TBD 485
5	FIN-GA-0019 Document Messages and Exception Report <b>Prompts:</b> Enter Application Name: Advantage Financial Enter Document Department Code: 751	TBD 1,264
6	BUD-APPVAL-0001 Appropriation Validation <b>Prompts:</b> Enter BFY: 2020 Enter Appropriation Code: * Enter Fund Code: * Enter Home Organization: * Enter Salary Projection Code:2020_BASE PROJ	TBD 76

The Contractor and the State will work together to define the Benchmarks noted as TBD by March 31, 2019.

**The chart above has been updated to reflect these benchmarks**

**Standard 5 is modified as specified below.**

<i>Standard 5 – Online Response Time</i>				
<p>Both online inquiry and online update transactions must be achieved within the cumulative transaction response times specified below:</p> <p><u>Standard</u>   <u>Metric</u></p> <p>A: &lt;2 sec   91%</p> <p>B: &lt;3 sec   93%</p> <p>C: &lt;4 sec   95%</p> <p>D: &lt;5 sec   97%</p>		<p>New Relic graphs will be provided showing the transaction counts at the macro solution level as well as the ADV root level. The graphs will be accompanied by charts detailing the transaction counts for each of the four measures to the left. Both the singular percentage of the measure as well as the cumulative percentage to achieve the measurements to the left will be provided.</p> <p>Individual transactions for this metric and their associated targets will be mutually agreed by the parties no later than 12/1/2018 and implemented <del>in phases concluding no later than 9/1/2019</del> during the <b>SIGMA 4x Upgrade Project</b> by confirmation from the State of completion. At that time, graphs similar to those described above will be either added to the reporting or replace those above as the sole measure for this metric. <b>Prior to the completion of the 4x Upgrade Project, this metric will be reviewed periodically by the State based on user experience.</b></p> <p>The State and CGI have agreed on using the same set of transactions defined in SLA Standard 2 as the individual transactions to use in this Standard with the following exceptions:</p> <ul style="list-style-type: none"> <li>• ‘enter data’ will not be measured as part of the ESS transaction: <ul style="list-style-type: none"> <li>○ Create timesheet, enter data and submit for approval</li> </ul> </li> <li>• Navigation activities are not measurable for the purposes of this Standard, therefore the following VSS items will not be included: <ul style="list-style-type: none"> <li>○ Click on each of Address Contacts tab, Financial transaction tab then scheduled Payments, scheduled Checks/EFT and scheduled Invoices/Requests sub-tabs</li> </ul> </li> </ul>		
<b>Sliding Scale Penalty Structure</b>				
<b>Penalty</b>	<b>None</b>	<b>10%</b>	<b>25%</b>	<b>50%</b>
<b>Service Rate</b>	100%	N/A	<100%	N/A

**Standard 10 is modified as specified below.**

<i>Standard 10 - Off-Line Batch Processing – Delivery</i>		
100%	<p>All scheduled output from normal nightly batch processing <b>except the following batch cycles</b> must be complete and delivered to the specified State end user in the manner elected by such end user:</p> <ul style="list-style-type: none"><li>• <b>HRM Day 2</b></li><li>• <b>HRM Day 3</b></li><li>• <b>HRM AMDemo Cycle</b></li></ul> <p>For the purposes of this Section, the term “delivered” shall mean with respect to end users who are defined end users of the Contractor System and who elect to receive their output in electronic format, the Contractor must have such output available by 7 a.m. each Business Day.</p>	<p>Any failure to complete results in a missed Service Metric.</p>



Original Contract Option Year 7 Total			\$2,394,515		\$2,401,597		\$2,423,049	
CN 7/8 Reduction in discretionary services			(\$516,000)		(\$516,000)		(\$516,000)	
CN 7/8 additional key personnel			\$329,000		\$329,000		\$329,000	
<b>Revised option year price after change notices</b>	<b>\$6,285,906</b>	<b>\$6,275,934</b>	<b>\$2,207,515</b>	<b>\$2,207,515</b>	<b>\$2,214,597</b>	<b>\$2,214,597</b>	<b>\$2,236,049</b>	<b>\$2,236,049</b>
<b>Removal of Major and Minor Upgrade line 19</b>	<b>(\$241,050)</b>	<b>(\$482,101)</b>		<b>(\$482,101)</b>		<b>(\$482,101)</b>		<b>(\$482,101)</b>
<b>Total Hosting &amp; Managed Services</b>	<b>\$6,044,856</b>	<b>\$5,793,833</b>		<b>\$5,637,475</b>		<b>\$5,851,608</b>		<b>\$6,089,400</b>
<b>Software License and Maintenance</b>								
Original ADV Maintenance			\$993,141		\$993,141		\$1,082,524	
Original Bundled Maintenance			\$391,837		\$403,591		\$429,824	
CN 1a Swap Adobe for BIRT			(\$348)		(\$357)		(\$380)	
CN 1b Increased for Proc/MIDB 3rd Party			\$237,840		\$249,741		\$265,974	
CN 6 Change for Patternstream			\$4,117		\$4,240		\$4,516	
CN 8 Increased for Procurement			\$478,405		\$509,502		\$542,619	
CN 8 Increased for Procurement (3rd Party)			\$29,757		\$31,691		\$33,751	
CN 12 Increased for Test Savvy (7 licenses) #	\$67,200	\$67,200	\$67,200		\$67,200		\$67,200	
CN 12 MA2 in optional years								
<b>Revised option year price after change notices</b>	<b>\$2,083,612</b>	<b>\$2,148,416</b>	<b>\$2,201,949</b>	<b>\$2,201,949</b>	<b>\$2,258,749</b>	<b>\$2,258,749</b>	<b>\$2,426,028</b>	<b>\$2,426,028</b>
<b>Total Revised Hosting, Manages Services and Software and Maintenance</b>	<b>\$8,128,468</b>	<b>\$7,942,249</b>		<b>\$7,839,424</b>		<b>\$8,110,357</b>		<b>\$8,515,428</b>

Exercised upon written request from client. Not invoiced unless exercised. In the event fewer than 7 licenses are requested, the license amount will be prorated based on how many licenses are requested.

\*If the SIGMA 4 X upgrade has not been completed by December 2023, the annual Hosting and Managed Services fees for version 3.11 will be subject to an escalation of 10% applied to the total Software Maintenance and Hosting and Managed Services fees. This escalation will be prorated for the number of full months remaining in Fiscal Year 2024 at the point CGI notifies the State in writing that extended support for version 3.11 is required. This notification may be on or after December 1, 2023.

This CCN retitles and replaces Section 20.0 (formerly titled "Major and Minor Technical Upgrades and Updates," as retitled, "Continuous Updates") of Attachment 2 (Statement of Work). Replacement Section 20.0 defines the continuous software update activities, including deployment of Feature Sets, that will be performed by the Contractor under the terms of this Agreement. During the term of this Agreement, the fee charged for each

Feature Set deployed is \$710,000, and the annual fee for Feature Sets (averaged for annual fixed fee pricing) is \$1,065,000 based on deployment of three (3) Feature Sets every two (2) contract years (beginning October 1). The average annual fee of \$1,065,000 will be added to the annual managed services fees commencing upon go live with the Advantage 4 solution; provided, however, if the Advantage 4 go live does not occur at the beginning of a contract year (October 1), CGI will invoice and the State will pay the per-Feature-Set fee of \$710,000 for any Feature Set deployed during the partial contract year following Advantage 4 go-live, and thereafter the average annual fee of \$1,065,000 will be included in the applicable managed services fee beginning with the first full contract year after go live.

In the event of termination of this Agreement pursuant to Article 2, Section 2.150, of the Agreement, the State and Contractor will determine the impact of the number of Feature Sets that have been deployed. In the event that a termination of this Agreement does not fall at the conclusion of a two-contract-year cycle of deployment of three (3) Feature Sets, the applicable fees will be adjusted as follows:

- Where the annual average fee(s) paid by the State for the two-contract-year cycle in question is more than the aggregate per-Feature-Set fee(s) for the Feature Set(s) actually deployed during the applicable two-contract year cycle, Contractor will refund to the State the difference between the applicable average annual fee(s) paid and the applicable aggregate per-Feature-Set fee(s).
- Where the annual average fee(s) paid by the State for the two-contract-year cycle in question is less than the aggregate per-Feature-Set fee(s) for the Feature Set(s) actually deployed during the applicable two-contract-year cycle, the State will pay Contractor the difference between the applicable average annual fee(s) paid and the applicable aggregate per-Feature-Set fees(s).

## Attachment 4 Key Personnel

Attachment 4 is modified by updating the table of Key Personnel below and including the statement following the table.

On-Site Project Executive	<del>TBD subject to approval of the State</del> <u>Kim Ingram</u> <u>Stephen Arrants</u>	Part Time	<del>October</del> <u>November 2018</u> <u>March 2019</u>
On-Site Operations Manager	<del>Vigna Nalliah</del> <u>Damion Scott</u>	Full Time	<del>October 2018</del> <u>September 2019</u>
Delivery Project Executive	<del>Danna Westcott</del> <u>Eric Thibodeaux</u>	Part Time (25%)	<del>September 2018</del> <u>October 2019</u>
Service Delivery Manager	<del>Patricia Lang</del> <u>Maren Brannon</u>	Full Time	<del>March 2015</del> <u>November 2019</u>
Data Base Administrator	Shared Resource	Full Time across Shared Resources	March 2015
Disaster Recovery Lead	Shared Resource Assigned/designated to coordinate Disaster Recovery testing or in the event of an actual Disaster	Part Time across Shared Resources /	March 2015
On-Site ERP Application Maintenance Lead	<u>Senthil Bagavathy</u>  <u>Scott Waldman</u>	Full Time	<del>October 2018 – January 31, 2019</del> <u>Beginning February 1, 2019</u>

## Attachment 9 – Proprietary Software License Agreement

Attachment 9, Section 11, Bullet A is modified as specified below.

### 11. GENERAL

- A. Any legal notice or other communication required or permitted to be made or given by either party pursuant to this Agreement will be in writing, in English, and will be deemed to have been duly given: (i) five (5) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested; (ii) when transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine and a copy of the notice is promptly sent by another means specified in this section; or (iii) when delivered if delivered personally or sent by express courier service. All notices will be sent to the other party at its address as set forth below or at such other address as the party may specify in a notice given in accordance with this section.

In the case of Client:	with a copy of legal notices to:
State of Michigan State Budget Office The Victor Center, 7 <sup>th</sup> 8 <sup>th</sup> Floor 201 N Washington Sq Lansing, MI 48909  Attn: Ruth Schwartz Phone: 517-284-7585 E-Mail: SchwartzR1@michigan.gov	Department of Technology, Management and Budget Procurement 1st Floor, Constitution Hall 525 West Allegan Street  Attn: <del>Whitnie Zuker</del> <b>Matt Weiss</b> Phone: <del>517-284-7030</del> <b>517-256-9895</b> E-Mail:- <del>ZukerW@michigan.gov</del> <b>WeissM4@michigan.gov</b>
In the case of CGI:	with a copy of legal notices to:
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, Virginia 22030 <b>Attn: Surabhi Subramanyam</b> <del>Attn: Daniel A. Keene, Sr. Vice</del> <del>President</del> <b>Email: subramanyam.surabhi@cgi.com</b>	CGI Technologies and Solutions Inc. 11325 Random Hills Road, 8 <sup>th</sup>  Floor Fairfax, Virginia 22030 Attn: Office of General Counsel Fax: 703.267.7288

**Attachment 9, Exhibit A Proprietary Software License Agreement .**

**Attachment 9, Exhibit A**

**CGI Technologies and Solutions Inc.**

**Proprietary Software License Agreement**

1. **Licensed Software.** CGI is licensing to Client the following computer software components:  
 Proprietary software comprising the "Advantage Software":  
 CGI Advantage® Financial Management Base System including:

- Advantage Asset Management
- Advantage Grant Lifecycle Management
- Advantage Cash Management
- Advantage Travel and Expense Management
- Advantage Inventory Management

CGI Advantage Procurement Professional including

- Advantage Procurement/Vendor Self Service
- Advantage VSS Mobile
- Advantage Procurement/VSS – Locality License

CGI Advantage Performance Budgeting & Formulation (includes Salary and Benefits Forecasting)

Advantage Human Resource Management Base System (restricted use) including:

Advantage Labor Distribution

Advantage HR Self-Service (restricted use – functions beyond time and labor and expense reimbursement are not in scope)

Advantage infoAdvantage

Advantage infoAdvantage Dashboard

Advantage FileNet Integration Adapter

Advantage Documentum Adapter

Advantage Transparency Portal

CGI will provide one (1) electronic copy of the Advantage Software to the Client.

Optional CGI Advantage® software components available to the State are specified in Attachment 2 to Exhibit A.

2. **Licensed Documentation.** The Specifications for the Advantage Software are as set forth in the documentation, which is available for download on the CGI website and which is collectively (along with documentation for Bundled Software and Third Party Software) referred to in this License Agreement and the Contract as “Documentation”:

Documentation for Advantage Financial

Documentation for Advantage Human Resource Management

Documentation for Advantage Performance Budgeting

Documentation for Advantage Administration

CGI will provide Client access to its Documentation on the CGI website,

<https://sc.cgi.com/advantage/>

CGI will inform Client of revisions and updates to Bundled Software and Additional Third Party Software within 30 days of any such update. Documentation for Bundled Software or additional Third Party Software is available on the applicable third party website.

3. **License Type.** The Advantage Software is licensed to Client on the following basis:  
The Advantage Software described in Paragraph 1 (Licensed Software) of this Attachment 9, Exhibit A) above is licensed to the Client as an enterprise license.

**Site License.** Client is permitted to use the Advantage Software at the computer facility or facilities listed below with the exception of CGI infoAdvantage which is a named user license (or server license if Server Bundle). In the event of the failure of the computers at the listed location(s), Client may use the Advantage Software at a back-up computer facility in the same country until operations at the primary facility have been restored.

CGI Phoenix Data Center

Should the Client elect to discontinue Hosting and Managed Services, the Advantage Software may be used in accordance with this Attachment 9: Software License Agreement.

Should Client desire to use the Software for additional named users or at additional facilities, as the case may be, Client may purchase additional licenses at CGI's then-current prices.

**Locality License.** Each participating Locality, as defined in the Statement of Work, will be given two Advantage Procurement/VSS system users.

4. **Work That May Be Processed**. Client may only use the Advantage Software for its own business purposes.
5. **License Fee**. The licenses specified in this Attachment 9, Exhibit A are granted to Client for a License Fee specified in Attachment 6, Contractor Licensed Software, Section 1, License Fees.
6. **Bundled Software Products and Third Party Software**. Included in the license fees set forth in Section 5 of this Attachment 9, Exhibit A are the license fees for certain bundled software products (the "Bundled Software Products"). CGI is also providing to the Client; Annual Subscription Products, Third Party Software Products and Third Party Products Added/Upgraded by this Contract Change Notice 12 (billed as "Additional 3rd Party Software Licenses" in the SIGMA 4x Upgrade Payment Schedule Table)(collectively "Third Party Software"). The Bundled Software Products and Third Party Software are all required to be used in connection with Advantage Software.

CGI is providing the following Bundled Software Products to Client:

Adobe RoboHelp – 1 Authorized User

Eclipse BIRT Engine – Production – 4 Core

Eclipse BIRT Engine – Non-Production – 4 Core

*\*\* Unlimited copies of BIRT Designer come with BIRT modules\*\**

Pervasive Data Integrator Universal Edition Engine – 1 License – 4-cores

Pervasive Data Integrator Universal Edition Engine (non-prod) – 1 License – 4-cores

Pervasive Data Integrator Universal Edition Developer – 5 Authorized Licenses  
Stream

Finite Matters, Pattern Stream with FrameScript – 5 Named User Licenses

Adobe FrameMaker® – 5 Named User Licenses for use with Pattern Stream – Maintenance services to be cancelled with this Amendment 12

Adobe Acrobat Pro – 5 Named User Licenses – Maintenance services to be cancelled with this Amendment 12

Versata Logic Server – 1 Site license

Versata Designer Studio – 3 Named User License

IBM WebSphere Application Server Network Deployment –10,000 IBM Processor Value Units (PVU) - Sub-Capacity – Maintenance services to be cancelled October 1, 2022 upon Go-live.

IBM WebSphere Application Server Processor – 400 IBM Processor Value Units – Maintenance services to be cancelled October 1, 2022 upon Go-live.

[IBM Process Server – 100 IBM Processor Value Units \(Maintenance cancelled in Change Notice 1\)](#)

Monsell EDM DeltaXML – 1 Site License

BA&T SAP BusinessObjects Business Intelligence Platform – 175 concurrent sessions

BA&T SAP BusinessObjects Web Intelligence – 175 concurrent sessions

BA&T SAP BusinessObjects Dashboard – 175 concurrent sessions

BA&T SAP BusinessObjects Explorer - 175 concurrent sessions

BA&T SAP BusinessObjects Crystal Reports – 25 concurrent sessions

BA&T SAP BusinessObjects Business Int. Platform Mobile add-on - 150 concurrent sessions

BA&T SAP BusinessObjects Analysis Edition for OLAP - 25 concurrent sessions

BA&T SAP BusinessObjects Analysis Edition for Office - 25 concurrent sessions

SAP Application Standalone BI Limited User – 380 Named Users

BA&T SAP BusinessObjects Business Intelligence Platform – 400 Named Users

SAP Application Standalone Business Analytics Professional User - 20 Named User

SAP Business Objects Enterprise Public Document – 9 Named Users

CGI is providing the following Third Party Software to Client:

#### **Annual Subscription Products**

Convey Taxport- unlimited users based on 25,000 of documents created [*Annual service use is governed by Publisher's Shrink-wrap License*]

Liaison punch-out – up to 5 vendors

#### **Additional Third Party Software Products**

Pitney Bowes Group 1 – 1 Prod & 1 Non Prod – Enterprise

Perforce – 20 Named User Licenses

Jira – 100 Named User Licenses

jMeter [www.jmeter.apache.org]

[MapQuest Enterprise Edition](#)

#### **Bundled Software Products and Additional Third Party Products Added/Upgraded with Amendment 12:**

Action Data Integrator v9 (formerly Pervasive Data Integrator)

Action Data Integrator Universal Edition Engine – 1 License – 4-cores

Action Data Integrator Universal Edition Engine (non-prod) – 1 License – 4-cores

Action Data Integrator Universal Edition Developer – 5 Authorized Licenses

With regard to the Actian Third Party Software Product specified in this Section 6, applicable product-specific license terms of the Actian Third Party Supplier is attached to Exhibit A to the Agreement as indicated below:

- Attachment 1.a – Actian License Terms

All rights and licenses of Client in and to the Bundled and Third Party Software Products are governed by the terms and conditions of Article 2 – Terms and Conditions of the Contract, including but not limited to Section 2.260 of the Contract, this Attachment 9, Exhibit A: Proprietary Software License Agreement, the Managed Services Agreement, the Maintenance Agreement, and the Implementation Services Agreement. CGI may provide some Bundled or Third Party Software by utilizing a third party supplier's cloud or hosting services. All such third party suppliers are deemed to be Subcontractors under the Contract, and pursuant to Section 2.073 of the Contract Terms, CGI is responsible for the service and performance of its Subcontractors. CGI does not itself give or make any warranty of any kind with respect to the Bundled Software Products. Changes in the Software which CGI may make from time to time may make it necessary for CGI to provide Client updated versions of the Bundled Software Products or Third Party Software, which may require additional fees.

Any audit rights contained in any third-party software license agreement or end user license agreement for third-party software incorporated in or otherwise used in conjunction with the Advantage Software, will apply solely to CGI's (or its Subcontractors) facilities and systems that host the services (including any disaster recovery site), and regardless of anything to the contrary contained in any third-party software license agreement or end user license agreement, third-party software providers will have no audit rights whatsoever against Client systems or networks.

CGI acknowledges that Client cannot indemnify any third parties, including but not limited to any third-party software providers that provide software that will be incorporated in or otherwise used in conjunction with the Advantage Software, and that notwithstanding anything to the contrary contained in any third-party software license agreement or end user license agreement, the Client will not indemnify any third party software provider for any reason whatsoever. Further, CGI agrees that Client will not be bound by any terms requiring consent to arbitration, permitting remote access to the State's systems, or agreeing to be bound by the laws of another jurisdiction contained in any third-party software license agreement or end user license agreement.

Agreed to and initialed for identification by:

\_\_\_\_\_  
(Client)    (CGI)

\_\_\_\_\_

**Attachment 1.i**  
**Action Corporation End User License Agreement**

**ACTIAN CORPORATION**

CUSTOMER LICENSE AND SUPPORT SERVICES AGREEMENT PLEASE READ THIS AGREEMENT CAREFULLY BEFORE DOWNLOADING OR INSTALLING THE SOFTWARE.

This Customer License and Support Services Agreement ("Agreement") is a legal agreement between the end user downloading or installing the software ("you") and Actian Corporation, with its principal place of business located at 2300 Geng Road, Suite 150, Palo Alto, CA 94303 ("Us," "Our," or "We"). IF YOU ARE ENTERING INTO THIS AGREEMENT ON BEHALF OF A COMPANY OR AN ENTITY, YOU REPRESENT THAT YOU ARE THE EMPLOYEE OR AGENT OF SUCH COMPANY OR ENTITY AND YOU HAVE THE AUTHORITY TO ENTER INTO THIS AGREEMENT AND LEGALLY BIND YOUR COMPANY OR ENTITY. For purposes of this Agreement, "You" or "Your" includes you and any of your companies or entities that you have bound under this Agreement. This Agreement governs the purchase and use of the software and services described in an Order (defined below).

**1. DEFINITIONS.**

1.1 "Documentation" means the user documentation supplied by Us with the Product.

1.2 "Customer Subsidiaries" means those companies which are Your wholly-owned subsidiary on the Effective Date of this Agreement. Wholly-owned subsidiary shall be defined as an entity in which You own a 100% shareholding.

1.3 "Order" means a document typically titled "Order Confirmation" or "Software and Support Services Order," executed by the parties, that refers to this Agreement and describes in greater detail Your order-specific information and use restrictions including, but not limited to: Your billing information, lists of Products and Support Services ordered, permitted number of cores with which the Products can be used, and pricing. Such Order(s) is (are) hereby incorporated into this Agreement by reference.

1.4 "Outsourcer" means a third party engaged by You for internal data processing, consulting, product customization, or internal information management.

1.5 "Products" means the machine-readable object code of the software programs specified in an order, together with any Documentation and Updates thereto.

1.6 "Subscription Term" means one year from the date of the applicable Order or as otherwise specified in the Order or an addendum to this Agreement.

1.7 "Support Services" means Product support services.

1.8 "Updates" means any update, release, or enhancement that is provided to You at Our discretion under Support Services.

1.9 "Warranty Period" means thirty (30) days from the date of initial delivery to You of the applicable Product (excluding Updates).

**2. LICENSE.**

2.1 License Grant. Provided that You comply with the terms and conditions of this Agreement, including, but not limited to the conditions stated in Sections 2.2(i) – 2.2(iv), We grant You a limited, non-exclusive, non-sublicensable and non-transferable license to use the Products for Your business purposes during the Subscription Term in accordance with the terms and conditions of this Agreement with any restrictions stated in an Order or attachment hereto, such as the number of copies of the Products made or used by You, installed on Your workstations or servers, or on the number of Your users or the number of seats, sockets or cores accessing or using the Product. For the avoidance of doubt, You have no right or license under this Agreement to any use, copy, instance or version of a Product or other software program, or support services for a particular Product, unless such use, copy, instance or version and such support services are covered in a then-current Order or attachment thereto. You must ensure that any limits on the number of cores/CPU's are not exceeded by platform virtualization or other means. Customer Subsidiaries may place Order(s) under this Agreement, provided that such Order(s) reference this Agreement, and shall have the benefit of the Support Services as may be described in such Order(s), provided that:

i) You will ensure that each of such Customer Subsidiaries is aware of and complies with the terms of this Agreement as though such Customer Subsidiaries were You, and You are liable and responsible for their acts and omissions; and

ii) You will indemnify Us and keep Us fully and effectively indemnified against all costs, claims, demands, expenses and liabilities of whatsoever nature which We may sustain as a result of a failure by any Customer Subsidiaries to comply with the terms of this Agreement.

2.2 Product Use Rights. The license granted in Section 2.1, above, is subject to the following conditions:

i) License Restrictions. Except as expressly permitted by this Agreement, You may not:

(i) distribute, lease, loan, sell, encumber, sublicense, or otherwise transfer a Product;

(ii) permit third-party access to or use of the Products, or use, access, or allow access to the Products in any way to benefit third parties, including, but not limited to operating the Products in a service bureau, SaaS, ASP, or other similar hosted environment; (iii) use a Product to provide or operate hosting or Application Service Provider(ASP) services, Software as a Service, service bureau, marketing, training, outsourcing services, or consulting services, or any other commercial service related to the Products;

(iv) use a Product to develop a product which is competitive with any of the software programs manufactured and/or marketed by Us;

(v) use a Product in the same production environment in which You deploy an open source version of the Product; vi) use the Products beyond the scope or term of any license; or (vii) use the Product to process data for third parties (e.g., data performing data migrations, conversions, or transformations for Your customers). Actian Vector (formerly Vectorwise) cannot be used as a transactional database. You shall notify Us if You become aware of any unauthorized third party access to, or use of, a Product.

ii) Outsourcers. You may permit access to, and use of, the Products by an Outsourcer, provided that:

(i) the Outsourcer agrees to comply with the terms of this Agreement and to access and use the Products solely for purposes of rendering services to You; and

(ii) the total number of licenses used by You and Outsourcer must not exceed the scope or number of licenses purchased. You shall be responsible and liable for Outsourcer's compliance with the terms of this Agreement. Upon completion of Your services by Outsourcer, You shall, upon Our request, certify in writing that Outsourcer has un-installed and destroyed all copies of Products within thirty (30) days of such completion of services, and You will give Us any reasonable assistance We may request to ensure Outsourcer complies with this clause.

iii) Duplication of Product. You may make Product copies equal to the number of licensed copies expressly authorized under this Agreement plus a reasonable number of archival copies for inactive backup purposes, provided that all Product copyright, trademark, patent, and related proprietary notices incorporated in or affixed to the Product shall be duplicated by You on all copies or extracts thereof and shall not be altered, removed, or obliterated. Except as required to be permitted by applicable law, reverse compiling (including reverse compiling to ensure interoperability), reverse engineering and other source code derivation of the Product is prohibited. If You wish to exercise any right to reverse engineer to ensure interoperability in accordance with applicable law, You shall first provide written notice to Us and permit Us, at Our discretion, to make an offer to provide information and assistance reasonably required to ensure Product interoperability with Your other products for a fee to be mutually agreed upon (if any).

iv) Product Ownership and Restrictions. The copies of Products provided hereunder are licensed, not sold, and all intellectual property rights and title to the Products shall remain with Us and Our suppliers and no interest or ownership therein is conveyed to You. No right to create a copyrightable work, whether joint or unitary, is granted or implied; this includes works that modify (even for purposes of error correction), adapt, or translate the Product or create derivative works, compilations, or collective works therefrom, except as necessary to configure the Product using the menus, options and tools provided for such purposes and contained in the Product. You shall not attempt to circumvent any user limits or other license, timing or use restrictions that are built in to the Products. Certain items of software code provided along with the Products are subject to "open source" licenses ("Third Party Code") provided with the Products. The Third Party Code is not subject to the terms and conditions of this Agreement, except for Sections 5 and 6 of this Agreement. Nothing in this Agreement limits Customer's rights under, or grants Customer rights that supersede the terms and conditions of any applicable license for the Third Party Code, including any rights to copy, modify or distribute Third Party Code under the applicable license.

You are hereby notified that the Products may contain time-out devices, counter devices, and/or other devices intended to ensure the limits of a particular license will not be exceeded ("Limiting Devices"). If the Products do contain Limiting

Devices, We shall ensure that You receive any keys or other materials necessary to use the Products to the limits of Your license.

2.3 Product Export. Any person or entity exporting or re-exporting Products or services directly or indirectly and via any means, including electronic transfer, is wholly responsible for doing so in accordance with the U.S. Export Administration Regulations and the laws of host countries and You agree to comply strictly with all such laws and regulations. We assume no responsibility or liability for Your failure to obtain any necessary export approvals. Specifically, no Product or services may be exported to embargoed or otherwise restricted countries or end-users. This provision shall survive the expiration or earlier termination of this Agreement.

### 3. SUPPORT AND ADDITIONAL SERVICES.

3.1 Support Services. The details of the Support Services can be found at <http://supportservices.actian.com/support-services/support#policy>. We may suspend or terminate Support Services for all Product(s) in the event that You do not pay fees for Support Services when due. If You purchase Support Services for a Product, then You shall purchase Support Services for all licenses and copies of such Product. You may not use or access support services (i) for a software product not covered in a then-current Order, or (ii) for a Product not covered by a then-current paid Actian support plan. You may not use or access support services for the benefit of a third party, or provide access to or permit use of support services by a third party.

3.2 Additional Services. Consulting services or training may be obtained by You on an as-available basis and at mutually agreed rates in accordance with a separate agreement. Should we agree to provide consulting services, the payment of the Product license and Support Services fees under this Agreement shall not be contingent under any circumstances upon the performance of any such services including installation and implementation services.

### 4. FEES; TAXES; PAYMENT TERMS; PURCHASE ORDERS; SHIPPING.

4.1 Fees. Fees or other charges shall be as specified in an Order. All amounts payable under this Agreement shall be payable in advance, and shall be non-refundable and not subject to set off or deduction by You. In the event that You wish to renew the subscription of a Product, the applicable price shall be that stated within the then-current Actian price list, unless otherwise agreed between the parties.

4.2 Taxes. Our fees are exclusive of, and You are responsible for, duties and taxes (other than taxes on Our income).

4.3 Invoicing and Payment. All payments of fees and charges under this Agreement shall be made in U.S. dollars within thirty (30) days of the date of the applicable invoice sent to You by Us. Any amount payable by You to Us hereunder which is past due may be subject to a late payment charge equal to one

and a half percent (1.5%) per month, or the highest rate permitted by law, whichever is less. The receipt or request for payment of such amounts shall not prejudice Our rights with respect to Your failure to pay on the due date.

4.4 Orders and Shipping. We have no obligation to accept Purchase Orders, including without limitation Purchase Orders for renewal of Support Services. Any fulfillment of Purchase Orders shall be solely in accordance with the terms of this Agreement and We expressly reject any conflicting terms and conditions in Your Purchase Order. Products and Documentation are shipped FOB origin, Our site. Delivery will be by electronic or physical means, at Our election, and all Products shall be deemed accepted by You immediately upon the earlier of download or receipt from Us.

### 5. LIMITED WARRANTIES.

5.1 We warrant that, during the Warranty Period, the Products (excluding Updates) will operate substantially in conformity with the applicable Documentation. Updates are not included within the definition of Products for the purposes of any Warranty or Warranty Period.

5.2 Within the Warranty Period, if You detect a defect in a Product's physical media, You may return the defective media to Us and We will replace it free of charge.

5.3 Provided that We are notified in writing of a Product's non-conformance with the warranty set forth in section 5.1 within the applicable Warranty Period, We shall, at Our option: a) repair or replace the defective Product, or b) refund the license fees paid for the Product in exchange for a return of the defective Product. In the event of a refund Your license to use the Product will immediately expire. This Section 5.3 is Your exclusive remedy for breach of the limited warranty in Section 5.1. The above warranties specifically exclude defects resulting from accident, abuse, misapplication or unauthorized repair, modifications, enhancements and installation in an incompatible environment. We do not warrant that use of the Products will be uninterrupted or error free.

5.4 EXCEPT FOR EXPRESS WARRANTIES STATED IN THIS SECTION 5 AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PRODUCTS AND SERVICES ARE PROVIDED "AS IS," AND WE, AND OUR SUPPLIERS DISCLAIM ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESS OR IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY (I) OF MERCHANTABILITY OR SUITABILITY, (II) OF FITNESS FOR A PARTICULAR PURPOSE, OR (III) OF NON-INFRINGEMENT OF THIRD PARTY RIGHTS.

#### 6. LIMITATION OF LIABILITY.

To the maximum extent permitted by applicable law, in no event will We or Our Suppliers be liable to You or any third party for any indirect, special, incidental, consequential or punitive damages arising out of or related to this Agreement, including without limitation, any lost profits or revenues, loss or inaccuracy of any data, or cost of substitute goods, regardless of the theory of liability (including negligence) and even if We have been advised of the possibility of such damages. We and Our suppliers' aggregate liability to You or any third party for any cause whatsoever shall not exceed the total fees paid by You to Us under this Agreement during the 12 months preceding the date that the claim arose. In no event shall You raise any claim under this Agreement more than 2 years after (i) the discovery of the circumstances giving rise to such claim; or (ii) the effective date of the termination of this Agreement. The limitations in this Section shall apply even if any remedy fails of its essential purpose. Nothing in this Agreement shall exclude or limit either party's liability for death or personal injury caused by that party's negligent act or omission or by wilful default.

#### 7. THIRD PARTY CLAIMS.

7.1 We shall: (i) defend, or at Our option settle, any legal proceeding brought against You to the extent that it is based on a claim that a Product infringes a third-party patent, trademark or copyright of the country in which You take delivery of the Product; and (ii) pay all damages and costs finally awarded against You by a court of competent jurisdiction to the extent attributable to such a claim or agreed to by way of a settlement entered into by Us, provided that: You (i) notify Us promptly of each such claim; (ii) give Us sole control of the defense and/or settlement of the claim; (iii) fully cooperate with Us in the defense or settlement of the claim; (iv) mitigate such damages and costs as far as is reasonably possible; and (v) take no action that may prejudice Our ability to defend the claim.

7.2 If all or any part of the Product is, or in Our opinion is likely to become, the subject of a claim of infringement, We may at Our sole discretion:

(i) procure for You the right to use the Product or the affected part thereof; (ii) replace the Product or affected part with other software that has the same or additional functionality; (iii) modify the Product or affected part to make it non-infringing; or (iv) if none of the foregoing remedies is commercially feasible as determined by Us in Our sole discretion, terminate your license to the Product and upon return of the Product, refund a pro-rated (over a 12 month period on a straight-line basis) portion of the payments paid by You to Us over the preceding 12 months for the Product or the affected part.

7.3 We shall have no liability or other obligations to the extent a claim is based on: (i) failure to use an Update provided by Us, if infringement could have been avoided by use of the latest version of the Products; (ii) combination, operation, or use of Products with other products not provided by Us, if such infringement would have been avoided in the absence of such combination, operation, or use; (iii) Your use of Product in any manner inconsistent with the applicable license terms and conditions; (iv) modification, alteration, or enhancement to the Product not performed or expressly authorized by Us; (v) the furnishing to You of any information, service or technical support by a third party; (vi) non-licensed use of the Products; or (vii) Our compliance with Your designs, specifications or instructions.

THE FOREGOING PROVISIONS OF THIS SECTION STATE THE ENTIRE LIABILITY AND OBLIGATION OF US AND YOUR EXCLUSIVE REMEDY FOR CLAIMS OF INFRINGEMENT OF THIRD PARTY RIGHTS.

#### 8. TERM AND TERMINATION.

8.1 Unless sooner terminated as provided below, the term of this Agreement shall begin on the Effective Date and continue for one year and then automatically renew for successive one-year terms, unless either party notifies the other party in writing of its intent not to renew at least ninety days prior to the expiration of the initial or then-current renewal term. If the Agreement term is not renewed, it shall be deemed to expire upon the earlier of (i) one year from the end of the then-current term or (ii) the end of the last remaining Subscription Term. If a Product is obtained under a perpetual license, the Agreement shall be deemed not to expire for purposes of that Product only.

8.2 Notwithstanding the foregoing, either party may terminate this Agreement or an Order (i) by written notice of breach

of the Agreement or such Order, provided the other party fails to cure such breach within thirty days after such notice, or (ii) forthwith if the other party makes an assignment for the benefit of creditors or proceedings are commenced by or for such other party under any bankruptcy, insolvency, or debtor's relief law. Upon termination or expiration for any reason, all rights (including all license rights) and obligations shall terminate except as provided in this Section 8.2 (and Section 8.1 in the case of expiration only), and such termination or expiration shall not relieve You from Your obligation to pay fees that remain unpaid and shall not limit either party from pursuing other available remedies. Upon termination or expiration of this Agreement or any part thereof, We shall have no obligation to refund to You any fees paid by You. If an Order is terminated or expired, You must certify in writing to Us that You have immediately un-installed and destroyed or returned all copies of the Product within thirty (30) days of such termination/expiration. The following Sections survive termination or expiration of this Agreement: 1, 2.1(i) and (ii), 2.2(iv), 4, 5.4, 6, 8, and 9.

## 9. GENERAL.

9.1 Confidential Information. Each party receiving Confidential Information ("Recipient") shall retain in confidence and require its employees, agents, and contractors to retain in confidence all Confidential Information of the other party ("Discloser"). "Confidential Information" means (i) for Us: the terms and conditions of this Agreement, all financial terms and conditions contained in Our quotation, and the Products as well as results of any Product benchmark or similar tests (whether performed by Us, You, or any third party); and (ii) for either party: any information, in written or other tangible form, which has been conspicuously marked by Discloser as "confidential" or "proprietary" or if not so marked, if it should reasonably be regarded as confidential due to the nature of the information being disclosed. Recipient shall protect Discloser's Confidential Information in the same manner Recipient protects its own Confidential Information of similar importance, but in no event with less than reasonable care. Confidential Information shall remain the sole property of the Discloser and shall not be disclosed to any third party (except, solely to employees, attorneys, consultants, and subsidiaries, who need to know and are bound by a written agreement with Recipient to maintain the confidentiality of such Confidential Information in a manner consistent with this Agreement) or used except as permitted under this Agreement. Confidential Information shall not include any information that: (i) is or becomes publicly known without the Recipient's breach of any obligations owed to the Discloser; (ii) is rightfully disclosed to the Recipient from a source other than the Discloser without a breach of an obligation of confidentiality; or (iii) is independently developed by the Recipient without any access to the Discloser's Confidential Information. Notwithstanding the foregoing, We may disclose that You are Our customer. In addition, either party may disclose information in compliance with applicable law or a court order, provided the Discloser is given reasonably prompt notice thereof and the Recipient provides cooperation and assistance in any attempt to prevent or limit such disclosure. The obligations set forth herein with respect to Confidential Information shall continue in full force and effect for a period of three (3) years after the date of termination of this Agreement.

9.2 Relationship of the Parties. This Agreement is not intended to and shall not create a relationship such as a partnership, franchise, joint venture, fiduciary, agency or employment relationship. Neither party may act in a manner that expresses or implies a relationship other than that of independent contractor, nor bind the other party.

9.3 Governing Law and Venue. Any action related to this Agreement shall be governed by California law and controlling U.S. federal law, and the choice of law rules of any jurisdiction shall not apply. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. The venue for any claims arising under this Agreement shall be the federal courts located in the Northern District of California or the state courts located in Santa Clara County, California, and the parties agree to submit to the exclusive jurisdiction of such courts.

9.4 Assignment. Neither this Agreement nor any right, obligation, or Product licensed hereunder may be assigned by You without Our prior written consent. Any purported assignment in violation of the foregoing is void. Subject to the foregoing, the provisions of this Agreement shall be binding upon and inure to the benefit of the parties, and their permitted successors and assigns.

9.5 Severability. If any provision of this Agreement is declared unlawful, void, or unenforceable, then that provision shall be limited to the extent enforceable, or otherwise severed, and will not affect the validity and enforceability of the remaining provisions.

9.6 Audits. During the term of this Agreement and continuing until two years after termination or expiration, You shall keep and retain complete and accurate records regarding Your use of the Products.

i) Self-Audits. To help manage Your use of the Products and Your compliance with this Agreement, You agree to perform a self-audit upon 10 working days prior written notice from Us, on the self-audit form made available by Us. If

Your self-audit form reveals a discrepancy that You have previously or are currently using more of Our products than You have valid Orders or licenses for, You must pay Us the unpaid amounts at the same time as returning the self-audit form to Us. In the event that You are late in submitting a self-audit form We may delay accepting orders and/or suspend Support Services until We receive the self-audit form and We may instigate the Formal Audit process defined below.

ii) Formal Audits. We, or Our designated agent, may, upon five (5) working days prior written notice to You, inspect any of Your facilities where Products are used and audit records for the purpose of confirming Your use of the Products and Your compliance with this Agreement. We may perform only one formal audit per twelve (12) month period unless a previous audit reveals a discrepancy. Our audit shall be performed at Our sole expense; provided however, that if, as a result of Our audit, it is determined that You have underpaid Us by more than 5% of the amount owed during the period audited, then You shall bear the reasonable cost of Our audit. In the event of any underpayment, You shall pay all past-due fees immediately in accordance with the terms of this Agreement. This section survives termination of this Agreement for two (2) years.

9.7 Force Majeure. Except with respect to the obligation to pay fees when due hereunder, neither party shall be deemed in default of this Agreement because of a delay or failure in performance of its obligation resulting from any cause beyond its reasonable control (a "Force Majeure"), provided it gives reasonably prompt notice of the Force Majeure condition to the other party and uses reasonable efforts to mitigate the delay or failure.

9.8 Notices. Any notices required or permitted to be given hereunder shall be delivered by personal delivery, express courier, or recorded delivery, postage prepaid, return receipt requested, to a party's address set forth in an Order, or if to You to Your headquarters or to Us to: Actian Corporation, Attn: Legal Department, 500 Arguello Street, Suite 200, Redwood City, CA 94063. A notice shall be deemed effective when actually delivered. Either party may change its address for purposes of this Agreement by written notice given in accordance herewith.

9.9 Marketing. Except if required to do so by the Securities Exchange Commission, regulatory authority or similar body, neither party shall provide copies of this Agreement or otherwise disclose its terms to any third party, without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed. The parties agree that within thirty (30) days of the Effective Date We may issue a press announcement describing the relationship of the parties. You agree to allow Us to reference and identify You, and use Your logo in Our advertising, sales promotion, press releases, public filings, website usage, and other publicity matters relating to the Products furnished and/or the related Support Services performed pursuant to this Agreement, so long as such use is without any modification of Your name, mark, or logo.

You agree to act as a "Reference Account" for Us. In such cases where You have agreed to serve as a "Reference Account," We shall be allowed to refer other customers, potential customers, press, analysts, etc., to Your executives, who are familiar with Your relationship with Us, to act as a reference for Us.

9.10 U.S. Government End Users. The software is "commercial items" as that term is defined at 48 C.F.R. 2.101, consisting of "commercial computer software" and "commercial computer software documentation" as such terms are used in 48 C.F.R. 12.212. Consistent with 48 C.F.R. 12.212 and 48 C.F.R. 227.7202-1 through 227.7202-4, all U.S. Government end users acquire the software with only those rights set forth under this Agreement. Any technical data provided that is not covered by the above provisions shall be deemed "technical data-commercial items" pursuant to 48 C.F.R. 252.227.7015(a). Any use, modification, reproduction, release, performance, display or disclosure of such technical data shall be governed by the terms of 48 C.F.R. 252.227.7015(b).

9.11 High Risk Activities. The Products are not fault-tolerant and not designed, manufactured or intended for use or resale as on-line control equipment in hazardous environments requiring fail-safe performance, such as in the operation of nuclear facilities, aircraft navigation or communication systems, air traffic control, direct life support machines, or weapons systems, in which the failure of the Product could lead directly to death, personal injury, or severe physical or environmental damage ("High Risk Activities"). We and Our suppliers specifically disclaim any express or implied warranty of fitness for High Risk Activities.

9.12 Third Party Rights. Notwithstanding any other provision in this Agreement, nothing in this Agreement shall create or confer any rights or other benefits in favor of any person not a party hereto, except with respect to Microsoft software included in the Products. Microsoft is a third party beneficiary with the right to enforce its right in its software.

9.13 Injunctive Relief. You acknowledge that the Products contain Our and Our licensees' valuable trade secrets and proprietary information and that any actual or threatened disclosure or unauthorized use or distribution of the Products or Our or Our licensees' Confidential Information will constitute immediate and irreparable harm to Us for which monetary

damages would be an inadequate remedy and entitle Us to immediate injunctive relief without the need to post a bond or show actual monetary damages.

9.14 Integration and Amendment. This Agreement constitutes the entire agreement between the parties and supersedes all prior or contemporaneous conditions, agreements, communications or representations, whether oral or written, relating to the subject matter hereof. Neither party has relied on any statement or representation by an employee or agent of the other party in entering into this Agreement. Any additional or different terms in Your documents (including any terms contained on Purchase Orders) shall not apply and are hereby deemed to be material alterations and notice of objection to, and rejection of them is hereby given. Except as permitted herein, this Agreement may not be modified or any term or condition waived except in writing signed by a duly authorized representative of each party. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provision hereof. Headings are for convenience only and shall not affect the interpretation of any provision hereunder.

## ATTACHMENT 2 TO EXHIBIT A – Optional Software

The pricing and terms identified in Attachment 2 to Exhibit A (Optional Software) is hereby extended through September 30, 2024. All software additions must be through an Amendment to this Agreement and signed by both parties to be effective. Maintenance will be in addition to the license fees.

Line No.	State Function	Product Name and Module(s) Proposed	Basis for the License (Site, Number of Named Users, Number of Concurrent Users, Number of CPUs, Number of Servers, other)	Perpetual or Subscription License	License Price Valid through September 30, 2024
1	Personnel Administration	HRM Base System	Enterprise	Perpetual	\$631,112
2	Benefits Administration	HRM Base System	Enterprise	Perpetual	Included in the \$631,112 license.
3	Recruitment	HRM Base System	Enterprise	Perpetual	Included in the \$631,112 license.
4	Payroll	HRM Base System	Enterprise	Perpetual	\$266,341
5	Case Management System	Case Management System	Number of Named Users/Up to 3 Use Cases/50 user minimum	Monthly Subscription Fee (License and Maintenance)	\$8,365/month
6	Enterprise Data Analytics	Advantage Insight*/**	Nodes	Subscription	\$1,500,000/year

\* These products are only available with CGI Advantage 4.

\*\* Advantage Insight includes database, ETC and semantic layer for use by data analytics tools. Advantage Insight does not include a data analytics tool. Customers must supply their own.

# CCN No. 12, Appendix A – Optional SIGMA 4x Upgrade



## MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET SIGMA 4x Upgrade Project

### A. OVERVIEW AND BACKGROUND:

SIGMA is currently on the CGI Advantage 3.11 release of the software. Advantage 4 brings a simplified and intuitive user interface. In addition, Advantage 4:

- Delivers a role-based paradigm allowing the State to tailor the user experience for individual types of users without customization, addressing the remaining usability challenges for self-service users.
- Shifts from the software delivery model of costly, major upgrades every 3 to 5 years to a 'Feature Set' model.
  - New features and functions will be delivered on an 8-month cadence and will be included in our base managed services costs.
  - This eliminates major technical upgrades and related projects every 3 to 5 years.
  - This positions SIGMA Operations and Support to deliver continual updates and improvements in an agile manner.
- Introduces a container layer into the architecture that reduces the complexity to deploy updates.

An upgrade approximately 3 years after implementation was always planned in order to meet the overarching objective of staying current with technology. Due to the shift in the software delivery model, this project will be the first and last major upgrade for SIGMA.

### B. PROJECT OBJECTIVES:

- Maintain the commitment for vendor-supported software through upgrading the CGI Advantage software, 3<sup>rd</sup> party software, and the underlying technical components used to support SIGMA.
  - Optimize SIGMA on the current 3.11.x platform version by implementing high-priority value-add patches that are available for or portable to the 3.11 release
  - Update SIGMA to the new 4.x platform version
  - Execute a transition plan that leverages the agile practices stood up during the project to optimize continuous improvements to the platform
- Evaluate the Production Work Request list for items that can be addressed through the upgrade project.
  - Categorize those to be included in scope and identify those that can be address outside of the project.
  - The specific items to be included in scope will be confirmed/identified as part of the elaborated planning process.
- Leverage Advantage's tailoring capability within Advantage 4.x to address between 5-10 known pain points within SIGMA. These pain points will be confirmed / identified as part of the elaborated planning process
  - Evaluate and prioritize known pain points with SIGMA which will be targeted as candidates for

- project scope
  - Stand up best-fit agile practices and processes that optimize effort and minimize risk around configuring the user experience
  - Deliver multiple prototypes of the SIGMA platform via Sprints which minimize risk via incremental stakeholder and end user reviews
  - Improve user experience overall and for “self-service” functions (travel, time, and vendor) in particular
  - Streamline data entry by increasing the intuitive nature of the application, reducing the number of clicks, and reducing unused data fields.
- Regression test 100% of SIGMA processes on the new 4x platform version

### **C. SCOPE OF WORK:**

The State is taking the lead in this upgrade project and providing the majority of resources related to the functional aspects of the upgrade. The Contractor is providing project management, change management, agile coaching, scrum masters, familiarization training product SME support, and provisioning the new Advantage 4 environments including data migration and all adopted components of the System.

The Contractor shall be responsible for performing the tasks, creating the deliverables, and meeting the milestones as described in this Appendix. State responsibilities for performing tasks and providing assistance are also described in association with each Task. The State will not unreasonably delay or withhold approvals within the scope of its responsibilities as set forth in this Appendix. State approvals will be provided in accordance with applicable approval and acceptance criteria and procedures specified in the Acceptance Criteria defined within this Appendix. In addition, the State shall make all required escalation activities expeditiously. The Contractor will not be responsible for delay or failure in performing tasks, creating deliverable, or meeting milestones to the extent such delay or failure arises from acts or omissions of the State, its personnel, its other contractors, or other conditions or events beyond Contractor’s reasonable control.

### **Task 1 - Project Management**

The Contractor shall involve the State project management team to provide for Contractor compliance with the SUITE touch-points and processes (see item F, below), except where otherwise mutually agreed in accordance with Section 1.106 of the Agreement. Contractor’s duties and responsibilities will include:

#### **A. Provide Project Management**

The Contractor shall provide overall project management for the tasks in the Agreement, including the day-to-day management of its staff and shall provide administrative support for its staff and activities. Throughout the project, the Contractor must employ ongoing project management techniques so that a detailed Project Plan is developed, executed, monitored, reported on, and maintained.

The State will provide oversight and Governance for the entire project as described below:

1. The Contractor Project Director will report to the State’s Project Director
2. All Contractor deliverables will be approved in accordance with the Deliverable Review process included in the Project Management Plan. Deliverable review by the State will involve State Subject Matter Experts.
3. All issues and decisions that cannot be resolved or made by the State’s Project Director will be escalated to the Governing Board or to the State Budget Office Deputy Director, who shall be the final authority. The State’s Project Director will be responsible for making consultations within the State when needed.
4. State Project Director and Governing Board review and approval will be required to close milestones and to begin work on the next milestone. See Task 1, item I for additional detail regarding milestones.
5. The State’s Governing Board will meet in accordance with the governance structure as documented in the Project Management Plan.

6. The Contractor Project Manager and designated Contractor executives will attend Governing Board Meetings and present status, provide analysis and recommendations related to needed decisions or issues requiring resolution, and answer questions that may arise during the course of the meeting. Other Contractor personnel may attend if needed to provide background, analysis, or a presentation on a topic scheduled for a particular meeting. However, the State reserves the right to hold meetings or to discuss a particular topic without Contractor personnel or representatives in attendance. In such situations, the Contractor Project Manager will be notified.
7. No Contractor personnel will be members of the Governing Board.
8. No Contractor executives or representatives may meet with Governing Board members, the DTMB Director, or other State officials concerning the project without the permission of the State Project Director.

## **B. Preparing Project Strategy, Plan, and Resource Schedule**

Within the first six (6) weeks of beginning work, the Contractor shall create the detailed SIGMA 4x Upgrade Project Plan and Resource Schedule (the Project Management Plan or PMP) consistent with agreed upon timeframes. This document shall be prepared in cooperation with the State Project Director, key stakeholders, key project participants, and possibly other consultants and shall show:

1. A consolidated view of the work to be performed during the project
2. The project strategy
3. Project activities, task assignments, due dates and resources for both the Contractor and State employees
4. How SUITE Artifacts and Touch-points map to and are addressed by project methodology and Project Plan
5. Expected hours to be provided in association with each task, activity, and phase
6. A project organization chart showing both Contractor and State positions and named personnel. This will be accompanied by a narrative document that provides an overview of each role on the organization chart.
7. A minimum timeframe of 7 months available to the State to conduct User Acceptance Testing

The integration of Change Management, Risk Management, Issue Management, and SUITE Mapping Deliverables into the overall project plan and approach should be addressed as a specific component of the Project Plan.

## **C. Performing Issue Tracking, Analysis and Escalation**

Delivered as part of the Project Management Plan (PMP), the Contractor will be responsible for documenting issue management procedures and for logging, tracking, analyzing, reporting and working with the State Project team leaders and Project Director in escalating and resolving issues. The process documented must be compliant with Section 2.190 Dispute Resolution. The State Project Director's or designee's approval will be required for closing issues.

Project delays of more than 30 days or those that impact critical project milestones as identified in the project workplan shall be identified in the project status report. When a delay results from issues associated with the Contractor's performance of project responsibilities, the Contractor shall submit a written report to the State Project Director. This report shall include a detailed description of the delay, issues contributing to the delay, potential impacts to the project, and a risk mitigation plan inclusive of a strategy for moving the project back on schedule.

## **D. Performing Risk Management**

The Contractor and State will be mutually responsible for risk identification, risk analysis and evaluation, formulation and implementation of risk mitigation strategies and contingency plans (as appropriate), and risk monitoring. Delivered as part of the Project Management Plan (PMP), the Contractor will produce and present a Risk Management Plan that identifies and explains risks and recommends risk mitigation strategies for those risks deemed material by State and Contractor Project Management. Preparation of this document shall be done in cooperation with the State Project Director. It shall be updated no less than quarterly with any new risks and to reflect monitoring of previously identified risks. Upon request of the State Project Director, the frequency of updates may be changed to monthly.

## **E. Scope Change Control Processing**

Delivered as part of the Project Management Plan (PMP), the Contractor shall document the Scope Change Control Process to be used on the Project and submit it to the State Project Director for review, possible revision, and approval. During the project, the parties shall follow the approved scope change control process and obtain required State approvals, for any change in scope or changes to approved designs. For any approved changes the parties shall make all required updates to project plans, user stories, designs, and other documents related to scope or design changes. The Scope Control Process documented and used must be compliant with Section 2.024.

#### **F. SUITE Mapping**

During the initial planning period on the SIGMA 4x Upgrade Project, the Contractor shall create a SUITE Review and Mapping Document that maps SUITE required artifacts, touch-points, and required stage exits to planned work products, deliverables, or milestones planned for the project and that verifies that related SUITE requirements will be met by planned work, outputs, and use of the Contractor's approach and methodology. This document shall be reviewed by designated State resources and must be approved by the State Project Director. The SUITE Mapping Document shall be updated, if required, for any deliverable that is defined after the initial document is prepared and approved. The State acknowledges that deliverables, work products, and project activities that are not specified by SUITE will be required on the project and that the Contractor's approach and methodology may be used so long as required SUITE artifacts, touchpoints, and other requirements can be addressed by planned activities, deliverables, and work products.

#### **G. Leading and Attending Status and Ad Hoc Meetings**

As a part of its project management duties, the Contractor must lead and attend informational and status meetings to the extent that the participation does not impede or conflict with timely execution of project activities. Such meetings may include meetings with the Deputy State Budget Director, DTMB Director, State CIO, Governing Board, the State's Project Director, other consultants, elected officials, external stakeholders, and members of the ERP Project Team, as designated by the State. The meetings must follow a pre-set agenda but must also allow the Contractor or the State the option of discussing other issues that concern either party. Note that the State management has the option of setting and changing the frequency of the meetings.

#### **H. Providing Plan Updates and Status Reports**

The Contractor shall provide status reports to the State Project Director on a weekly basis. In addition, the Contractor must routinely update the Project Plan (at least weekly) to reflect changes in the nature and timing of project activities or assignments. Written and electronic status reports are due to the State Project Director at least 24 hours before each meeting. The Contractor's proposed format and level of detail for the status report will be subject to State approval.

Status reports must contain, at a minimum, descriptions of the following, for all work, both on-site and offsite:

1. The issues encountered and their current disposition
2. Whether deadlines were met
3. The issues that need to be addressed before proceeding to the next task
4. Any new risks facing the project and suggested mitigation strategies
5. Any new and pending change requests that impact scope, schedule, or budget
6. Anticipated tasks to be completed in the next week
7. Tasks timely completed, tasks not timely completed, and tasks where delays are expected
8. Updated Project Plan
9. Status of open issues
10. Progress against established milestones
11. Burndown charts against current sprint and burndown chart against the entire backlog

The Contractor shall provide monthly status reports for the Governing Board. The Contractor will work with the State Project Director on the content of the Monthly Status Report prior to its submission. The primary focus of the monthly status report will be progress against milestones as well as any issues or risks that may be facing the project, and any issues or decisions being escalated to the Governing Board. The monthly status report and any

accompanying presentation must be reviewed and approved by the State Project Director prior to submission or delivery to the Governing Board.

To the extent that subsidiary task plans are used, the full detail of the plans will be available to the State and will be used as the basis for status reporting.

**I. Attending and Supporting Governing Board Meetings**

The Contractor’s Project Manager, or designee, will attend and participate in all project-related meetings as requested. The Contractor may be required to prepare materials and make formal presentations for many of these meetings.

**J. Conducting a Kick-Off Meeting**

The Contractor and State will conduct a kick-off meeting for the overall project, at a minimum. The State will have the option to hold kickoff meetings for the start of each phase or each major project activity in each phase (e.g. design, configuration and development, user acceptance testing, training, implementation and cutover staging).

**K. Software Familiarization Sessions**

The Contractor shall provide two occurrences of each Advantage 4 Familiarization Session as described below:

Familiarization Session	Overview
Advantage Overview and Role Based User Experience/Homepages	Provide an overview of the Unified - single user experience across Advantage. Discuss new Role Based Approach and how the application can be tailored based on a user's role and tasks. Discuss Homepages/Landing Pages configurability
Improved Usability for Budget	Discussion on the usability improvements included within the Budgeting area in Advantage 4.
Improved Usability for Financial	Discussion on the usability improvements included within the Financial/Procurement areas in Advantage 4.
A Look at Advantage 4 VSS	Discuss improved functionality and usability with Advantage VSS.
Extensibility in Advantage 4	What is Extensibility? Discuss different type of Extensions and considerations when thinking about extensions.
A Look at Timesheets in Advantage 4	Discuss the new redesigned timesheet in Advantage 4
A Look at Travel in Advantage 4	Overview and discussion of the Travel functionality within Advantage 4

**L. Providing Organizational Change Management and Communications Services**

The Contractor will provide personnel that are skilled and experienced in providing organizational change management services. Such personnel will be responsible for producing a Communications Plan, identifying areas of change and cultural resistance, assessing and monitoring end user readiness, and preparing an Organizational Change Management Plan. The Organizational Change Management personnel shall also assist the State in preparing and sending communications, and for assisting the team and State in executing the tasks and activities in the Organizational Change Management Plan. The Organizational Change Management and Communication Plans shall be updated at the beginning of each phase to focus on the activities and issues associated with the phase.

## **M. Tracking and Meeting Milestones**

The Contractor will prepare milestone report deliverables for submission and presentation to the State Project Director and the State Governing Board. Successful achievement of milestone objectives must be documented before permission will be granted by the Governing Board to begin work on the next milestone. However, there will be some milestones that may be pursued in parallel.

Milestones will be used to plan, manage, and report status to the Governing Board, and will also be used as the basis for key payments to the Contractor for services rendered on the SIGMA 4x Upgrade Project. These milestones will be updated by State Project Director during project planning activities. Any such change will be made in consultation and with agreement from the Contractor Project Manager.

## **N. Milestone Reports**

At the end of each Task identified in this Appendix, the Contractor will produce a Milestone Report. The State Project Director and Governing Board review and approval of the Milestone Report will be required to close milestones and to begin work on the next milestone with the exception of those milestones that are pursued in parallel in accordance with the approved project schedule.

Milestone reports will verify that specified:

1. Planning and organization activities are completed
2. Required Staff are in place to begin design activities
3. Monitoring and controlling processes including status reporting, issue tracking and escalation, risk management, and scope management have been documented
4. Required communications to agencies and other stakeholders have taken place
5. Project plan and risk plan have been properly updated
6. Status reports have been issued in good form and on a timely basis
7. Action items are being tracked and are being addressed on a timely basis
8. Issues/Risks are being recorded, tracked, analyzed, and resolved on a timely basis
9. All deliverables associated with the Task have been completed and approved
10. All required assistance has been provided and documented as described in each Task
11. Governing Board approval has been received for required milestone criteria

## **Task 1 Deliverables**

1. Project Management Plan and Resource Schedule with the following components:
  - A. Project Strategy
  - B. Project Schedule
  - C. Resource Schedule
  - D. Scope Change Control Process
  - E. Risk Identification, Analysis, and Management Plan
  - F. Issue Process/Database
  - G. SUITE Review and Mapping
2. Status Reporting Process
3. Communications Plan
4. Completed Software Familiarization Sessions
5. Organizational Change Management Plan
6. Milestone Report 1: Project Strategy and Plan
7. Milestone Report 2: Technical Services
8. Milestone Report 3: Sprint Activities
9. Milestone Report 4: Data Migration
10. Milestone Report 5: Disaster Recovery Testing
11. Milestone Report 6: User Acceptance Testing
12. Milestone Report 7: Documentation
13. Milestone Report 8: Implementation and Agency Change Management Assistance

## 14. Milestone Report 9: Post Implementation Support

### **Task 2 - Technical Services**

The Contractor shall involve the State technical team to provide for Contractor compliance with the SUITE touch-points and processes for architectural and security design and decisions, except where otherwise mutually agreed in accordance with Section 1.106 of the Agreement. The Contractor's responsibilities for providing technical services on the SIGMA 4x Upgrade Project include the following:

#### **A. Installation Acceptance Testing Assistance**

The Contractor shall assist the State in verifying: that all acquired software modules are present and installed including all previously resolved software defects identified by the State in Advantage 3.11 and all enhancements that were implemented by the State in Advantage 3.11; that the system operates in a stable fashion both on-line and off-line, and; that the system can be accessed from the State's network.

#### **B. Configuration Management and Version Control**

The Contractor shall be responsible for planning, organizing, and conducting all SIGMA 4x Upgrade Project related configuration and release management and version control for application source code, object code, software configuration and parameter, operating system, DBMS, hardware, and other technical environment components. If the configuration management process differs from the on-going operational configuration management process, the Contractor shall document configuration management procedures and will use tools approved by the State.

#### **C. Patch Management and Upgrades**

The Contractor shall track, manage, install, and test all software patches, patch sets, feature sets, service packs, code fixes, new releases, containers and upgrades for all software acquired, licensed directly and third party components necessary for the Advantage 4 solution, or otherwise provided in association with the SIGMA 4x Upgrade Project that are provided by CGI to the State pursuant to Attachment 9 (Proprietary Software License Agreement). At the end of the SIGMA 4x Upgrade project, the Contractor will ensure that the State is on the mutually agreed upon release of the Advantage software and the contractor supported release of other software for the agreed upon ERP software including operating system, DBMS, other software required and provided. Confirmation of deployment of the mutually agreed release will be part of the final acceptance of the upgrade.

#### **D. Performance Testing and System Tuning**

The Contractor shall plan and conduct performance testing and system tuning for the installed configuration. The performance test must properly demonstrate the system meets the capacity requirements and SLAs for SIGMA. These tasks shall be planned, coordinated with State ERP Architect, technical team, and BOND team who will review and approve plans, test outcomes, and tuning outcomes.

The Contractor shall also produce detailed Performance Testing and System Tuning Procedures. The State recognizes that performance testing and tuning activities may be necessary at several stages in the project. If modifications or extensions are made to the application software to meet the State's unique requirements, it is expected that the Contractor shall review and make adjustments to provide acceptable performance that meets the capacity requirements and SLAs.

The Contractor is expected to use an industry standard Performance Testing tool that will enable repeat testing with minimal preparation effort. The Contractor will lead the following performance testing and tuning responsibilities (the State will assist with these responsibilities).

- Develop Performance Testing and Tuning Plan
- Document procedures to capture and monitor user-response time metrics
- Conduct Performance Testing
- Perform system turning and performance resolution as required to meet performance requirements

- Manage track and report status of activities

### **E. Technical Environment Setup, Maintenance, and Hosting**

The Contractor shall provide all technical environment management setup, software configuration management, migration, maintenance, and synchronization needed during the course of the project in accordance with the underlying Managed Services Agreement.

The Contractor will conduct Environment Readiness Testing on all components prior to releasing each environment to the State. Environment Readiness Testing must be thorough enough to demonstrate that the SIGMA 4x solution is stable and all components are operational through the following activities:

- 1 The software is installed on the servers and network access and communications have been established.
- 2 Software configuration features, including the State's configurations and extensions have been demonstrated to function properly.
- 3 Software security features have been demonstrated to function properly.
- 4 Database backup and restoration facilities are demonstrated to function properly for test, training and production environments.
- 5 Software backup and restoration facilities are demonstrated to function properly for test, training and production environments.
- 6 The Contractor has furnished, at Contractor's expense, cases, scenarios and data sufficient to demonstrate that software units, modules, systems, integration capabilities, interface features and functions are present and operate properly.
- 7 Online and Batch processing is demonstrated to:
  - 7.0 accomplish the business functions represented by the Contractor,
  - 7.1 software units, modules, systems, integration capabilities, interface features and functions operate properly,
  - 7.2 online user aids and help services operate properly,
  - 7.3 processing logic or data errors are detected and accurately reported,
  - 7.4 audit trail capabilities, with respect to online activities exist, are complete and accurately reported,
  - 7.5 the existence of all modules has been documented as having success, failure or deficiencies noted during testing.

The State Project Director may waive criteria 7 in whole or in part or require them after the start of installation acceptance testing if initial test results indicate that a full verification in those areas is required.

### **F. Preparation and Certification of a Production Ready Production Environment**

The Contractor shall migrate configured, extended, enhanced, tested, and approved Advantage 4 software, data, and any other application software specified in the Proprietary Software License Agreement including all site specific code including that for reports, interfaces, enhancements to the Hosted/Managed Services MA2, Production, Training, SH2, and Production QA environment as mutually agreed to be needed to meet the schedule for performance testing, user acceptance testing, security testing or upgrade cutover. Prior to each implementation, the Contractor shall test the environment and certify its readiness for production use.

The Contractor shall also create and certify a Production QA environment that is identical in specification and capacity to the certified Production Environment. One difference between the Production and 'Quality Assurance' Environment will be the 'Quality Assurance' Environment will not be available on the Internet and the Production QA environment may share certain non-enterprise-wide third party licensing with other non-production environments.

### **G. Security Architecture and Design**

The Contractor will work cooperatively with State designated IT security professionals and managers to design an 'end-to-end' security solution that meets the State's security needs and conforms to applicable State and Federal

Law and Policy. The design will be documented in an updated version of the existing Security Architecture and Design document.

## **H. Perform Security Testing**

The annual Security, Vulnerability, and Penetration Test must be executed on the new SIGMA 4x production environment with all Critical and Serious vulnerabilities remediated prior to the production cutover. The Contractor shall work with designated State IT and Security Managers and Professionals to review and update the existing Security, Vulnerability and Penetration Test Plan. Any updates to the plan will be submitted to the State for review and approval. The Contractor is responsible for providing any tools needed that are not already licensed to and available to the State. The Contractor will review and obtain the approval of all such tools with State IT and Security Managers prior to finalizing plans for use.

## **Task 2 Deliverables**

1. Configuration Management Procedures, if determined necessary
2. Environment Readiness Test Plan
3. Updated Security Architecture and Design
4. Approved Security, Vulnerability and Penetration Plan
5. Completed and Approved Security, Vulnerability and Penetration Test
6. Performance Testing and Tuning Plan & Procedures
7. Completed and Approved Performance Testing and System Tuning
8. Production and Production QA Environment Specification
9. Non-Production (MA2, SH1, and SH2) Environment Specification
10. Completed Test Environment (MA2) including environment readiness test results
11. Completed Production Environment (PRD) including environment readiness test results
12. Completed User Acceptance Test Environment (MA1) including environment readiness test results
13. Completed Training Environment (SH1) including environment readiness test results
14. Completed Development Environment (SH2) including environment readiness test results

## **Task 3 – Agile Sprint Execution**

The Agile Sprint Execution portion of the project will cover System Analysis, Design, Configuration, and Regression testing portions that would occur in a traditional Waterfall project. Sprints will be used to regression test 100% of the existing business processes to confirm that the software upgrade did not introduce new or previously resolved defects. In addition, the Sprints will be used to address 5 – 10 major pain points through application configuration and/or tailoring. Sprint Zero shall contain an Installation Test.

The Contractor will be responsible for supporting the State teams through providing Scrum Master and Agile Coaching services.

The Contractor will perform analysis and design activities as follows:

1. Sprint Management and Oversight  
The Contractor will provide Scrum Master and Agile Coaching services associated with Task 3 and Task 4. The Scrum Masters will be responsible for the following:
  1. Coaching the team on Scrum values and practices
  2. Completing Sprint Planning and Program Increment Planning
  3. Facilitating the Daily Stand-Up Meeting, Sprint Retrospectives, Program Increment Reviews, and other Scrum Ceremonies
  4. Confirming that the team is fully functional and productive and notifying the Product Owners of any issues

5. Enabling close cooperation across all roles and functions
6. Notifying the Product Owners for any impediments that need to be removed
7. Reporting status of configuration, testing and defects/bugs on a weekly basis as part of sprint reporting

The results of these activities will be documented as part of the Program Increment Retrospective Documentation.

**B. Enhancement and Defect Assessment and Remediation**

1. The Contractor shall be responsible for completing an impact assessment that details differences between the code base in the existing 3.11 environment and the 4.x environment.
2. The Contractor shall be responsible for remediating differences that are not the result of enhancements and improvements in 4.x.

**C. Interface Assessment and Remediation**

1. The Contractor shall be responsible for confirming that the following interfaces will not require changes to Agency-owned systems as a result of upgrading the SIGMA system to Advantage 4. The Contractor must provide an Interface Analysis and Confirmation Document describing the analysis performed and the confirmation that the interfaces below do not require changes to the Agency-owned systems. If the upgrade results in modifications to these interfaces, the Contractor will be responsible for addressing any modifications within SIGMA. The Contractor shall be responsible for any updates necessary associated with any changes to the 3rd party tools and Advantage Connect during the SIGMA upgrade project.

1. Agency Inbound Interfaces
2. Outbound Extracts
3. Treasury web call & backup High Risk Debts from Treasury Collections for Offsets
4. HRMN integrations
5. PCard
6. Credit Card processing including SKU files and bank deposits
7. EDI Vendors
8. FMIS
9. Bank Files
10. IRS TIN Matching

The State will be responsible for providing subject matter knowledge of existing interfaces and associated data. The State will be responsible for testing interface programs that extract data from Agency applications using the existing formats and protocols from SIGMA 3.11.

**3. Database Assessment and Remediation**

1. The Contractor shall be responsible for completing an impact assessment that details differences between the database in the existing 3.11 environment and the 4.x environment including InfoAdvantage.
2. The Contractor shall be responsible for remediating differences that are not the result of enhancements and improvements in 4.x.

**4. Sprint Activities**

The Contractor shall be responsible for:

1. Installation Test Planning and Execution. Sprint Zero will consist of an installation test that will confirm the correct version of the software and associated fixes, customizations, and data are present and ready for the Agile Sprints to begin. The Contractor shall be responsible for development of the test plan, assistance executing the test, and documenting the test results.
2. Supporting and providing guidance for Epics, Features, and User Stories to make certain they have:
  - a. Sufficient detail to configure, test, and accept the system

- b. Traceability between Epics, Features, and User Stories and their corresponding design updates and test cases
- c. Adequate "definitions of done" documented to know when the work has been completed
- 3. Validating changes to the system design that occur while defining user stories are comprehended during the agile sprints and updated in the corresponding design document. Updated design document should be reviewed and approved as part of the Program Increment Review ceremony.
- 4. Validating test cases are fully defined and complete with "definition of done" and thoroughly documented
- 5. Confirming appropriate test cases are developed to provide 100% coverage of testing all requirements
- 6. Configuration and Development
  - a. Document the Application Configuration Management Plan to provide specific tasks, activities and dates so that configuration settings within SIGMA are tracked, tested, and changes are properly reviewed and approved
  - b. Provide expertise to any configuration tasks assigned to the State to validate the configuration change is optimized for Advantage 4
  - c. Execute configuration tasks assigned to the Contractor per the user story requirements
  - d. Validate configuration changes are updated in the appropriate documentation per the Application Configuration Management Plan
- 7. Documenting the Program Increment Retrospective confirming the following items are updated:
  - a. Program Increment Plan
  - b. Extract from Project Management Tool including updated:
    - i. Requirements Traceability Matrix
    - ii. Requirements Specifications
    - iii. Functional Design Document
    - iv. Use Cases and User Stories
    - v. Unit Test Plan
    - vi. Test Case
    - vii. Epics, Features, User Stories
    - viii. Backlog Refinement
  - c. Demo / Structured Walkthrough Meeting Record

The results of these activities will be documented as part of the Program Increment Retrospective Documentation.

- 8. The sprint documentation should include:
  - a. Story point burndown chart
  - b. Number of story points completed in the sprint
  - c. Number of story points planned in the sprint
    - i. Applicable % ratio
  - d. Number of bugs found intra sprint
  - e. Number of bugs carried over from the sprint
  - f. Stories planned for coming sprint
  - g. Sprint goals & outcomes for previous and next sprint
  - h. Sprint Demo documentation/recording and sign off email from primary stakeholder/product owner
  - i. Wait time and lead time average from previous sprint against current sprint results

## 5. Application Configuration Management

The Contractor shall produce an Application Configuration Management Plan that describes the process that will be used to maintain and track configuration changes that are implemented in 3.11 production environment after the configurations are loaded into the 4x production environment which will be used for User Acceptance Testing. State configuration changes in Advantage 3.11 are planned to slow down at a specific point in the project, but will likely not stop completely due to the need to address critical and serious

issues. The Application Configuration Management Plan must also describe the process that will be used to maintain and track configuration changes that result from Agile Sprints in the 4x implementation environments. The plan must include the process for approving configuration changes after this code freeze is in place.

The Contractor will be responsible for maintaining this configuration management process throughout the project.

### **Task 3 Deliverables**

1. Software Enhancement and Defect Assessment and Remediation
2. Interface Analysis and Confirmation Documentation and Remediation
3. Database Assessment and Remediation
4. Sprint Zero - Installation Test Plan and Results
5. Program Increment 1 - Sprint 1 Documentation
6. Program Increment 1 - Sprint 2 Documentation
7. Program Increment 1 Documentation
8. Program Increment 2 Documentation
9. Program Increment 3 Documentation
10. Program Increment 4 Documentation
11. Program Increment 5 Documentation
12. Application Configuration Management Plan

The State will be responsible for actively participating in the sprints, retrospectives and daily stand up meetings.

The State will be responsible for completing configuration tasks, developing user stories and epics, and execute test scripts as assigned and based upon the State-approved resourcing within the Project and Sprint planning activities.

### **Task 4 Data Migration**

The Contractor shall be responsible for the following data migration tasks, activities, and deliverables:

#### **A. Data Migration Plan**

The Contractor shall produce a comprehensive Data Migration Plan including identification of State's responsibilities that will be subject to the approval of the State Project Director. This plan is required to be completed before data is populated in the Production environment (before User Acceptance Testing activities begin) and shall cover:

1. All aspects of creating the production database necessary to take the upgrade "live"
2. Loading sequence and dependencies
3. Contingency planning requirements for alternate conversion timeframes
4. Migrations needed for non-production environments including testing and training
5. Automated tools or routines to assist the state in validating and verifying converted and loaded data both to the application and to InfoAdvantage
6. Migration of required data from SIGMA 3.11 production environment
7. Migration of required data from SIGMA 3.11 InfoAdvantage Datawarehouse
8. Migration of required data from SIGMA 3.11 Transparency Portal

This plan shall describe:

1. All files or tables to be built in the new system
2. Expected data volumes

3. Description of migration process
4. Summary of data (type, period of time, summary or detail) to be converted
5. Different approaches and strategies for populating all non-production environments based on their unique data needs
6. Roles and responsibilities and timing requirements for the conversion effort
7. Process for the State to validate and verify converted and loaded data both to the application and to InfoAdvantage

Segments of this plan may be delivered serially to incorporate the results of analysis of assigned activities that occur as the project progresses. Updates to the plan will be made, as required, based on the learning and circumstances encountered during initial data migration attempts.

## **B. Data Migration Programs**

Based on the Data Migration Plan, the Contractor shall be responsible for creating, designing and testing automated migration scripts and/or programs to support the commencement of live operations. This deliverable is required to be completed before data is populated in the Production environment (before User Acceptance Testing activities begin) and shall include:

1. Data Migration Program Designs
2. Coding and unit and integration testing for the migration programs
3. Validation routines and corresponding reports or other output for the State's use in confirming results

## **C. Migrating Data**

The Contractor shall be responsible for running the migration scripts and/or programs and assisting the State with the verification of the migrated data in the production environment. The Contractor is also responsible for updating the Data Migration Plan and Programs as determined necessary as the result of testing the data migration processes and programs. Based on the Data Migration Plan, test results and the data migration itself, the production data must be certified as accurate by the State. Any issues identified in this certification must be addressed and resolved by the Contractor.

### **Task 4 Deliverables**

1. Data Migration Plan
2. Data Migration Program Designs
3. Unit Tested Data Migration Programs
4. Migrated Data in all non-production environments (SH1, SH2, MA2, MA1)
5. Migrated Data in Production Environment for User Acceptance Testing
6. Re-Migrated Data in Production Environment for Go-Live

### **Task 5 Disaster Recovery Testing**

All system components must be subjected to Disaster Recovery test performed by the Contractor including all application software, interfaces, reports, forms, and any other components that will be used as part of the production system. If the most recent Production Disaster Recovery test was successful, one annual production test can be skipped to accomplish the SIGMA 4x Disaster Recovery test. All requirements outlined in Attachment 2 of the Agreement associated with Disaster Recovery testing are applicable to this Task.

### **Task 5 Deliverables**

- Disaster Recovery Test Plan
- Disaster Recovery Test Results for the SIGMA 4x environment

The State will be responsible for participating in the disaster recovery exercise completing tasks and scripts as assigned.

## **Task 6 Integration Testing and User Acceptance Testing Assistance**

The State will be responsible for conducting acceptance testing of the entire application but the Contractor will be responsible for conducting integration testing and shall provide the following assistance before and during user acceptance testing:

### **A. User Acceptance Test Planning Assistance**

Although the State will take primary responsibility for preparing the Acceptance Test Plan, the Contractor shall provide assistance as mutually agreed:

1. Structuring test cycles
2. Designing and creating test scripts
3. Explaining user actions, transactions, and processing outcomes
4. Explaining batch processes and processing outcomes
5. Organizing the test tracking, outcome tracking, and exception follow-up procedures
6. Updating the RTM
7. Creating test scenarios that allow the State to test the Implementation Checklist cut-over processes and procedures as part of the UAT. The cut-over to UAT will be used as a 'rehearsal' for the production cut-over.

The User Acceptance Test Plan shall be built around the State's most important business scenarios but will include comprehensive testing of the software and interfaces to confirm that it conforms to marketed or promised functionality.

### **B. User Acceptance Test Environment**

The Contractor will be responsible for the establishment of a User Acceptance Test Environment that is completely ready for User Acceptance Testing including:

1. All required hardware, system software, database management systems, and other production environment components
2. Completely configured, extended, modified, tested, and performance tuned ERP solution including any third party software application components (including all application programs, files, interfaces, reports, forms, and other components)
3. A fully loaded application database(s) with migrated data and configuration
4. Security settings to allow all State acceptance test participants to execute test scripts
5. Pre-work required to allow testing of interfaces with State and external applications
6. The State intends to conduct production-volume (batch and online data included) performance testing in the UAT Environment. The UAT environment needs to mirror the production environment

### **C. User Acceptance Testing Assistance**

The State will assume responsibility for conducting user acceptance testing of the entire application. The Contractor shall provide assistance during such testing. This assistance shall include:

1. Providing organizational system set-up and other required support to allow for the Implementation Checklist cut-over testing.
2. Any tasks that the Contractor would be responsible for performing during the Production Implementation, the Contractor will be responsible for performing during the cut-over to UAT. This serves to provide that user acceptance testing is based on an appropriate UAT environment and helps to validate the production implementation process. The Contractor would be responsible for identifying, tracking, and resolving problems or issues with the Implementation Checklist and any tools or components that were used while performing checklist items. In addition, the Contractor would be responsible for tracking start and end times for checklist items to provide that the implementation can be achieved within the cut-over window.

3. Submitting off-line jobs.
4. Performing backups.
5. Restoring databases as required.
6. Analyzing and explaining outcomes.
7. Answering questions as they arise.
8. Providing functional SME support.
9. Assisting with ad hoc inquiries both to the ERP solution and to InfoAdvantage.
10. Setting up vendor self service functions available over the internet including those related to ACH or credit card payment processing.
11. Setting up and directly conducting interface testing with external parties including banks, credit card companies, and other external entities (under supervision by the State).
12. Setting up and assisting with internal interface testing with State Agencies.
13. Assisting with test data set-up, including simulating interface data, and conducting the production volume performance test.
14. Successful completion of the User Acceptance Test in each phase shall be required before the software can be approved for production use.

#### **D. Integration Testing**

1. Identify all components required for integration testing and provide they are included in the Integration Test Plan
2. Confirm integration test plan with all major integrations and required test participants
3. Document Integration Test Plan and Schedule
4. Provide traceability between unit test cases and appropriate work items (Epics, Features, User Stories, and Design Changes)
5. Execute all integration test cases and document defects/bugs
6. Determine remediation plan for defect/bugs and plan for configuration updates and re-execution of test cases
7. Remediation of software defects/bugs and assist with the remediation planning of defects identified as configuration defects
8. Report out status of testing and defects/bugs on a weekly basis as part of sprint reporting
9. Prepare remediation plan if test schedules begin to delay

#### **Task 6 Deliverables**

1. User Acceptance Test Plan and Scripting Assistance
2. User Acceptance Test Assistance
3. Integration Test Plan & Schedule
4. Integration Test Cases
5. Integration Test Status Reporting

#### **Task 7 Documentation**

The Contractor must review the existing versions of the following system documentation and provide the State with updated versions based on Advantage 4 at the time the system is presented for final acceptance. The Contractor shall provide complete and accurate technical, system, operations, administrative, and user documentation as specified below:

1. Security Administrators Guide
2. System Management Guide Documentation
3. Operations Documentation
4. Technical Documentation
5. Documentation of All Customization/Configuration Parameters
6. Documentation of Exit Points and Exposed Parameters for Site-Specific Programming
7. Workstation Installation Procedures and Automated Installation Tools

## 8. Workflow Administration Guide

### Task 7 Deliverables

1. Updated System Documentation including:
  - A. Security Administrators Guide
  - B. System Management Guide Documentation
  - C. Operations Documentation
  - D. Technical Documentation
  - E. Documentation of All Customization/Configuration Parameters
  - F. Documentation of Exit Points and Exposed Parameters for Site-Specific Programming
  - G. Workstation Installation Procedures and Automated Installation Tools
  - H. Workflow Administration Guide

### Task 8 Implementation and Agency Change Management Assistance

Implementation and Agency Change Management for the SIGMA 4x Upgrade Project will be a shared responsibility of the Contractor and the State. Contractor responsibilities shall include the following:

#### A. Implementation Cutover Plan

The Contractor shall produce a detailed Implementation Cutover Plan for each project phase that includes all project activities needed for deployment of the ERP System into the production environment including specific cut-over tasks, planned dates for tasks to be started and completed, task responsibilities and assignments, task dependencies, estimated work effort required to complete each task, and the State sign-off required for each task completed.

The plan shall detail the approach for coordinating the following:

1. Data conversion activities;
2. Technical preparation and system changeover activities;
3. Development of a cutover activities checklist including activities that need to occur on the existing systems being replaced and interfaced;
4. Staffing requirements, by role and responsibilities, for both Contractor and State staff for all deployment / cut-over activities;
5. Deployment schedule; and
6. A contingency plan for identifying, communicating, resolving risks and maintaining then current production capability if the deployment is delayed.
7. Implementation Cutover Checklist (described below)

#### Implementation Cutover Checklist

The Implementation Cutover Checklist for each phase lists, describes, and tracks each activity required to ascertain that the updated SIGMA System and the State are ready for deployment and that related milestone criteria have been achieved. This checklist must be reviewed with the State Project Director and team leaders/managers with increasing frequency as the Go-Live date approaches to confirm in accordance with this Statement of Work:

1. User Acceptance and Performance Testing and Tuning have been successfully completed
2. Data has been migrated, cleaned and accepted by the user
3. Interfaces are functioning as required
4. Analytics and Reports are functioning as anticipated through the Agile backlog
5. Site preparation requirements have been met
6. A full production schedule has been updated as appropriate relative to the upgrades software tools and approved
7. Full setup, testing, and certification of batch and print jobs on job scheduler and report distribution software have occurred
8. Effective knowledge transfer to applicable State Hosting/Managed Services personnel has occurred related to technical and administrative support for hardware, network and other infrastructure, server software, technical environments, security, and application of patches and software vendor updates
9. User and system supports are in place

10. Other outcomes or standards that may be identified and mutually agreed in writing upon during implementation analysis and planning

The Contractor shall track progress against the plan and include this information in status and milestone reports submitted to the State.

All Critical and Serious Severity defects that are discovered during the SIGMA 4x Upgrade Project will be resolved prior to Go-Live unless approved in writing by the State Project Director or her designee. In addition to resolution of all critical and serious defects, moderate defects will be evaluated in accordance with the criteria that is used operationally. If Moderate severity defects exist in a manner that materially affect the State's operations, they must be addressed prior to Go-Live or have a plan for resolution that is acceptable to the State Project Director.

Subject to Article 2, Section 2.243, the State may assess Service Level Credits for the production operations of Advantage 4x in accordance with the SLA standards beginning following the first forty-five days (45) after the Advantage 4X system goes live and is in production use by the State. SLA standards for production 3.11 and applicable non production SLAs for the 3.11 environments and 4x MA2 and the 4x production environments prior to the 4x go live, are applicable through the upgrade project. Mutual agreement between the State and Contractor on exemptions to the SLAs for the applicable 4x environments will follow the same process as the 3.11 production based environments.

#### **B. Provide Agency Implementation and Change Management Assistance**

The Contractor shall organize, provide staff members, and take the lead on preparing all required documents for an Organizational Change Management and Communications Teams that will be staffed by both Contractor and State personnel. The Contractor will be responsible for the leading the following activities:

1. Providing CGI Advantage product knowledgeable subject matter and technical expertise working with the State to understand use of mapping and configuration specifications or other project materials provided to support the agencies.
2. Establishing and maintaining centralized OCM issue database and escalating issues (as required) for resolution
3. Coordinating the allocation of project resources to support various change management assistance efforts

#### **C. Production Schedule**

The Contractor shall migrate all job schedules for each environment from it corresponding 3.11 counterpart environment and perform needed setup on job schedulers. The Contractor shall complete this set of tasks with sufficient lead time to allow jobs and job streams to be tested in a portion of the Agile Sprints, Disaster Recovery testing and again in the User Acceptance Test.

#### **D. Meet all requirements for Implementation Readiness Milestone Go/No-Go Decision**

The Contractor shall maintain a list of Milestone requirements (approved by the State Project Director) that must be met to obtain written approval from the Governing Board prior to implementing the SIGMA 4x Upgrade Project. The Contractor shall report progress and issues related to completing the listed requirements and include that information in status and milestone reports. At the State's discretion, the list of milestone requirements may be consolidated with the Implementation Checklist.

#### **E. Production Turnover**

Once the system has been approved, in writing, as ready for production, the Contractor must work with State to perform a production turnover procedure. The environment used to perform User Acceptance Testing will become the Production environment. The Contractor must work to remove the testing data from the environment and re-migrate Production data during the cutover process. This procedure requires that the Contractor turn over all system components in a systematic fashion into the production environment.

#### **F. Vendor/Supplier/Customer and Local Entity Outreach Assistance**

The Contractor will be responsible for the analysis, planning, and supporting activities associated with outreach to vendors, grant applicants, customers, local entities and other external entities that may be affected by changes resulting from the project.

The Contractor will be responsible for the following:

1. Producing a Vendor and Local Entity Outreach Plan that includes:
  - a. creating a Vendor/Supplier/Customer Management Plan for the State's review and approval, by drafting required communications and in carrying out other aspects of planned outreach and coordination

- b. creating a Local Entity Management Plan for the State's review and approval, by drafting required communications and in carrying out other aspects of planned outreach and coordination
2. Drafting of Outreach materials

### **Task 8 Deliverables**

1. Implementation Cutover Plan including Implementation Cutover Checklist
2. Agency Implementation and Change Management Plans
3. Completed and Approved Change Management Assistance
4. Production Job Schedule
5. Approved Batch jobs on Job Scheduler
6. Completed Production Turnover
7. Vendor/Supplier/Customer/Local Outreach Plan
8. Vendor, Supplier, Customer and Local Entity, Outreach Assistance

The State will be responsible for vendor, supplier, customer and local entity outreach with support from contractor.

### **Task 9 Post Implementation Support**

The Contractor shall provide production support throughout the Project and post implementation support for a period of 2 months after the implementation. This production support must consist of technical, functional, and operational support and must be provided by skilled Contractor personnel who have become familiar with the State's application and configuration, and site specific code over the course of the implementation effort.

Contractor post implementation support shall include:

#### **A. Functional Support**

The State will take the lead on providing functional support to the user community. The Contractor shall provide 'as needed' support to State personnel in those instances where designer/developer level knowledge is required and as follows:

1. Answer questions concerning how functional needs can be met using the software or related to interpretation of processing outcomes
2. Provide functional 'workarounds' where required while defects are being addressed
3. Assist in the resolution of functional issues faced by SIGMA users (not requiring 'break fix' services)

#### **B. Technical Support**

The Contractor shall also take responsibility for management of the production technical environment and non-production environments and will be responsible for all aspects outlined within the larger scope of this contract.

In addition, the Contractor must decommission all Advantage 3.11 environments including CGI's PLT and PLP environments no later than 4 months after production implementation subject to the State's approval of the CGI Decommission Plan.

The Decommission Plan should include:

1. Identification and schedule of servers for decommissioning
2. Identification of all software licenses for servers and cancellation of associated maintenance and software contracts for servers
3. Plan to:
  - a. disconnect server from network
  - b. remove subnets, firewalls and other associated software from servers
  - c. remove server from rack to erase for asset recovery or destruction (if physical asset)
  - d. erase server disks and save documentation
  - e. process with data wiping tools and physical destruction

- f. process with software-based data erasure
  - g. create file of all documented processes
4. Identification of any tasks required at the Disaster Recovery site or provide confirmation that no activity is required.

All associated storage containing Michigan data must be wiped clean as part of the decommissioning process. Written confirmation of successful execution of the Decommission Plan for each decommissioned environment must be provided.

#### **Task 9 Deliverables**

1. Post Implementation Support
2. Decommission Plan for 3.11 environments
3. Written Confirmation of each Decommissioned Environment including SOM environments and PLT and PLP

#### **Task 10 Supplemental Services**

Supplemental Support Services as described as a Flex Team in Change Notice 7 of this Agreement will be leveraged throughout the SIGMA 4x Upgrade Project. All requirements and conditions identified for the use of Supplemental Support Services identified in Change Notice 7 are applicable here. The Contractor will invoice a monthly fixed fee of \$ 113,880.00. The proposed monthly fixed fee is based on the labor categories proposed and the associated rates in the approved rate schedule, Price Table 4: Rates for Additional Services and Larger Projects, specified in Attachment 3 of the Contract. The fees are based on 1880 hours per year, normalized to 156 hours per month. In the event the approved staffing plan results in a different mix of resources, the monthly amount will be adjusted accordingly.

The parties acknowledge and agree that incremental compensation paid pursuant to this Contract Change Notice shall not be included in (i) the calculating limitations on Contractor's liability pursuant to Section 2.221 of the Agreement or (ii) in calculating the amount of service level credits for which Contractor is liable pursuant to Section 2.243 of the Agreement.

The Contractor will provide a monthly status report identifying activities performed by Flex Team resources, including items completed and items planned for the upcoming month. Monthly status reports will be provided within 10 business days following the end of the month. The monthly status reports will confirm that the services performed by the Flex Team during the applicable period do not include services otherwise required to be performed by CGI as part of the fixed price scope of the Agreement.

#### **D. DELIVERABLES:**

The deliverables identified in Section C of this Appendix will not be considered complete until the Project Director has formally accepted them. The acceptance criteria for the SIGMA 4x Upgrade Project is defined below:

#### **ACCEPTANCE CRITERIA:**

##### **Deliverable Acceptance Criteria and Procedures**

This exhibit describes acceptance criteria for all Contractor Deliverables. The State shall not unreasonably delay or withhold acceptance of a deliverable, including for any issue that does not materially prevent the applicable deliverable from satisfying applicable acceptance criteria established in this exhibit. If after a

reasonable number of attempts, Contractor is unable to accomplish acceptance, the State may seek remedies available to it under Article 2 of the Agreement.

## **1. Written Deliverable Acceptance Criteria**

Written deliverables must be reviewed and approved by the State in accordance with Section 2.254. In addition, each written deliverable will be accepted based on its compliance with a Written Deliverable Definition Document that shall be prepared for each written deliverable during project planning for each phase or at agreed upon dates that are included in the project plan. The Written Deliverable Definition Document must contain the following sections, headings, and information and must be approved by the State Project Director two (2) weeks prior to any work commencing on the deliverable.

### **Section 1: Summary**

- Deliverable Name/Number:
- Deliverable Submission Date:
- Interim Draft Due Date (if applicable)
- Targeted Review and Approval Times:
  - Initial Deliverable Review Period
  - Initial Deliverable Review Due Date
  - Due Date for Corrections and Revisions
  - Due Date for Second Review
- Format: (e.g. Microsoft Word, PowerPoint, Excel, Visio, ERD, Other)
- Open Issues: (Yes or No, if Yes refer to Section 4)
- Estimated Number of Pages:

### **Section 2: Deliverable Description**

- Overview of Deliverable Purpose
- Document Structure and Required Content

### **Section 3: Deliverable Approach**

- Overview of How the Deliverable will be Created
- Interim Draft Content (if applicable)
- Who is Involved in Creating the Deliverable
  - Contractor
  - State

### **Section 4: Issues**

- Known Issues Related to the Deliverable (if any)
- Approach to be used in Resolving Known Issues
- Responsibilities Related to Resolving Issues
- Due Date for Resolving Issues and for Resubmission of Deliverable Definition

### **Section 5: Specific Acceptance Criteria**

- Any acceptance criteria or standards beyond those specified in the other sections of the document (if any)

### **Section 6: Review and Approval**

- State Reviewers (the names of State personnel assigned to review the deliverable)
- State Preliminary Draft Reviewers (if applicable)
- State Approvers (the names of State personnel who may approve the deliverable)

## **2. Service or Assistance Deliverable Acceptance Criteria**

Acceptance of All Service or Assistance based Deliverables (e.g. User Acceptance Test Assistance or Completed and Approved Agency Implementation and Change Management Assistance) shall be based on a review and approval of the service or assistance provided by the Contractor against the standards documented in a Service or Assistance Deliverable Definition Document that shall be prepared for each Service or Assistance deliverable during project planning for each phase or at agreed upon dates that are included in the project plan. The Service or Assistance Deliverable Definition Document must contain the following sections, headings, and information and must be approved by the State Project Director two (2) weeks prior to any work commencing on the deliverable.

#### **Section 1: Summary**

- Deliverable Name/Number
- Service or Assistance Start Date
- Expected Completion Date
- Expected Contractor Staff and Hours Required

#### **Section 2: Deliverable Description**

- Overview of Service or Assistance to Be Provided
- Components of Service or Assistance to Be Provided
- Documents or Work Products to be Produced in Association with the Service or Assistance
- Programming Needed to Provide Service or Assistance
- Technical Environments or Technical Environment Work Needed for Service or Assistance
- Tools, Templates, or other Items required to Provide Service or Assistance

#### **Section 3: Deliverable Approach**

- Service or Assistance Approach
- Coordination Required
- Who is Involved in Providing or Using the Service or Assistance
  - Contractor
  - State

#### **Section 4: Issues**

- Known Issues Related to the Service or Assistance (if any)
- Approach to Be Used in Resolving Known Issues
- Responsibilities Related to Resolving Issues
- Due Date for Resolving Issues and for Resubmission of Deliverable Definition

#### **Section 5: Specific Acceptance Criteria**

- Any acceptance criteria or standards beyond those specified in the other sections of the document (if any)

#### **Section 6: Review and Approval**

- State Reviewers (the names of State personnel assigned to review the service or assistance provided)
- State Approvers (the names of State personnel who may approve the service or assistance deliverable)

### **3. Data Migration Deliverables**

Data Migration deliverables that involve data conversion outcomes (e.g. Converted Data in Production Environment) shall be subject to review and approval of the State as a condition of acceptance. The review and approval will be based on compliance with the standards established in a Data Migration Deliverable Definition Document that shall be prepared for each applicable deliverable during project

planning phase or at agreed upon dates that are included in the project plan. The Data Migration Deliverable Definition Document must contain the following sections, headings, and information and must be approved by the State Project Director prior to any work commencing on the deliverable. The Data Migration Deliverable Definition may refer to sections of an approved Data Migration Plan where applicable to avoid unnecessary duplication of information.

### **Section 1: Summary**

- Deliverable Name/Number:
- Deliverable Related Start Date:
- Deliverable Due Date:
- Targeted Review and Approval Times
- Expected Contractor Staff and Hours Required

### **Section 2: Deliverable Description**

- Overview of Data Migration to be Performed
- Components of Service or Assistance to be Provided
- Documents or Work Products to be Produced in Association with the Deliverable
- Programming Needed to Provide Service or Assistance
- Automated Routines to Validate Migrated Data Produced by Contractor
- Data Integrity
- Record Count
- Item Balance Checks
- Overall Financial Balance Checks
- Open Items Comparison
- ERP Code and Other Validations
- Other Automated Checks
- Technical Environments or Technical Environment Work Needed
- Crosswalks and Conversion Tables Needed
- State Input Needed
- Data Needed that must be Manually Loaded or Converted
- Known Data Cleanup Required
- Source and Target Data Structures (This may be provided via reference to another document)
- Migration Time Window Standards
- Other

### **Section 3: Deliverable Approach**

- Analysis to be Performed
- How Tables and Crosswalks will be Created
- Review and Correction Process
- Coordination Required
- Plan for Successful Deliverable
- Who is Involved
  - Contractor
  - State

### **Section 4: Issues**

- Known Issues Related to Data Migration (if any)
- Approach to Be Used in Resolving Known Issues
- Responsibilities Related to Resolving Issues
- Due Date for Resolving Issues and for Resubmission of Deliverable Definition

### Section 5: Specific Acceptance Criteria

- Any acceptance criteria or standards beyond those specified in the other sections of the document (if any)
- The Go-Live Data Re-Migration effort will be eligible for acceptance and approval after ninety (90) days of stable use has completed with no remaining defects or performance problems that have a significant impact on use, productivity, or accuracy. At least 30 consecutive calendar days have occurred without any new or previously discovered significant defect or production issue.

### Section 6: Review and Approval

- State Reviewers (the names of State personnel assigned to review the converted data deliverable)
- State Approvers (the names of State personnel who may approve the converted data deliverable deliverable)

## E. PROJECT SCHEDULE:

As of Mid-May 2020, the SIGMA upgrade project will be put on hold due to budgetary uncertainties caused by response to the COVID-19 Pandemic. The team at that time completed a detailed planning effort that staged the project to resume at a future date. The project team completed the following activities/deliverables prior to halting project efforts:

1. Qualified and prioritized backlog of all update requirements known at the time
2. Identification of business roles to apply to the Advantage 4.x user experience
3. Test Strategy for the upgrade project

When the upgrade effort resumes, the estimate for the project is below:

Phase/Activity	Phase/Activity Duration
Restart Plan <ul style="list-style-type: none"><li>• Develop Staffing Plan</li><li>• Reconciliation of changes to the previous software version to the new version</li><li>• Reconciliation of Feature Sets of the current, baseline version to the target version for the upgrade</li><li>• Review/Re-confirmation of the Backlog</li><li>• Stakeholder Review of the Backlog</li></ul>	3 months
Environment Delivery	6 months (3 months overlap with re-start plan)
Installation Testing	2 months (2 months overlap with the environment delivery)
Agile Sprint Execution	17 months
Integration/User Acceptance Test	7 months
Cutover	1 month
Post Implementation Support	2 months
Total Duration	33 months

**F. PROJECT STAFFING AND KEY PERSONNEL:**

The following roles have been designated as Key Personnel Roles and are subject to the provisions of Article 2- Sections 2.062 and 2.243 and Attachment 4 covering Key Personnel and Service Level Credits. The Key Personnel identified in the table below are unique to the SIGMA 4x Upgrade Project. These positions will not be considered Key Personnel after the completion of the SIGMA 4x Upgrade Project. Upon restart, a staffing plan to address these roles will be prepared by CGI in consultation with the State and is subject to the approval of the State.

Labor Category	Name	Functional Area	Location
Project Manager	TBD	Project Management	Onsite
Agile Coach	TBD	Agile Sprint Management	Partially Onsite
Advantage Configuration SME	TBD	Configuration	Onsite
Security & Workflow SME	TBD	Security and Workflow	Onsite
Data Analytics	TBD	Analytics	Offsite
Advantage Integration SME	TBD	Integration	Onsite
<b>Implementation SMEs</b>			
Budget	TBD	Budget Development	Onsite
FIN - Inv/Assets - Debt/Treasury	TBD	Record to Report	Onsite
Cost Acctg/Grants	TBD	Projects and Grants	Onsite
PROC/VSS	TBD	Procure to Pay	Onsite
TELL	TBD	TELL	Onsite
<b>COE Staff Augmentation</b>			
Financial	TBD	Staff Augmentation	Onsite
Financial	TBD	Staff Augmentation	Onsite
Various	TBD	Staff Augmentation	Onsite
Procurement	TBD	Staff Augmentation	Onsite
TELL	TBD	Staff Augmentation	Onsite

**The following roles are critical to the success of the project and will be required to participate as specified in the state approved SIGMA Upgrade Staffing Plan.**

<b>Product SMEs</b>			
FIN - Inv/Assets - Debt/Treasury - Cost Acctg/Grants	TBD	Product Manager	Onsite for Familiarization Sessions, Sprint 1 and as necessary within approved staffing plan
Procurement/VSS	TBD	Product Manager	Onsite for Familiarization Sessions, Sprint 1 and as necessary within approved staffing plan
TELL	TBD	Product Manager	Onsite for Familiarization Sessions, Sprint 1 and as necessary within approved staffing plan
Budget*	TBD	Product Manager	Onsite for Familiarization Sessions, Sprint 1 and as necessary within approved staffing plan
InfoAdvantage	TBD	Product Manager	Onsite for Familiarization Sessions, Sprint 1 and as

			necessary within approved staffing plan
Technical*	TBD	Product Manager	Onsite for Familiarization Sessions, Sprint 1 and as necessary within approved staffing plan
* Staffing level expectation with regard to amount of time is shared between Budget and Technical.			

**G. COMPENSATION AND PAYMENT:**

Payment will be made on satisfactory acceptance of deliverables and milestones 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 DTMB within forty-five (45) days after receipt of properly completed invoices. See SIGMA 4x Upgrade Payment Schedule Table.

**EXPENSES:**

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

**SIGMA 4x Upgrade Payment Table**

ID	Deliverable Payment / Milestone	Task	Task Name / Category	Milestone / Payment	Amount
P401	Project Management Plan and Resource Schedule	Task 1	Project Management	M1PMT-1	\$57,330
P402	Status Reporting Process	Task 1	Project Management	M1PMT-1	
P403	Communications Plan	Task 1	Project Management	M1PMT-2	\$57,330
P404	Organizational Change Management Plan	Task 1	Project Management	M1PMT-2	
P405	Completed Software Familiarization Sessions	Task 1	Project Management	M1PMT-3	\$120,000
PM401	Milestone Report 1: Project Strategy and Plan	Task 1	Project Management	M1PMT-4	\$30,000
T401	Configuration Management Procedures, if determined necessary	Task 2	Technical Services	M2PMT-1	\$188,000
T402	Environment Readiness Test Plan	Task 2	Technical Services	M2PMT-1	

T403	Updated Security Architecture and Design	Task 2	Technical Services	M2PMT-2	
T404	Approved Security, Vulnerability and Penetration Plan	Task 2	Technical Services	M2PMT-2	\$501,400
T405	Completed and Approved Security, Vulnerability and Penetration Test	Task 2	Technical Services	M2PMT-2	
T406	Performance Testing and Tuning Plan & Procedures	Task 2	Technical Services	M2PMT-3	
T407	Completed and Approved Performance Testing and System Tuning	Task 2	Technical Services	M2PMT-3	\$501,400
T408	Production and Production QA Environment Specification	Task 2	Technical Services	M2PMT-4	
T409	Non-Production (MA2, SH1, and SH2) Environment Specification	Task 2	Technical Services	M2PMT-4	\$501,400
T410A	Completed System Test Environment (MA2) including environment readiness test results	Task 2	Technical Services	M2PMT-4	
T410B	Completed Production Environment (PRD) including environment readiness test results	Task 2	Technical Services	M2PMT-5	\$313,400
T410C	Completed User Acceptance Test Environment (MA1) including environment readiness test results	Task 2	Technical Services	M2PMT-6	\$313,400
T410D	Completed Training Environment (SH1) including environment readiness test results	Task 2	Technical Services	M2PMT-7	\$313,400
T410E	Completed Development Environment (SH2) including environment readiness test results	Task 2	Technical Services	M2PMT-8	\$313,400
PM402	Milestone Report 2: Technical Services	Task 1	Project Management	M1PMT-5	\$270,000
T411	Software Enhancement and Defect Assessment and Remediation	Task 3	Sprint Activities	M3PMT-1	
T412	Interface Analysis and Confirmation Documentation and Remediation	Task 3	Sprint Activities	M3PMT-1	\$877,670
T413	Database Assessment and Remediation	Task 3	Sprint Activities	M3PMT-1	
PI401	Sprint Zero - Installation Test Plan and Results	Task 3	Sprint Activities	M3PMT-2	\$200,000
PI402A1	Program Increment 1 - Sprint 1 Documentation	Task 3	Sprint Activities	M3PMT-3	\$118,750
PI402A2	Program Increment 1 - Sprint 2 Documentation	Task 3	Sprint Activities	M3PMT-4	\$118,750
PI402A3	Program Increment 1 Documentation	Task 3	Sprint Activities	M3PMT-5	\$237,500
PI402B	Program Increment 2 Documentation	Task 3	Sprint Activities	M3PMT-6	\$475,000
PI402C	Program Increment 3 Documentation	Task 3	Sprint Activities	M3PMT-7	\$475,000
PI402D	Program Increment 4 Documentation	Task 3	Sprint Activities	M3PMT-8	\$475,000
PI402E	Program Increment 5 Documentation	Task 3	Sprint Activities	M3PMT-9	\$450,000

CM401	Application Configuration Management Plan	Task 3	Sprint Activities	M3PMT-10	\$75,000
PM403	Milestone Report 3: Sprint Activities	Task 1	Project Management	M1PMT-6	\$472,500
T414	Data Migration Plan	Task 4	Data Migration	M4PMT-1	
T415	Data Migration Program Designs	Task 4	Data Migration	M4PMT-1	\$188,000
T416	Unit Tested Data Migration Programs	Task 4	Data Migration	M4PMT-1	
T417	Migrated Data in all non-production environments (SH1, SH2, MA2, MA1)	Task 4	Data Migration	M4PMT-2	\$313,400
T418	Migrated Data in Production Environment for User Acceptance Testing	Task 4	Data Migration	M4PMT-3	\$313,400
T419	Re-Migrated Data in Production Environment for Go-Live	Task 4	Data Migration	M4PMT-4	\$814,800
PM404	Milestone Report 4: Data Migration	Task 1	Project Management	M1PMT-7	\$150,000
T420	Disaster Recovery Test Plan	Task 5	Disaster Recovery Testing	M5PMT-1	
T421	Disaster Recovery Test Results for the SIGMA 4x environment	Task 5	Disaster Recovery Testing	M5PMT-1	\$814,800
PM405	Milestone Report 5: Disaster Recovery Testing	Task 1	Project Management	M1PMT-8	\$75,000
U401	User Acceptance Test Plan and Scripting Assistance	Task 6	User Acceptance Testing Assistance	M6PMT-1	\$300,000
U402	User Acceptance Test Assistance	Task 6	User Acceptance Testing Assistance	M6PMT-2	\$1,000,000
U403	Integration Test Plan & Schedule	Task 6	User Acceptance Testing Assistance	M6PMT-3	
U404	Integration Test Cases	Task 6	User Acceptance Testing Assistance	M6PMT-3	\$400,000
U405	Integration Test Status Reporting	Task 6	User Acceptance Testing Assistance	M6PMT-3	
PM406	Milestone Report 6: User Acceptance Testing	Task 1	Project Management	M1PMT-9	\$230,000.00
DC401	Updated System Documentation	Task 7	Documentation	M7PMT-1	\$150,000
PM407	Milestone Report 7: Documentation	Task 1	Project Management	M1PMT-10	\$22,500
IM401	Implementation Cutover Plan including Implementation Cutover Checklist	Task 8	Implementation and Agency Change Management Assistance	M8PMT-1	\$100,000
IM402	Agency Implementation and Change Management Plans	Task 8	Implementation and Agency Change Management Assistance	M8PMT-1	
IM403	Completed and Approved Change Management Assistance	Task 8	Implementation and Agency Change Management Assistance	M8PMT-2	\$100,000
IM404	Production Job Schedule	Task 8	Implementation and Agency Change	M8PMT-3	\$800,000

IM405	Approved Batch jobs on Job Scheduler	Task 8	Management Assistance Implementation and Agency Change Management Assistance	M8PMT-3	
IM406	Completed Production Turnover	Task 8	Implementation and Agency Change Management Assistance	M8PMT-3	
IM407	Vendor/Supplier/Customer/Local Outreach Plan	Task 8	Implementation and Agency Change Management Assistance	M8PMT-4	
IM408	Local Entity and Vendor Outreach Assistance	Task 8	Implementation and Agency Change Management Assistance	M8PMT-4	\$100,000
PM408	Milestone Report 8: Implementation and Agency Change Management Assistance	Task 1	Project Management	M1PMT-11	\$165,000
PS401	Post Implementation Support	Task 9	Post Implementation Support	M9PMT-1	\$400,000
PS402	Decommission Plan for 3.11 environments	Task 9	Post Implementation Support	M9PMT-2	
PS403	Written Confirmation of each Decommissioned Environment including SOM environments and PLT and PLP	Task 9	Post Implementation Support	M9PMT-2	\$400,000
PM409	Milestone Report 9: Post Implementation Support	Task 1	Project Management	M1PMT-12	\$120,000
	Supplemental Services	N/A	\$113,880 per month; tied to status report deliverables		\$3,074,760
	Hosting MA2 Environment***	N/A	Fiscal Year based pricing; invoiced quarterly	FY 22 FY 23 FY 24	\$631,200 \$1,363,200 \$1,104,300
	Additional 3rd Party Software licenses	N/A			\$570,000
Total					\$21,155,990

\*\*\* The pricing for the MA2 Environment is dependent on the start date for the SIGMA 4X upgrade. This table reflects the upgrade occurring in FY22 – FY24. The actual price will be determined based on the actual start date of the SIGMA upgrade project and will be based on the rates published in Price Table 5: Additional Environments Monthly Fee Rate Card. The fees for the MA2 environment will not commence until the delivery of the environment is complete including all components necessary for SIGMA upgrade activities.

#### H. ADDITIONAL CONTRACT CHANGES ASSOCIATED WITH THE 4X UPGRADE PROJECT:

The following changes to the Contract will be effective when the SIGMA 4x Upgrade Project option is exercised.

**1. Changes to Attachment 1 (Glossary)**

Pursuant to this CCN, Attachment 1 is hereby modified through the addition of the terminology below.

<p><u>Feature Set</u></p>	<p><u>“Feature Set” means a compilation of enhancements, compatibility or regulatory updates and corrections to the CGI Advantage® Applications. Feature Sets are focused around the introduction of new features or technology for the CGI Advantage ERP application and mobile apps, but they may also include software fixes/patches to resolve previously identified issues. It is anticipated they will be released approximately every eight months. Feature Sets may or may not span the product line and may or may not include technical architectural changes.</u></p>
<p><u>Non-Production Environment</u></p>	<p><u>“Non-Production” means a system environment that is used for steady state activities other than supporting live business activities, such as development, test, or staging.</u></p>
<p><u>Patch Set</u></p>	<p><u>“Patch Set” means a compilation of Patches. Patch Sets are a software update release intended to resolve previously identified issues. They are designed to provide fixes for lower severity issues that do not require an immediate patch. Patch Set updates occur on an alternating cadence between Feature Sets, and are released approximately 4 months after a preceding Feature Set update.</u></p>
<p><u>Production Environment</u></p>	<p><u>“Production Environment” means the primary environment used by the State to support live business activities.</u></p>

**2. Changes to Attachment 2 (Statement of Work)**

Pursuant to this CCN, the following provisions of Attachment 2 Statement of work are hereby modified as specified below effective upon acceptance of the Advantage 4.x upgrade project by the State:

- Section 8.0 System Installation
- Section 9.0 Database Support
- Section 20.0 Continuous Updates
- Section 21.0 Discretionary Services
- Section 44.0 Subscription Product Environments
- Exhibit A Service Level Agreement
- Exhibit D Hosting and Security Environment
- Exhibit E Technical Architecture Description.

## 8.0 System Installation

Section 8.0 is modified by the addition of the following bullet F.

**F. After the scheduled SIGMA 4x Upgrade Project has been completed, the Contractor shall perform all work required to analyze, test within CGI environments (including regression testing), and deploy software and data (as coordinated with and approved by the State) within a Feature Set or Patch Set. This shall include the application of any patches to application software, DBMS, operating system, third-party products, tools, or other components required to implement the feature set or patch set without negative impact to capacity, performance, and availability or as required for the ERP technical and operations environment, or as agreed to by the parties.**

**CGI is responsible for changed software components and all applicable licensing without charge unless the software components deliver new functionality the State has explicitly requested be enabled.**

**(i) Feature Sets are expected to be delivered on an 8 month schedule and Patch Sets are expected to be delivered 4 months after each Feature Set.**

**(ii) CGI will use commercially reasonable efforts to complete Feature Set and Patch Set testing within CGI environments (including regression testing) within 1 month of the patch release date. The software is expected to be ready to implement into a State test environment at that time.**

**(iii) The Feature Set and Patch Set model does not alter resolution time requirements for critical and serious severity defects. Service Level Agreements have been updated to reflect resolution requirements for moderate severity defects.**

**(iv) Payments associated with Feature Sets will be invoiced quarterly as part of the Hosting and Managed Services invoices and are subject to compliance with contract provisions.**

## 20.0 ~~Major and Minor Technical Upgrades and Updates~~ Continuous Updates

Section 20.0 is replaced in its entirety with this section and is re-titled from Major and Minor Technical Upgrades and Updates to Continuous Updates.

This section defines the continuous software update activities that will be performed by the Contractor under the terms of this Agreement.

- ▶ A Patch is a correction to the Advantage ERP Software application specific to one (or a very small set of tightly related) Issue(s), independent of Issue Severity.
- ▶ A Hot Fix is the application of a Patch intended to update the existing customer software in a quick turnaround to support Critical (Severity 1) Issues and Serious (Severity 2) Issues as defined in Exhibit B. Delivery of Hot Fixes is typically undertaken on an as-needed basis given the criticality of the required Issue correction in order to meeting Contractor responsibilities under the SLA.
- ▶ "Patch Set" means a compilation of Patches. Patch Sets are a software update release intended to resolve previously identified issues. They are designed to

provide fixes for lower severity issues that do not require an immediate patch. Patch Set updates occur on an alternating cadence between Feature Sets, and are released approximately 4 months after a preceding Feature Set update.

- ▶ “Feature Set” means a compilation of enhancements, compatibility or regulatory updates and corrections to the CGI Advantage® Applications. Feature Sets are focused around the introduction of new features or technology for the CGI Advantage ERP application and mobile apps, but they may also include software fixes/patches to resolve previously identified issues. It is anticipated they will be released approximately every eight months. Feature Sets may or may not span the product line and may or may not include technical architectural changes.

#### **A. Implementation of Patch Sets:**

1. During regular meetings, the State and the Contractor will agree to the timing and schedule of Patch Set implementation. This schedule will be documented in the annual processing calendar and updated as applicable.
2. CGI will use commercially reasonable efforts to complete Feature Set and Patch Set testing within CGI environments (including regression testing) within 1 month of the patch release date.
3. CGI will perform the update to the MA1 environment.
4. CGI will update Written Deliverables, including the Operational Framework with any updated Processing Schedule elements, as necessary during, or at the conclusion of, the Update.
5. CGI will update the remaining non-production and production environments per the Annual Processing Calendar.

#### **B. Implementation of Feature Sets:**

1. The timing and scheduling of the implementation of a Feature Set in the State’s QA and Production environments will be based upon the State’s direction and as mutually agreed upon,
2. CGI will perform the update to the MA1 environment.
3. CGI will update Written Deliverables, including the Operational Framework with any updated Processing Schedule elements, as necessary during, or at the conclusion of, the Update.
4. CGI will update the existing Disaster Recovery guide, if needed. During Updates, the existing Disaster Recovery environment remains viable for the existing production environment until the Update Go-Live Date at which point it becomes viable for the newly updated production environment.
5. Update the remaining non-production and production environments per the Annual Processing Calendar but the Feature Set must be prepared for implementation (including CGI testing with State configurations and regression testing). Deferral of a Feature Set or activation of select items within a Feature Set is at the State’s option provided it does not prevent remaining current on the System and thereby undermine the Contractor’s ability to support the State.  
The Contractor On-site Operations Manager, Delivery Manager and On-Site Application Lead will provide project management services associated with the Feature Set implementation.
6. Contractors are to comply with the following

- A. The State's requirement is to always operate on a set of Application and Technical Infrastructure components that are on the current support model and terms as provided by the underlying software or Hardware provider. (e.g., production ERP modules must be on the ERP Software Vendor's then current supported version listing)
- B. As part of annual planning and coincident with quarterly governance review meetings, the Contractor is to inform State of any planned updates to the software, hardware or infrastructure components. For any Feature Set or Patch Set software updates Contractor will provide information on the planned update so that the State can plan for its testing activities or identify concerns with the timing of the update. Contractor will also identify if any of the software, hardware or infrastructure components are moving beyond a current support model and the Contractor's plan to implement the required updates in a controlled manner to the applicable State environments to maintain compliance with software vendor support models without disrupting the State's operational needs. In addition, the Contractor is to inform the State of any software upgrades that are available but not yet required to maintain compliance with the software vendor support models. An explanation of the features, changes, and benefits available with such upgrades will be provided to the State so that a decision can be made as to whether the upgrade shall be implemented prior to any requirement for compliance with the software vendor support model. If the State decides that the upgrade should be performed, the Contractor shall provide a plan to implement the upgrade in a controlled manner in the applicable State environments.
- C. Provide analysis and explanations of the functional and technical changes associated with any application Patch Set and Feature Set update and any impacts on user functionality, production schedules, reporting, security, interfaces, customizations, or other operational or functional impacts.
- D. The State anticipates the parties' ongoing staffing levels included in the MSA to be sufficient for installation, testing, and production support for Feature Sets. Based on a review of the Contractor's Feature Set and Patch Set analysis, the State will evaluate if additional resources are necessary. Staffing changes will be effected by mutual agreement of the parties through an additional change request or use of the flex team allowance, and/or discretionary services.
- E. Feature Set and Patch Set implementation planning must factor any regularly scheduled batch processing or system availability as well as any seasonal processing requirements (e.g. monthly financial closes) and should be scheduled to maintain compliance with

system availability as specified under State SLAs and in consideration of then prevailing production schedule and in accordance with the SLA.

### **C. State Responsibilities for Patch Set and Feature Set Updates:**

1. Coordinate with third parties, such as financial institutions, and CGI to prevent comingling of existing production and non-production data, integrations or interface files with the MA1 environment.
2. CGI's new software deployment model does not provide individual patches outside of container deliveries. Under this new policy, the State will notify CGI if there is an issue with the timing of the deployment of a Feature Set or Patch Set. Deferral of a Feature Set or Patch Set or activation of select items within a Feature Set or Patch Set is at the State's option provided it does not prevent remaining current on the System and thereby undermine the Contractor's ability to support the State. CGI will notify the State, in writing, if the deferred Feature Set or Patch Set prevents CGI from meeting SLAs associated with subsequent issue/incident resolution or batch performance. The notice must contain sufficient detail for the State to confirm its validity and, therefore, waive affected SLAs.
3. Provide updates to the Processing Schedule, if needed.

### **21.0 Discretionary Services**

Section 21.0 is modified as specified below.

Contractor shall be responsible for making minor alterations or enhancements as mutually agreed to Applications within the scope of the Managed Services. Due to the sporadic nature of these requirements (e.g., minor display field changes, edits, reports, etc.), the State may require the Contractor to provide these services as needed. The Contractor must include, for each year of the Agreement, a pool of four thousand (4,000) hours per year, to be used for such services. The Contractor and the State agree that, in the event there are insufficient hours available in the Development Pool of Hours in the Implementation Services Agreement, Contract number 071B4300138 and in accordance with its provisions, the State may elect to use these hours during the implementation of Phase 2. Dependent on the nature of work, the Contractor will ensure appropriately skilled resources are leveraged to conduct the work. Such hours will not be used to address defects in the delivered software nor to correct variances from approved designs or concept papers.

**The Contractor and the State agree that the unused portions of these hours will be carried forward from year to year during the SIGMA 4x Upgrade Project. Dependent on the nature of work, the Contractor will assign appropriately skilled resources to conduct the work. Such hours will not be used to address defects in the delivered software nor to correct variances from approved designs or concept papers.**

The Contractor must also provide tracking and reporting of hours used and remaining available within a given year. Upon receipt of an approved request from the State, the Contractor shall:

A. Prepare and deliver a proposal that includes the following:

1. A Project Plan including project schedule
2. Delivery cost **estimate (in hours)** and resource estimates for each phase of the Project.
  - a. **The cost and resource estimates must be provided within two (2) - four (4) weeks depending on the complexity of the request unless an alternate date for delivery of the estimates is mutually agreed upon.**
  - b. **Cost estimate hours are without regard to resource level, if the State requests specific, named, onsite resources the cost estimate hours may involve a negotiated and mutually agreed upon factor. The State may authorize the named resource to conduct work remotely**
3. Cost estimates for the ongoing maintenance resource and infrastructure requirements and costs for the solution(s) post-implementation
4. Provisions for project management due diligence including:
  - a. Preparation and maintenance of project plans and schedules using Microsoft Project or other tool as may be required by State standards at the time
  - b. Preparation and maintenance of project organization and staffing chart
  - c. Status reports and weekly status meetings
  - d. Issue identification, logging, review, escalation, and resolution
  - e. Monitoring, reporting, and analyzing actual results versus forecasted results including budget, hours, milestone achievement, estimates to complete, key dependencies, key quality or acceptance gates and any other items the Contractor or State deems necessary to deliver the Project

B. For each proposed project approved by the State, the Contractor shall:

5. Deliver Projects in a manner that is designed to help minimize disruption to the State business environment.
6. Balance Project scope, quality, effort, schedule, budget, and resource risks or conflicts jointly with the State.
7. Develop and report business and technical risk and impact analyses.
8. Conduct post-delivery analysis, documenting preferred experiences, and compiling recommendations for purposes of continuous service improvements.

**C. Report and Universe Support**

- 2. The Contractor will provide an onsite resource to improve the support for**

reports and universes by being on the ground to have direct and immediate access to the issues and also to have the direct channels into the CGI support organizations to provide more timely efficient response to issues and requests. The cost of the onsite would be split between CGI and State. The State will leverage 1,000 discretionary hours to cover this cost each year essentially lowering the total annual discretionary hours from 4,000 to 3,000).

The proposed model will provide the following benefits over the existing model:

- Eliminate the need for the report adoption process as it currently exists but still providing the review and guidance to maintain good performance and accurate results with from new reports
- There would be no additional charges for supporting each new report as this would be supported by the onsite resource within the 1000 discretionary hour allocation
- Provides a resource on the ground to have direct and immediate access to issues and direct access to CGI support organizations to provide more timely efficient response to issues and requests
- Provides an additional resource to assist the state’s report team with development or modification of reports and universes for the state’s business users
- Provide an advocate for the state’s report team on all report and universe support issues

The following tables outline the roles and responsibilities for Report and Universe Support. The activities described in the tables below, as it relates to InfoAdvantage, include all reports, universes, ETL, etc... identified as part of the R09 Deliverable as approved on 12/04/2019.

#### Report Related: Support Activities

Category	Activity	Current Model	New Model
<b>Baseline Reports</b>			
	Recreate issue in MI PLT	CGI infoAdv CAPS	CGI infoAdv CAPS
	Recreate issue in Baseline	CGI infoAdv CAPS	CGI infoAdv CAPS
	Fix issue in Baseline	CGI infoAdv Solutions	CGI infoAdv Solutions
	Deploy and test fix in PLT	CGI infoAdv CAPS	CGI infoAdv CAPS
	Packaging and Documentation	CGI infoAdv CAPS	CGI infoAdv Solutions
	Deploy Fix in MA1, MA2, SH1 and SH2	CGI ACDCS CM	CGI ACDCS CM
	Deploy on Production	CGI ACDCS CM	CGI ACDCS CM
	Deploy Fix in PLP	CGI infoAdv CAPS	CGI infoAdv CAPS
	SME Support for Client Testing	CGI infoAdv CAPS	Onsite Support *

Category	Activity	Current Model	New Model
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS
<b>SIGMA Corporate Reports (Centrally Supported Reports)</b>			
	Recreate issue	CGI infoAdv CAPS	Onsite Support *
	Root Cause Analysis	CGI infoAdv CAPS	Onsite Support *
	Fix Issue in PLT	CGI infoAdv CAPS	CGI infoAdv CAPS
	Packaging and Documentation	CGI infoAdv CAPS	Onsite Support *
	Deploy Fix in MA1, MA2, SH1 and SH2	CGI ACDCS CM	CGI ACDCS CM
	Deploy on Production	CGI ACDCS CM	CGI ACDCS CM
	Deploy Fix in PLP	CGI infoAdv CAPS	CGI infoAdv CAPS
	SME Support for Client Testing	CGI infoAdv CAPS	Onsite Support *
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS

**Universe Related: Support Activities**

Category	Activity	Current Model	New Model
<b>Baseline Universes</b>			
	Recreate issue in PLT	CGI infoAdv CAPS	CGI infoAdv CAPS
	Recreate issue in Baseline	CGI infoAdv CAPS	CGI infoAdv CAPS
	Root Cause Analysis	CGI infoAdv Solutions	CGI infoAdv Solutions
	Fix Issue in PLT	CGI infoAdv CAPS	CGI infoAdv CAPS
	Packaging and Documentation	CGI infoAdv CAPS	CGI infoAdv CAPS
	Deploy Fix in MA1, MA2, SH1 and SH2	CGI ACDCS CM	CGI ACDCS CM
	Deploy on Production	CGI ACDCS CM	CGI ACDCS CM
	Deploy Fix in PLP	CGI infoAdv CAPS	CGI infoAdv CAPS
	SME Support for Client Testing	CGI infoAdv CAPS	CGI infoAdv CAPS
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS
<b>Custom Universes</b>			
	Recreate Issue in PLT	CGI infoAdv CAPS	Onsite Support *
	Root Cause Analysis	CGI infoAdv CAPS	Onsite Support *
	Fix Issue in PLT	CGI infoAdv CAPS	Onsite Support *
	Packaging and Documentation	CGI infoAdv CAPS	Onsite Support *
	Deploy Fix in MA1, MA2, SH1 and SH2	CGI ACDCS CM	CGI ACDCS CM
	Deploy on Production	CGI ACDCS CM	CGI ACDCS CM
	Deploy Fix in PLP	CGI infoAdv CAPS	Onsite Support *

Category	Activity	Current Model	New Model
	SME Support for Client Testing	CGI infoAdv CAPS	Onsite Support *
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS

### Migration Related: Support Activities

Category	Task	Current Model	New Model
<b>Baseline Report/Universe Migration</b>			
	Package Delivery to ACDCS	CGI infoAdv CAPS	CGI infoAdv CAPS
	Deploying to MA1	CGI ACDCS CM	CGI ACDCS CM
	Deploying to Prod	CGI ACDCS CM	CGI ACDCS CM
	Deploying to MA2, SH1, and SH2	CGI ACDCS CM	CGI ACDCS CM
	Deploy on Production	CGI ACDCS CM	CGI ACDCS CM
	Deploy Fix in PLP	CGI infoAdv CAPS	CGI infoAdv CAPS
	SME Support for Deployment	CGI infoAdv CAPS	CGI infoAdv CAPS
<b>Custom Report/Universe Migration</b>			
	Package Delivery to ACDCS	CGI infoAdv CAPS	Onsite Support *
	Deploying to MA1	CGI ACDCS CM	CGI ACDCS CM
	Deploying to Prod	CGI ACDCS CM	CGI ACDCS CM
	Deploying to MA2, SH1, and SH2	CGI ACDCS CM	CGI ACDCS CM
	Deploy on Production	CGI ACDCS CM	CGI ACDCS CM
	Deploy Fix in PLP	CGI infoAdv CAPS	Onsite Support *
	SME Support for Deployment	CGI infoAdv CAPS	Onsite Support *

### Change Requests: Support Activities

Category	Activity	Current Model	New Model
<b>Custom Report/Universe</b>			
	Change Request	Client	Onsite Support * /Client
	LOE and SOW	CGI infoAdv CAPS	The need for an LOE does not exist in the New Model as this activity is covered by the Onsite Support resource. One exception is if the Onsite Support resource does not have the availability to complete a large request in the desired timeframe. In that scenario, the State and CGI may agree to pursue the change through the LOE process.
	Development and Testing (PLT)	CGI infoAdv Solutions	Onsite Support *

Category	Activity	Current Model	New Model
	Packaging and Documentation	CGI infoAdv Solutions	Onsite Support *
	Deployment on MA1	CGI ACDCS CM	CGI ACDCS CM
	Deployment on Prod	CGI ACDCS CM	CGI ACDCS CM
	Deployment on PLP	CGI infoAdv CAPS	Onsite Support *
	Deployment on MA2, SH1 and SH2	CGI ACDCS CM	CGI ACDCS CM
	SME Support during and post deployment	CGI infoAdv CAPS	Onsite Support *
<b>Baseline Universe</b>			
	Change Request	Client	Client
	LOE and SOW	CGI infoAdv Solutions	CGI infoAdv Solutions
	Development and Testing	CGI infoAdv Solutions	CGI infoAdv Solutions
	Packaging and Documentation	CGI infoAdv Solutions	CGI infoAdv Solutions
	Deployment on PLT	CGI infoAdv CAPS	CGI infoAdv CAPS
	Deployment on MA1	CGI ACDCS CM	CGI ACDCS CM
	Deployment on Prod	CGI ACDCS CM	CGI ACDCS CM
	Deployment on PLP	CGI infoAdv CAPS	CGI infoAdv CAPS
	Deployment on MA2, SH1 and SH2	CGI ACDCS CM	CGI ACDCS CM
	SME Support during and post deployment	CGI infoAdv CAPS	CGI infoAdv CAPS

### Report Adoption: Support Activities

Category	Task	Responsible Team	New Model
<b>Adoption of Custom Reports</b>			
	Knowledge Transition to CGI CAPS	Client / CGI infoAdv CAPS	Onsite Support *
	Deploy on PLT	CGI infoAdv CAPS	Onsite Support *
	Deploy on Prod	CGI ACDCS CM	CGI ACDCS CM
	Deploy on PLP	CGI infoAdv CAPS	Onsite Support *
	Deploy on MA2, SH1, and SH2	CGI ACDCS CM	CGI ACDCS CM
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS

Category	Task	Responsible Team	New Model
<b>Re-Adoption</b>			
	Knowledge Transition to CGI	Client / CGI infoAdv CAPS	Onsite Support *
	Deploy on PLT	CGI infoAdv CAPS	Onsite Support *
	Deploy on Prod	CGI ACDCS CM	CGI ACDCS CM
	Deploy on MA2, SH1, and SH2	CGI ACDCS CM	CGI ACDCS CM
	Deploy on PLP	CGI infoAdv CAPS	Onsite Support *
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS

Re-Adoption indicates a handoff from the Onsite Support resource to the CGI infoAdv CAPS support. This is addressed by CGI behind the scenes and is used to ensure future support needs for the re-adopted report is streamlined. If report adoption alters the number or complexity of reports being supported by managed services, adjustments to support hours may be necessary. This will be evaluated on a quarterly basis and is subject to the mutual agreement of the State and Contractor.

#### ETL: Support Activities

Category	Task	Responsible Team	New Model
<b>ETL</b>			
	Trouble shoot and fix ETL issues	CGI infoAdv CAPS	Onsite Support * /Arch-DBA / CGI ACDCS OPS
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS

#### Data Assurance: Support Activities

Category	Task	Responsible Team	New Model
<b>Data Assurance</b>			
	Trouble shoot Data integrity issue and fix	CGI infoAdv CAPS	Client / CGI infoAdv CAPS / ACDCS -OPS
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS

#### Report Performance Tuning: Support Activities

Category	Task	Responsible Team	New Model
<b>Performance related to Reports</b>			
	Confirm and validate report design to CGI-Info Adv standards / report development guide lines	CGI infoAdv CAPS	Onsite Support / CGI infoAdv CAPS

Category	Task	Responsible Team	New Model
	Design / testing phase - SQL tuning & recommendation – MA2 & MA1	Client / CGI infoAdv CAPS / Arch-DBA	Client / Onsite Support / CGI infoAdv CAPS / Arch-DBA
	Trouble shoot performance issue and fix - PROD	Client / CGI infoAdv CAPS / Arch-DBA	Client / Onsite Support / CGI infoAdv CAPS / Arch-DBA
	Application, Arch and Infrastructure Support	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS	CGI GTO CGI ACDCS Arch CGI infoAdv CAPS

\* While the intention is to have a single resource cover these activities, this report support model does not diminish CGI infoAdv CAPS (now named CGI Advantage Customer Support) responsibilities to provide support should additional resources or escalation of issues be required to meet the service level obligations.

**Attachment 2, Exhibit A – Service Level Agreement**

**Standard 1 is modified as specified below.**

<i>Standard 1 – Production Incident / Issue Resolution )</i>								
<p>The Contractor must respond to and resolve Incidents/Issues within the times below, unless otherwise agreed upon by the State and the Contractor. Incident / Issue Severity Levels and Priority are defined in Exhibit B: Severity Level and Priority Definitions.</p>								
	Response Time	Resolution Time	Response Time	Resolution Time	Response Time	Resolution Time	Response Time	Resolution Time
Severity/ Priority	Urgent		High		Normal		Low	
<b>Critical</b>	10 Minutes	24 Hours	10 Minutes	36 Hours	8 Hours	10 Days	1 Day	Through mutual agreement
<b>Serious</b>	1 Hour	48 Hours	1 Hour	72 Hours	8 Hours	30 Days	1 Day	Through mutual agreement
<b>Moderate</b>	1 Day	Quarterly Patchset 4-month cycle of Feature Sets and Patch Sets*	1 Day	Quarterly Patchset 4-month cycle of Feature Sets and Patch Sets*	1 Day	Annual Patchset 1 year	2 Days	Through mutual agreement
<b>Minor</b>	Response and resolution time is through the mutual agreement of the parties.							

Leveraging the CGI Advantage ticketing system (aka Solutions Support Center) to log and track Incidents/Issues using the contractually defined Incident/Issue Severity, Contractor will quantify the number of tickets that are responded to and resolved with timeframes as required.

**Response Time:** Measurement of response time (i) begins the time at which the State gives notice to Contractor via the specified contact point and (ii) concludes upon Contractor’s formal acknowledgement that the ticket is being assigned. For tickets with Moderate or Minor Severity or Low Priority, the automated email response that the ticket has been received is sufficient.

**Resolution Time:** Measurement of resolution time (i) begins upon the earlier of the time at which the State gives notice to Contractor via the specified contact point or Contractor identifies the Incident/Issue and (ii) concludes upon delivery, as applicable, of a software code correction or corrective services ready for deployment.

\* Moderate issues are aligned to applicable Feature Set or Patch Set based on the prioritization and agreement through the weekly operational meetings (Management and Issue Management Meetings).

Targets are depicted in the chart to the left.

**Calculation: For each combination of Critical and Serious Severity/Priority:**

A = Total that met response time / total reported

	<b>Sliding Scale Penalty Structure</b>			
<b>Penalty</b>	<b>None</b>	<b>10%</b>	<b>25%</b>	<b>50%</b>
<b>Service Rate</b>	>=99.5%	<99.5% But >=99%	<99% But >=95%	<95%

B = Total that met resolution time / total reported Service Level = (A + B) / 2

## **Attachment 2, Exhibit D – Hosting and Security Environment**

Exhibit D is replaced in its entirety by this section.

The information previously included in Exhibit D will be updated by the Annual Technology Plan which is submitted annually. This should include: Hardware and System Software Description (with Server, Cores, Memory, and description); Data Storage related to database servers for prod and non-prod (including cores and memory); Forecasting database storage needs; infrastructure overview; software components & third party software (including provider, product, functions, release, EOL support dates, next release level, planned next release date); security and data protection overview and modifications from last year and proposed for upcoming year;

## **Attachment 2, Exhibit E – Technical Architecture Description**

Exhibit E is replaced in its entirety by this section.

### **Technical Architecture Description**

The Contractor will provide the following components and host the ERP Solution application

1. Application Architecture and Key Technical Details

- A. Web Server Tier

Being a native web implementation, Advantage supports a thin client implementation using standard HTML for the client tier of the n-tier architecture. By using HTML, the State can leverage existing end-user hardware and network infrastructure. Advantage does not rely on proprietary “plug-ins” which can substantially impede performance and increased levels of desktop support across the State. A thin client approach gives the State the benefits of:

- Low or zero client administration
- Client portability through a browser
- Low bandwidth architecture across a TCP/IP network
- Secure access through the latest Internet security measures such as HTTPS (if required) with 128-bit encryption

The Advantage web server tier is a thin layer responsible for serving web pages to the browser client. The web server tier brokers and passes HTTP requests from clients to the application server components and passes the request results from the application server components back to the client. Multiple physical web servers can be deployed to support horizontal scalability for load balancing and fail-over services when connected through a load-balancing switch. Since no business logic or processing is occurring on this tier, the web server is acting as a “pass through” between the application server and end-user browser. As a result, processing requirements at the web server tier are minimal compared to the application server tier. In fact, many Advantage implementations will incorporate both the web and application server tiers into a single server or VM for internal facing applications. This reduces the overall processing and licensing requirements for the Advantage application.

## 2. Application Server Tier

The Advantage application server tier contains multiple logical software servers that perform various services such as business rules processing, transaction processing, and integration services. For reliable transaction processing, the Advantage architecture is supported by IBM's WebSphere Network Deployment, which is fully integrated with the Advantage components. WebSphere provides the processing environment using the industry standard Java Enterprise Edition (Java EE) specification. Advantage uses the Java EE specification to support an open, non-proprietary architecture. Some Java EE standards used by the Advantage solution include Enterprise Java Beans (EJB), Java Mail (SMTP, POP3 support), XML (Extensible Markup Language for transaction data formatting) and JDBC (Java relational database access).

The application server tier maintains all business logic and core application processes of the Advantage solution. Advantage fully adheres to a true multi-tiered architecture and enforces business rules at the application server tier.

## 3. Database Server Tier

The database server tier performs all data storage functions and is implemented using industry leading relational database management systems (RDBMS). The Advantage applications access the RDBMS through standard SQL. The database server strictly processes standard SQL requests—there is no business logic at this tier, which complies with current web application leading practices for portability and general platform independence.

CGI's solution supports a variety of leading RDBMS products, including Microsoft SQL Server and Oracle. We have proposed a clustered database server tier to improve availability and we're proposing Oracle Enterprise Edition 12c for the State's ERP solution.

## 4. Overview of the Data Model and How Application Data is Stored

CGI's solution includes a data dictionary that provides detailed descriptions of elements (e.g., tables, columns, and data types) within the database. Each release of the software includes an updated data dictionary and data model. In addition, CGI's solution includes an XML-based rich metadata layer, which includes information about the data structures as well as application business logic.

CGI Advantage ERP uses a single, unified data repository to store ERP active data and historical data, eliminating the need for data synchronization and data duplication. The operational database schema consists of domain-specific data models, which serves as the primary system of record, and builds an agile and trusted data foundation for the State.

An object-oriented application, CGI Advantage ERP leverages a standard RDBMS. The solution provides the object-to-relational mapping within the application to provide an efficient mapping of business logic to persistence layer. Transactional data within the operational database model has been normalized for high volume transaction processing with some de-normalization for performance improvements. The operational database supports a transactional process model. The data entering into CGI Advantage ERP is funneled through an appropriate business process or transaction. Transactions entered and processed either online by users or through system-to-system interfaces, are subjected to proper data validation, referential data integrity, and business rules adherence in real-time. No shadow files or other legacy process methods are used.

The enterprise-level CGI infoAdvantage data warehouse stores data for reporting, ad hoc queries, and analysis by authorized users in agencies, departments, and other business areas. The data warehouse comprises active and historical data. The enterprise data warehouse loads data from CGI Advantage ERP into a configurable dimensional data model designed specifically for State government reporting.

## 5. Online Processing

CGI Advantage ERP uses a “document model” to record financial events in online forms. Each financial or procurement event has its own online document forms, such as an invoices, payments, and journal vouchers. Documents provide a single point of data entry and storage for each transaction. They can be entered in the online system, interfaced from external systems, or loaded from Excel spreadsheets. Once the data is in the CGI Advantage ERP, documents are subject to the same business rules and checks. Real-time system edits confirm that each document is a balanced business event—the debits must equal the credits. CGI Advantage ERP also validates that business rules and budget checks are satisfied before the transaction can be posted.

Once edits are passed, the transaction is posted in real-time to inquiry tables, including a single Accounting Journal (or General Journal). The detailed audit trail for the document is updated with the “who,” “what,” and “when” details for document entry, workflow approvals, and system posting. System documents (whether in progress, pending approvals, or completed) are stored in a central repository (the Document Catalog) for inquiry and reporting, and are immediately available for authorized users across the State to view based on security settings.

When it comes to business events that lead to a chain of documents (e.g., requisition to purchase order to payment request), copy forward is a unique feature in CGI Advantage ERP that enables a user, with a single click, to copy pertinent information from an existing transaction into a new transaction, which its purpose is to reference or liquidate the source transaction.

As documents are processed, they update online inquiry tables with the appropriate financial, budget and specialized inquiry tables for a functional area, such as procurement or accounts payable. Online inquiry tables provide flexible search options to view system-generated summary and detailed information, such as the Accounting Journal or Vendor Invoice Registry. Powerful wildcard-based search functionality allows users to quickly filter and retrieve data to review and/or modify. Online queries allow users to drill down from summary data, such as account balances to details such as transaction level data. Users can track the lifecycle of a document across the spectrum of activity from a single inquiry table.

CGI Advantage ERP offers table-based workflow that is easily configured to route transactions by a value in a document field to a user or approval role at any level of the organizational structure. The user who created or submitted a transaction can view the progress of the transaction through the workflow process. Reference tables store State business rules, system settings, and valid codes (such as Chart of Accounts). As documents are processed, they read the applicable reference tables to validate that transaction data is valid, complete, and meets applicable Michigan business rules, as well as to dynamically build the workflow approval routing path. Reference tables are maintained by users with the appropriate security authorization. Reference tables provide add, change, delete and copy/paste options for data maintenance while keeping a full audit trail of the “who, what, and when” behind each table update. Reference table data can be easily uploaded from an Excel format when the volume is significant. Document modification is a simple “one-click” activity with full version control. Modifying a transaction creates a new version of the transaction with current data carried forward for changes to be made. Users can view the history of transaction versions online and can see documents upstream and downstream in a document chain.

The home page is the first screen users see after they log on to the system with their user ID and password. This home page can be personalized by each user, but navigation remains consistent. The center of the screen is the active page the user is working with, and the frames along the top and left side are used to navigate the application. The top menu contains links to business menus and icons to personalize the home page, return to the home page, access online documentation, review the

Accessibility documentation (508 and W3C compliant), and logout. The left frame displays the appropriate menu options for the active page. On the home page, shown in the left menu includes:

- ▶ **Message Center** – Links to the user's task in-box, alerts, and internal Advantage e-mails
- ▶ **Page Search** – Links to all Advantage pages for quick search and navigation
- ▶ **Document Catalog** – Provides a quick link to the online transaction repository for review and easy document entry
- ▶ **Report Search** – Enables easy access to system reports
- ▶ **History** – Tracks the user's activity for easy access to previously used pages and documents
- ▶ **Favorites** – Stores each user's preferred pages and documents

#### 6. Batch Processing

Using the CGI Advantage Batch Framework, providers of inbound interface data deposit interface files in predetermined, secured locations where they are retrieved and processed by CGI Advantage ERP. This processing can be scheduled or triggered from detection by a polling component.

Similarly, outbound interface processes can be either scheduled or triggered to generate outbound interface files, which are deposited in pre-assigned, secure locations for receipt and processing by the interface partner. The CGI Advantage Batch Framework includes multi-level validations; integrated reconciliation; alerts and notifications; and administrative components directly within the system that support staff with direct access to interface data to support monitoring, analysis, and error resolution functions. This framework is used as the primary interface mechanism for the majority of Michigan interfaces, particularly during the initial implementation Waves of the project. The approach provides stability, performance, security, and the administration and management functions that are not available in the current operating environment.

#### 7. Load Balancing and Failover

The Java EE application server supports the set-up of multiple application servers running the same application. The application server processes can run on the same machine (Vertical Scaling), or on different machines (Horizontal Scaling). The cluster appears to be a single server instance for the user. This clustering approach provides ability to do load balancing and failover. If an application server instance in the cluster fails, the application processing continues on the other application server instances of the cluster.

#### 8. Data Integrity

The operational database supports a transactional process model. The data entering into CGI Advantage ERP is funneled through an appropriate business transaction. Transactions entered and processed either online by users or offline through interfaces/integration, are subjected to proper data validation, referential data integrity, and business rules adherence in real-time. No shadow files and other legacy process methods are used. Transaction business logic is processed at the application server level and not at the database level to conform to industry standard n-tier architectures. CGI Advantage ERP does not use business logic in database such as stored procedures and maintains business logic within a separate application tier that is distinct from the data tier in compliance with Java EE and web application leading practices for portability and general platform independence. The application server tier accesses the RDBMS through standard SQL calls over JDBC.

9. Interoperability

The Advantage Connect component allows the CGI Advantage ERP to interoperate with systems outside the core ERP via real time and near time web services and/or near time or overnight file-based ETL processing. Advantage Connect allows the timing and method (web service or file) to be chosen as needed match the business need at each integration point. ABI will provide the integration for the third party applications, enterprise content management systems, and State applications and outside entities such as banks. The web services available through ABI conform to WS-I Basic Profile interoperability guidance.

10. Tools and Approaches Used to Configure the Software

Many application behaviors within Advantage are table-driven or can be configured without customizing the application code. Security configuration and workflow configuration are handled through the web-based user interface (UI) within the application. Certain customizations do require additional tools which will be provided to the State. For example, customizing forms used for printing is handled within Adobe LiveCycle Designer. Please refer to Exhibit D, Section 2 for in-depth description of built-in and external tools and approaches used to configure Advantage ERP.

11. Configuration Management and Technical Environment Management

As new hardware and software CIs are introduced in building out the Michigan ERP environment, CGI will propose a maintenance schedule for each component beginning with the documented configuration management baselines and a full review of the availability targets, SLAs, underpinning agreements and vendor maintenance requirements that would include:

- ▶ Development of the hardware maintenance agreements and schedules as required for the Michigan ERP servers and storage devices based on vendor guidelines and warranty requirements
- ▶ Development of Operating Software, middleware and management tool patching, upgrade and release schedules
- ▶ Development of Security patches and update requirements as above
- ▶ Development of database product maintenance schedules which will address periodic requirements for vendor updates, patch management and product upgrades
- ▶ Use automation tools and processes for systems management and monitoring of the IT Infrastructure on a 24x7 basis, including:
  - HW Resources
  - Critical OS and other infrastructure Software File-System/Drives
  - Critical Server OS Daemons/Services
  - Critical Infrastructure Software processes
  - System log filter and redirection to a centralized server

12. Any Pre-Configuration Delivered with the Software

System configuration and setup consists of defining table-driven rules through standard Web pages. The CGI Advantage ERP is delivered with Day Zero data that sets its various configurations to the values that would work for most customers. The State can work with CGI to review these configurations and adjust the various modules to perform as required to meet the State's needs.

13. Web Capabilities and Exposing Functionality of the System to the Web

The IBM HTTP Server, based on one of the most widely used open source Apache Web Server, is used for both the internal (Intranet) and external (Internet or public facing) web servers. In keeping with thin client architecture, the web server provides no business logic, it only serves web pages. Web servers are deployed in both a public-facing environment and in an internal (private) environment to support Michigan security guidelines. The public-facing internet deployment consists of Internet Web Servers that support self-service applications to vendors, employees and (in the case of the transparency portal) citizens at large. The internal intranet web servers provide private access by State internal users of the Advantage ERP and third-party applications.

**3. Attachment 5 Capacity, Processing and Other Standards**

Attachment 5 (Change Notice 8 Appendix C) Bullet C is modified as specified below.

C. User Capacity Requirements **for Advantage 3.11**

For all functions other than time and leave management – support 1,500 concurrent users across the FIN, VSS and PB application modules.
For the time and leave management functions – support 3230 concurrent users across the HRM, MSS and ESS application modules.

**C.1 User Capacity Requirements for Advantage 4**

For VSS and PB application modules – support 1,500 concurrent users.
<b>For all functions across FIN, HRM modules – support 4,730 unique concurrent users in each applicable module.</b>

**4. Attachment 6 – Contractor Licensed Software**

Pursuant to this CCN, the Advantage Toolkit Modules List Table included in Attachment 6 is being replaced by Section 6 (Bundled Software Products) of Attachment 9, Exhibit A Proprietary Software License Agreement .

## 5. Attachment 9, Exhibit A Proprietary Software License Agreement

### Attachment 9, Exhibit A

#### CGI Technologies and Solutions Inc.

#### Proprietary Software License Agreement

1. **Licensed Software.** CGI is licensing to Client the following computer software components:  
Proprietary software comprising the “Advantage Software”:  
CGI Advantage® Financial Management Base System including:

- Advantage Asset Management
- Advantage Grant Lifecycle Management
- Advantage Cash Management
- Advantage Travel and Expense Management
- Advantage Inventory Management

- CGI Advantage Procurement Professional including
  - Advantage Procurement/Vendor Self Service
  - Advantage VSS Mobile
  - Advantage Procurement/VSS – Locality License

- CGI Advantage Performance Budgeting & Formulation (includes Salary and Benefits Forecasting)

- Advantage Human Resource Management Base System (restricted use) including:
  - Advantage Labor Distribution
  - Advantage HR Self-Service (restricted use – functions beyond time and labor and expense reimbursement are not in scope)

- Advantage infoAdvantage
- Advantage infoAdvantage Dashboard
- Advantage FileNet Integration Adapter
- Advantage Documentum Adapter
- Advantage Transparency Portal

CGI will provide one (1) electronic copy of the Advantage Software to the Client.

Optional CGI Advantage® software components available to the State are specified in Attachment 2 to Exhibit A.

2. **Licensed Documentation.** The Specifications for the Advantage Software are as set forth in the documentation, which is available for download on the CGI website and which is collectively (along with

documentation for Bundled Software and Third Party Software) referred to in this License Agreement and the Contract as "Documentation":

Documentation for Advantage Financial  
Documentation for Advantage Human Resource Management  
Documentation for Advantage Performance Budgeting  
Documentation for Advantage Administration

CGI will provide Client access to its Documentation on the CGI website,

<https://sc.cgi.com/advantage/>

CGI will inform Client of revisions and updates to Bundled Software and Additional Third Party Software within 30 days of any such update. Documentation for Bundled Software or additional Third Party Software is available on the applicable third party website.

**License Type.** The Advantage Software is licensed to Client on the following basis:

The Advantage Software described in Paragraph 1 (Licensed Software) of this Attachment 9, Exhibit A) above is licensed to the Client as an enterprise license.

**Site License.** Client is permitted to use the Advantage Software at the computer facility or facilities listed below with the exception of CGI infoAdvantage which is a named user license (or server license if Server Bundle). In the event of the failure of the computers at the listed location(s), Client may use the Advantage Software at a back-up computer facility in the same country until operations at the primary facility have been restored.

CGI Phoenix Data Center

Should the Client elect to discontinue Hosting and Managed Services, the Advantage Software may be used in accordance with this Attachment 9: Software License Agreement.

Should Client desire to use the Software for additional named users or at additional facilities, as the case may be, Client may purchase additional licenses at CGI's then-current prices.

**Locality License.** Each participating Locality, as defined in the Statement of Work, will be given two Advantage Procurement/VSS system users.

4. **Work That May Be Processed.** Client may only use the Advantage Software for its own business purposes.
5. **License Fee.** The licenses specified in this Attachment 9, Exhibit A are granted to Client for a License Fee specified in Attachment 6, Contractor Licensed Software, Section 1, License Fees.
6. **Bundled Software Products and Third Party Software.** Included in the license fees set forth in Section 5 of this Attachment 9, Exhibit A are the license fees for certain bundled software products (the "Bundled Software Products"). CGI is also providing to the Client; Annual Subscription Products, Third Party Software Products and Third Party Products Added/Upgraded by this Contract Change Notice 12 (billed as "Additional 3rd Party Software Licenses" in the SIGMA 4x Upgrade Payment Schedule Table)(collectively "Third Party Software"). The Bundled Software Products and Third Party Software are all required to be used in connection with Advantage Software.

CGI is providing the following Bundled Software Products to Client:

Adobe RoboHelp – 1 Authorized User

Eclipse BIRT Engine – Production – 4 Core

Eclipse BIRT Engine – Non-Production – 4 Core

*\*\* Unlimited copies of BIRT Designer come with BIRT modules\*\**

Finite Matters, Pattern Stream with FrameScript – 5 Named User Licenses

Adobe FrameMaker® – 5 Named User Licenses for use with Pattern Stream – Maintenance services to be cancelled with this Amendment 12

Adobe Acrobat Pro – 5 Named User Licenses – Maintenance services to be cancelled with this Amendment 12

Versata Logic Server – 1 Site license

Versata Designer Studio – 3 Named User License

IBM WebSphere Application Server Network Deployment –10,000 IBM Processor Value Units (PVU) - Sub-Capacity – Maintenance services to be cancelled October 1, 2022 upon Go-live.

IBM WebSphere Application Server Processor – 400 IBM Processor Value Units – Maintenance services to be cancelled October 1, 2022 upon Go-live.

[IBM Process Server – 100 IBM Processor Value Units \(Maintenance cancelled in Change Notice 1\)](#)

Monsell EDM DeltaXML – 1 Site License

BA&T SAP BusinessObjects Business Intelligence Platform – 175 concurrent sessions

BA&T SAP BusinessObjects Web Intelligence – 175 concurrent sessions

BA&T SAP BusinessObjects Dashboard – 175 concurrent sessions

BA&T SAP BusinessObjects Explorer - 175 concurrent sessions

BA&T SAP BusinessObjects Crystal Reports – 25 concurrent sessions

BA&T SAP BusinessObjects Business Int. Platform Mobile add-on - 150 concurrent sessions

BA&T SAP BusinessObjects Analysis Edition for OLAP - 25 concurrent sessions

BA&T SAP BusinessObjects Analysis Edition for Office - 25 concurrent sessions

**SAP Application Standalone BI Limited User – 380 Named Users**

**BA&T SAP BusinessObjects Business Intelligence Platform – 400 Named Users**

**SAP Application Standalone Business Analytics Professional User - 20 Named User**

SAP Business Objects Enterprise Public Document – 9 Named Users

CGI is providing the following Third Party Software to Client:

## Annual Subscription Products

Convey Taxport- unlimited users based on 25,000 of documents created [*Annual service use is governed by Publisher's Shrink-wrap License*]

Liaison punch-out – up to 5 vendors

## Additional Third Party Software Products

Pitney Bowes Group 1 – 1 Prod & 1 Non Prod – Enterprise

Perforce – 20 Named User Licenses

Jira – 100 Named User Licenses

jMeter [[www.jmeter.apache.org](http://www.jmeter.apache.org)]

[MapQuest Enterprise Edition](#)

## Bundled Software Products and Additional Third Party Products Added/Upgraded with Amendment 12:

[RedHat JBoss with Management – Premium – Production – 80-core](#)

[RedHat JBoss with Management – Premium – Non-Production – 144-core](#)

[Redis Production – 1 Shard](#)

[Redis, Non-Production – 1 Shard](#)

[HighCharts – 9 Server licenses](#)

[Adobe FrameMaker GOV VIP Subscription – 2 Named Users](#)

[Acrobat Pro DC Gov VIP Subscription – 2 Named Users](#)

[Actian Data Integrator v9 \(formerly Pervasive Data Integrator\)](#)

[Actian Data Integrator Universal Edition Engine – 1 License – 4-cores](#)

[Actian Data Integrator Universal Edition Engine \(non-prod\) – 1 License – 4-cores](#)

[Actian Data Integrator Universal Edition Developer – 5 Authorized Licenses](#)

[Upgraded to Actian DataConnect v11 \(formerly Actian Data Integrator\)](#)

[DataConnect 11 Flex Batch Engine, Production \(Subscription\) – 2 Engines](#)

[DataConnect 11 Flex Batch Engine, Dev/Test \(Subscription\) – 1 Engine](#)

*(NOTE: Dev/Test Subscription includes 5 named user developer licenses to be used with the Dev/Test engine)*

[DataConnect 11 Flex - Batch Engine, HS/DR \(Subscription\) – 2 Engines](#)

[DataConnect 11 Flex - 1 Developer User, Prod \(Subscription\) – 5 Named Users](#)

[Upgrade Framescript v6 to v7 – 2 Named Users](#)

[JBOSS Fuse Premium – 24x7 Support – 8 core – licenses to be purchased October 1, 2021 with the start of Advantage 4.3](#)

[JBOSS Fuse Standard – 9x5 Support – 4 Core - licenses to be purchased October 1, 2021 with the start of Advantage 4.3](#)

All rights and licenses of Client in and to the Bundled and Third Party Software Products are governed by the terms and conditions of Article 2 – Terms and Conditions of the Contract, including but not limited to Section 2.260 of the Contract, this Attachment 9, Exhibit A: Proprietary Software License Agreement, the Managed Services Agreement, the Maintenance Agreement, and the Implementation Services Agreement. CGI may provide some Bundled or Third Party Software by utilizing a third party supplier’s cloud or hosting services. All such third party suppliers are deemed to be Subcontractors under the Contract, and pursuant to Section 2.073 of the Contract Terms, CGI is responsible for the service and performance of its Subcontractors. CGI does not itself give or make any warranty of any kind with respect to the Bundled Software Products. Changes in the Software which CGI may make from time to time may make it necessary for CGI to provide Client updated versions of the Bundled Software Products or Third Party Software, which may require additional fees.

Any audit rights contained in any third-party software license agreement or end user license agreement for third-party software incorporated in or otherwise used in conjunction with the Advantage Software, will apply solely to CGI’s (or its Subcontractors) facilities and systems that host the services (including any disaster recovery site), and regardless of anything to the contrary contained in any third-party software license agreement or end user license agreement, third-party software providers will have no audit rights whatsoever against Client systems or networks.

CGI acknowledges that Client cannot indemnify any third parties, including but not limited to any third-party software providers that provide software that will be incorporated in or otherwise used in conjunction with the Advantage Software, and that notwithstanding anything to the contrary contained in any third-party software license agreement or end user license agreement, the Client will not indemnify any third party software provider for any reason whatsoever. Further, CGI agrees that Client will not be bound by any terms requiring consent to arbitration, permitting remote access to the State’s systems, or agreeing to be bound by the laws of another jurisdiction contained in any third-party software license agreement or end user license agreement.

Agreed to and initialed for identification by:

\_\_\_\_\_  
(Client)    (CGI)    \_\_\_\_\_

# Attachment 1.h Adobe General Terms of Use

## Adobe General Terms of Use

Last updated June 5, 2018. Replaces all prior versions.  
Downloaded from: <https://www.adobe.com/legal/terms.html>

These General Terms of Use ("**General Terms**"), along with any applicable Additional Terms (see section 1.2 below) and the Subscription and Cancellation terms (collectively "**Terms**") govern your use of our website, customer support, and services such as Creative Cloud (collectively "**Services**") and software that we include as part of the Services, as well as any applications, Sample Files and Content Files (defined below), scripts, source code, instruction sets, and related documentation (collectively "**Software**"). If you have entered into another agreement with us concerning specific Services or Software, then the terms of that agreement control where it conflicts with the Terms. **As discussed more in section 4 below, you retain all rights and ownership you have in your Content (defined below).**

You must be 13 or older to register for an individual Adobe ID. Schools that participate in the primary and secondary education named user offering may issue a child under 13 an enterprise-level Adobe ID, but only after obtaining express parental consent.

### 1. Your Agreement with Adobe.

**1.1 Choice of Law and Contracting Entity.** If you reside in North America (inclusive of United States, Canada, and Mexico), your relationship is with Adobe Inc., a United States company, and the Terms are governed by the law of California, U.S.A. If you reside outside of North America, your relationship is with Adobe Systems Software Ireland Limited, and the Terms are governed by the law of Ireland. For customers in Australia, Adobe Systems Software Ireland Limited is acting as an authorized agent of Adobe Systems Pty Ltd. and is entering into this contract in its capacity as agent for Adobe Systems Pty Ltd. You may have additional rights under the law. We do not seek to limit those rights where it is prohibited to do so by law.

**1.2 Additional Terms.** Our Services and Software are licensed, not sold, to you, and may also be subject to one or more of the additional terms below ("**Additional Terms**"). If there is any conflict between the terms in the General Terms and the Additional Terms, then the Additional Terms govern in relation to that Service or Software. The Additional Terms are subject to change.

[Adobe Developer](#)

[Adobe Stock](#)

[Demo Assets](#)

[K-12 \(Primary and Secondary\) Education](#)

[Adobe Fonts](#)

[Adobe Stock Contributor](#)

[Document Cloud](#)

[Software](#)

[Adobe Sign](#)

[Behance](#)

[Fuse](#)

[Teams and Enterprise](#)

[Adobe Spark](#)

[Business Catalyst](#)

[InDesign Server](#)

### 2. Privacy.

**2.1 Privacy.** For information about how we collect, use, share or otherwise process information about you, please see our Privacy Policy at <http://www.adobe.com/go/privacy>.

**2.2 Desktop Application Usage Information.** You have the option to share information with us about how you use our desktop applications. Where permitted by law, this option is turned on by default, and the information is associated with your Adobe account. This information allows us to provide you with a more personalized experience and helps us to improve product quality and features. You can change your preference any time on your Adobe Account Management page. To learn more about desktop application usage data, go to [http://www.adobe.com/go/app\\_usage\\_FAQ](http://www.adobe.com/go/app_usage_FAQ).

**2.3 Our Access to Your Content.** Where permitted by law, we will only access, view, or listen to your Content (defined in section 4.1 below) in limited ways. For example, in order to perform the Services, we may need to access, view, or listen to your Content to (a) respond to support requests; (b) detect, prevent, or otherwise address fraud, security,

unlawful, or technical issues; and (c) enforce the Terms. Our automated systems may analyze your Content using techniques such as machine learning. This analysis may occur when the Content is sent, received, or stored. From this analysis, we are able to improve the Services. To learn more about the machine learning we do, go to [http://www.adobe.com/go/machine\\_learning](http://www.adobe.com/go/machine_learning).

### 3. Use of Services and Software.

3.1 **License.** Subject to your compliance with the Terms and the law, you may access and use the Services and Software.

3.2 **Adobe Intellectual Property.** We (and our licensors) remain the sole owner of all right, title, and interest in the Services or Software. Except as stated in the Terms, we do not grant you any rights to patents, copyrights, trade secrets, trademarks, or any other rights in respect to the items in the Services or Software. We reserve all rights not granted under the Terms.

3.3 **Storage.** When the Services provide storage, we recommend that you also back up your Content elsewhere regularly. We may create reasonable technical limits on file size, storage space, processing capacity, and other technical limits. We may suspend the Services until you are within the storage space limit associated with your account. At the end of your license term, we will use commercially reasonable efforts to allow you to transition your Content out of the Services. The transition must be completed within 30 days from the date of the termination or expiration of your license term. At the end of this 30-day transition period, we reserve the right to delete your Content.

3.4 **User-Generated Content.** We may host user-generated content from our users. If you access our Services, you may come across user-generated content that you find offensive or upsetting. Your sole remedy is to stop viewing the content. If available, you may also click on the “Report” button to report the offensive user-generated content to us.

3.5 **Sample Files.** “Sample Files” means Adobe-provided files such as content images, clip art, stock images, or sounds for use in tutorials, demonstrations, and for other trial purposes, which may be identified as sample files. Sample Files cannot be used for any other purpose than for which they were provided. You cannot distribute Sample Files on a stand-alone basis (i.e., in circumstances in which the Sample Files constitute the primary value of the product being distributed), and you cannot claim any rights in the Sample Files.

3.6 **Content Files.** “Content Files” means Adobe assets provided as part of the Services and Software. Unless documentation or specific licenses state otherwise, we grant you a personal, non-exclusive, non-sublicensable, and non-transferable license to use the Content Files to create your end use (i.e., the derivative application or product authored by you) into which the Content Files, or derivations thereof, are embedded for your use (“End Use”). You may modify the Content Files prior to embedding them in the End Use. You may reproduce and distribute Content Files only in connection with your End Use, however, under no circumstances can you distribute the Content Files on a stand-alone basis, outside of the End Use.

### 3.7 Other License Types.

(a) **NFR Version.** We may designate the Services or Software as “trial,” “evaluation,” “not for resale,” or other similar designation (“**NFR Version**”). You may install and use the NFR Version only for the period and purposes stated when we provide the NFR Version. You must not use any materials you produce with the NFR Version for any commercial purposes.

(b) **Prerelease Version.** We may designate the Services or Software, or a feature of the Services or Software, as a prerelease or beta version (“**Prerelease Version**”). A Prerelease Version does not represent the final product and may contain bugs that may cause system or other failure and data loss. We may choose not to commercially release the Prerelease Version. You must promptly cease using the Prerelease Version and destroy all copies of Prerelease Version if we request you to do so, or if we release a commercial version of the Prerelease Version. Any separate agreement we enter into with you governing the Prerelease Version will supersede these provisions.

(c) **Education Version.** If we designate the Services or Software as for use by educational users (“**Educational Version**”), then you may only use the Educational Version if you meet the eligibility requirements stated at <http://www.adobe.com/go/primary-secondary-institution-eligibility-guidelines>. You may install and use the Educational Version only in the country where you are qualified as an educational user. If you reside in the European Economic Area, then the word “country” in the prior sentence means the European Economic Area.

### 4. Your Content.

**4.1 Content.** "Content" means any material, such as audio files, video files, electronic documents, or images, that you upload and import into the Services or Software in connection with your use of the Services.

**4.2 Ownership. You retain all rights and ownership of your Content. We do not claim any ownership rights to your Content.**

**4.3 Licenses to Your Content in Order to Operate the Services and Software.** We require certain licenses from you to your Content in order to operate and enable the Services and Software. When you upload Content to the Services and Software, you grant us a nonexclusive, worldwide, royalty-free, sublicensable, and transferable license to use, reproduce, publicly display, distribute, modify (so as to better showcase your Content, for example), publicly perform, and translate the Content as needed in response to user driven actions (such as when you choose to privately store or share your Content with others). **This license is only for the purpose of operating or improving the Services and Software.**

**4.4 Sharing Your Content.**

(a) **Sharing.** Some Services and Software may provide features that allow you to Share your Content with other users or to make it public. "Share" means to email, post, transmit, upload, or otherwise make available (whether to us or other users) through your use of the Services and Software. Other users may use, copy, modify, or re-share your Content in many ways. Please carefully consider what you choose to Share or make public as you are responsible for the Content that you Share.

(b) **Level of Access.** We do not monitor or control what others do with your Content. You are responsible for determining the limitations that are placed on your Content and for applying the appropriate level of access to your Content. If you do not choose the access level to apply to your Content, the system may default to its most permissive setting. It is your responsibility to let other users know how your Content may be shared and to adjust the setting related to accessing or sharing your Content.

(c) **Comments.** The Services and Software may allow you to comment on Content. Comments are not anonymous, and may be viewed by other users. Your comments may be deleted by you, other users, or us.

**4.5 Termination of License.** You may revoke this license to your Content and terminate our rights at any time by removing your Content from the Service. Some copies of your Content may be retained as part of our routine backups, however.

**4.6 Feedback.** You have no obligation to provide us with ideas, suggestions, or proposals ("Feedback"). If you submit Feedback to us however, then you grant us a non-exclusive, worldwide, royalty-free, sublicensable, and transferable license to make, use, sell, have made, offer to sell, import, reproduce, publicly display, distribute, modify, and publicly perform the Feedback.

**4.7 Selling Your Content.** We may allow you to license your Content to other users through our Services after agreeing to separate terms.

5. Account Information.

**You are responsible for all activity that occurs via your account. Please notify Customer Support immediately if you become aware of any unauthorized use of your account. You may not (a) Share your account information (except with an authorized account administrator); or (b) use another person's account. Your account administrator may use your account information to manage your use and access to the Services and Software. For PhoneGap, we reserve the right to monitor and enforce subscription plan limits and restrictions, including, but not limited to, the right to charge for overages.**

6. User Conduct.

**6.1 Responsible Use.** The Adobe communities often consist of users who expect a certain degree of courtesy and professionalism. You must use the Services and Software responsibly.

**6.2 Misuse.** You must not misuse the Services or Software. For example, you must not:

(a) copy, modify, host, stream, sublicense, or resell the Services or Software;

(b) enable or allow others to use the Services or Software using your account information;

- (c) use the Software to construct any kind of database;
- (d) access or attempt to access the Services or Software by any means other than the interface we provide or authorize;
- (e) circumvent any access or use restrictions put into place to prevent certain uses of the Services or Software;
- (f) share Content, or engage in behavior that violates anyone’s intellectual property rights (“**Intellectual Property Rights**” means copyright, moral rights, trademark, trade dress, patent, trade secret, unfair competition, right of privacy, right of publicity, and any other proprietary rights);
- (g) upload or share any Content that is unlawful, harmful, threatening, abusive, tortious, defamatory, libelous, vulgar, lewd, profane, invasive of another’s privacy, or hateful;
- (h) impersonate any person or entity, or falsely state or otherwise misrepresent your affiliation with a person or entity;
- (i) attempt to disable, impair, or destroy the Services and Software;
- (j) upload, transmit, store, or make available any Content or code that contains any viruses, malicious code, malware, or any components designed to harm or limit the functionality of the Services or Software;
- (k) disrupt, interfere with, or inhibit any other user from using the Services or Software (such as stalking, intimidating, or harassing others, inciting others to commit violence, or harming minors in any way);
- (l) engage in chain letters, junk mails, pyramid schemes, phishing, spamming, or other unsolicited messages;
- (m) place an advertisement of any products or services in the Services except with our prior written approval;
- (n) use any data mining or similar data gathering and extraction methods in connection with the Services; or
- (o) violate applicable law (including, but not limited to, where applicable, COPPA).

## 7. Fees and Payment.

**7.1 Taxes and Third-Party Fees.** You must pay any applicable taxes and third-party fees (including, for example, telephone toll charges, mobile carrier fees, ISP charges, data plan charges, credit card fees, foreign exchange fees, and foreign transaction fees). We are not responsible for these fees. Contact your financial institution with questions about fees. We may take steps to collect the fees you owe us. You are responsible for all related collection costs and expenses. If you are located in a different country from the applicable Adobe entity that you are transacting with (i.e., Adobe Inc. for North American customers and Adobe Systems Software Ireland Limited for customers in all other countries), your payments will be made to a foreign entity.

**7.2 Credit Card Information.** If you do not notify us of updates to your payment method, to avoid interruption of your service, we may participate in programs supported by your card provider to try to update your payment information. You authorize us to continue billing your account with the updated information that we obtain.

## 8. Your Warranty and Indemnification Obligations.

**8.1 Warranty.** By uploading your Content to the Services or Software, you agree that you have: (a) all necessary licenses and permissions to use and Share your Content; and (b) the rights necessary to grant the licenses in the Terms.

**8.2 Indemnification.** You will indemnify us and our subsidiaries, affiliates, officers, agents, employees, partners, and licensors from any claim, demand, loss, or damage, including reasonable attorneys’ fees, arising out of or related to your Content, your use of the Services or Software, or your violation of the Terms.

## 9. Disclaimers of Warranties.

**9.1 Unless stated in the Additional Terms, the Services and Software are provided “AS-IS.” To the maximum extent permitted by law, we disclaim all warranties, express or implied, including the implied warranties of non-infringement, merchantability, and fitness for a particular purpose. We make no commitments about the content within the Services. We further disclaim any warranty that (a) the Services or Software will meet your requirements or will be constantly available, uninterrupted, timely, secure, or error-free; (b) the results obtained from the use of the Services or Software will be effective, accurate, or reliable; (c) the quality of the Services or Software will meet your expectations; or (d) any errors or defects in the Services or Software will be corrected.**

**9.2 We specifically disclaim all liability for any actions resulting from your use of any Services or Software. You may use and access the Services or Software at your own discretion and risk, and you are solely responsible for any damage to your computer system or loss of data that results from the use of and access to any Service or Software.**

**9.3 If you post your Content on our servers to publicly Share through the Services, we are not responsible for: (a) any loss, corruption, or damage to your Content; (b) the deletion of Content by anyone other than Adobe; or (c) the inclusion of your Content by third parties on other websites or other media.**

#### 10. Limitation of Liability.

**10.1 Unless stated in the Additional Terms, we are not liable to you or anyone else for any loss of use, data, goodwill, or profits, whatsoever, and any special, incidental, indirect, consequential, or punitive damages whatsoever, regardless of cause (even if we have been advised of the possibility of the loss or damages), including losses and damages (a) resulting from loss of use, data, or profits, whether or not foreseeable; (b) based on any theory of liability, including breach of contract or warranty, negligence or other tortious action; or (c) arising from any other claim arising out of or in connection with your use of or access to the Services or Software. Nothing in the Terms limits or excludes our liability for gross negligence, for our, or our employees', intentional misconduct, or for death or personal injury.**

**10.2 Our total liability in any matter arising out of or related to the Terms is limited to US \$100 or the aggregate amount that you paid for access to the Service and Software during the three-month period preceding the event giving rise to the liability, whichever is larger. This limitation will apply regardless of the form or source of claim or loss, whether the claim or loss was foreseeable, and whether a party has been advised of the possibility of the claim or loss.**

**10.3 The limitations and exclusions in this section 10 apply to the maximum extent permitted by law.**

#### 11. Termination.

**11.1 Termination by You.** You may stop using the Services and Software at any time. Termination of your account does not relieve you of any obligation to pay any outstanding fees.

**11.2 Termination by Us.** If we terminate the Terms, or your use of the Service(s) for reasons other than for cause, we will make reasonable efforts to notify you at least 30 days prior to termination via the email address you provide to us with instructions on how to retrieve your Content. Unless stated in any Additional Terms, we may, at any time, terminate your right to use and access the Services or Software if:

- (a) you breach any provision of the Terms (or act in a manner that clearly shows you do not intend to, or are unable to, comply with the Terms);
- (b) you fail to make the timely payment of fees for the Services or Software, if any
- (c) you materially breach any provision of the Terms, and (i) the breach cannot be corrected; or (ii) we notify you of the breach and you fail to correct it within 14 days of the notice;
- (d) you physically, verbally, or through other means abuse, threaten, bully, or harass us or our personnel (in such circumstances, we may alternatively suspend or restrict your access to the Services or Software);
- (e) you have repeatedly made complaints in bad faith or without a reasonable basis, and continue to do so after we have asked you to stop (in such circumstances, we may alternatively suspend or restrict your access to the Services or Software);
- (f) we are required to do so by law (for example, where the provision of the Services or Software to you is, or becomes, unlawful);
- (g) we elect to discontinue the Services or Software, in whole or in part (such as if it becomes impractical for us to continue offering Services in your region due to change of law); or
- (h) there has been an extended period of inactivity in your free account.

**11.3 Termination by Group Administrator.** Group administrators for a Service such as “Creative Cloud for teams” may terminate a user’s access to a Service at any time. If your group administrator terminates your access, then you may no

longer be able to access Content that you or other users of the group have shared on a shared workspace within that Service.

**11.4 Survival.** Upon the expiration or termination of the Terms, some or all of the Services and Software may cease to operate without prior notice. Any perpetual licenses you have will continue in full force and effect, however. Your indemnification obligations, our warranty disclaimers or limitations of liabilities, and dispute resolution provisions stated in the Terms will survive.

## 12. Investigations.

**12.1 Screening.** We do not review all content uploaded to the Services or Software, but we may use available technologies, vendors, or processes to screen for certain types of illegal content (for example, child pornography) or other abusive content or behavior (for example, patterns of activity that indicate spam or phishing, or keywords that indicate adult content has been posted outside of the adult wall).

**12.2 Disclosure.** We may access or disclose information about you or your use of the Services or Software: (a) when it is required by law (such as when we receive a valid subpoena or search warrant); (b) to respond to your requests for customer service support; or (c) when we, in our discretion, think it is necessary to protect the rights, property, or personal safety of us, our users, or the public.

## 13. Trade Control Laws.

The Services or Software and your use of the Services and Software, are subject to U.S. and international laws, restrictions, and regulations that may govern the import, export, and use of the Services and Software. You agree to comply with all the laws, restrictions, and regulations.

## 14. Australian Consumer Law.

Nothing in the Terms is intended to exclude, restrict, or modify any consumer rights under the Competition and Consumer Act 2010 (Cth) (CCA) or any other legislation which may not be excluded, restricted, or modified by agreement. If the CCA or any other legislation implies a condition, warranty, or term into the Terms or provides statutory guarantees in connection with the Terms, in respect of goods or services supplied (if any), our liability for breach of such a condition, warranty, other term or guarantee is limited (at our election), to the extent it is able to do so: (a) in the case of supply of goods, us doing any one or more of the following: (i) replacing the goods or supplying equivalent goods; (ii) repairing the goods; (iii) paying the cost of replacing the goods or of acquiring equivalent goods; and (iv) paying the cost of having the goods repaired; or (b) in the case of supply of services, our doing either or both of the following: (i) supplying the services again; and (ii) paying the cost of having the services supplied again.

## 15. Dispute Resolution.

**15.1 Process.** If you have any concern or dispute, you agree to first try to resolve the dispute informally by contacting us. If a dispute is not resolved within 30 days of submission, any resulting legal actions must be resolved through final and binding arbitration, except that you may assert claims in small claims court if your claims qualify.

**15.2 Rules.** If you reside in the Americas, JAMS will administer the arbitration in Santa Clara County, California pursuant to its Comprehensive Arbitration Rules and Procedures. If you reside in Australia, New Zealand, Japan, mainland China, Hong Kong S.A.R., Macau S.A.R., Taiwan, South Korea, India, Sri Lanka, Bangladesh, Nepal, or a member state of the Association of Southeast Asian Nations (ASEAN), then the Singapore International Arbitration Centre (SIAC) will administer the arbitration in Singapore under its Rules of Arbitration, which rules are deemed to be incorporated by reference in this section. Otherwise, the London Court of International Arbitration (LCIA) will administer the arbitration in London under the LCIA Arbitration Rules. There will be one arbitrator that you and Adobe mutually select. The arbitration will be conducted in the English language, but any witness whose native language is not English may give testimony in the witness' native language, with simultaneous translation into English (at the expense of the party presenting the witness). Judgment upon the award rendered may be entered and will be enforceable in any court of competent jurisdiction having jurisdiction over you and us.

**15.3 No Class Actions.** You may only resolve disputes with us on an individual basis, and you may not bring a claim as a plaintiff or a class member in a class, consolidated, or representative action.

**15.4 Injunctive Relief.** Notwithstanding the foregoing, in the event of your or others' unauthorized access to or use of the

Services or Software in violation of the Terms, you agree that we are entitled to apply for injunctive remedies (or an equivalent type of urgent legal relief) in any jurisdiction.

## 16. Audit Rights.

If you are a business, company, or organization, then we may, no more than once every 12 months, upon seven 7 days' prior notice to you, appoint our personnel or an independent third-party auditor who is obliged to maintain confidentiality to inspect (including manual inspection, electronic methods, or both) your records, systems, and facilities to verify that your installation and use of any and all Services or Software is in conformity with its valid licenses from us. Additionally, you will provide us with all records and information requested by us within 30 days of our request in order for us to verify that the installation and use of any and all Services and Software is in conformity with your valid licenses. If the verification discloses a shortfall in licenses for the Services or Software, you will immediately acquire any necessary licenses, subscriptions, and applicable back maintenance and support. If the underpaid fees exceed 5% of the value of the payable license fees, then you will also pay for our reasonable cost of conducting the verification.

## 17. Updates and Availability.

**17.1. Updates to the General Terms and Additional Terms.** We may modify these General Terms, any Additional Terms or Subscription and Cancellation terms, for example, to reflect changes to the law or changes to our Services or Software. You should look at the Terms regularly. We will post notice of modifications to these General Terms and Additional Terms on this page. By continuing to use or access the Services or Software after the revisions are in effect, you agree to be bound by the revised Terms.

**17.2. Updates to the Services and Software.** We may modify, update, or discontinue the Services or Software (including any portions or features) at any time, without liability to you or anyone else. However, for changes to paid offerings, we will make reasonable efforts to notify you of the modification, update or discontinuation. If we discontinue the Services or Software in its entirety, we will also allow you a reasonable time to download your Content and we may provide you with a pro rata refund for any unused fees for that Service or Software that you prepaid.

**17.3. Availability.** Webpages describing the Services are accessible worldwide, but this does not mean all Services or service features are available in your country or that user-generated content available via the Services is legal or available in your country. Access to certain Services (or certain Service features, Sample Files or Content Files) in certain countries may be blocked by us or foreign governments. It is your responsibility to make sure your use of the Services is legal or available where you use them. Services are not available in all languages.

## 18. No Modifications, Reverse Engineering.

Except as expressly permitted in the Terms, you may not (a) modify, port, adapt or translate any portion of the Services or Software; or (b) reverse engineer, decompile, disassemble or otherwise attempt to discover the source code or any portion of any Service or Software. If the laws of your jurisdiction give you the right to decompile the Software to obtain information necessary to render the licensed portions of the Services or Software interoperable with other software, you must first request such information from us. We may, in our discretion, either provide such information to you or impose reasonable conditions, including a reasonable fee, on your decompilation of the Services or Software to ensure that our and our suppliers' proprietary rights in the Services and Software are protected.

## 19. Miscellaneous.

**19.1 English Version.** The English version of the Terms will be the version used when interpreting or construing the Terms.

**19.2 Notice to Adobe.** You may send notices to us at the following address: Adobe Inc., 345 Park Avenue, San Jose, California, 95110-2704, USA, Attention: General Counsel.

**19.3 Notice to You.** We may notify you by email, postal mail, postings within the Services, or other legally accepted means.

**19.4 Non-Assignment.** You may not assign or otherwise transfer the Terms or your rights and obligations under the Terms, in whole or in part, without our written consent, and any such attempt will be void. We may transfer our rights under the Terms to a third party.

**19.5 Headings.** Headings used in these General Terms or Additional Terms are provided for convenience only and will

not be used to construe meaning or intent.

**19.6 Severability.** If any provision of these General Terms or any Additional Terms is held invalid or unenforceable for any reason, the General Terms and any Additional Terms will continue in full force and effect.

**19.7 No Waiver.** Our failure to enforce or exercise any provision of the Terms is not a waiver of that provision.

**20. DMCA.**

We respect the Intellectual Property Rights of others and we expect our users to do the same. We will respond to clear notices of copyright infringement consistent with the Digital Millennium Copyright Act (“DMCA”). You can learn more about Adobe's IP Takedown policies and practices here: <http://www.adobe.com/legal/dmca.html>.

Adobe Inc.: 345 Park Avenue, San Jose, California 95110-2704

Adobe Systems Software Ireland Limited: 4-6 Riverwalk, City West Business Campus, Saggart, Dublin 24

Adobe\_General\_Terms\_of\_Use-en\_US-20180605\_2200

**Attachment 1.i**  
**Action Corporation End User License Agreement**

**ACTIAN CORPORATION**

CUSTOMER LICENSE AND SUPPORT SERVICES AGREEMENT PLEASE READ THIS AGREEMENT CAREFULLY BEFORE DOWNLOADING OR INSTALLING THE SOFTWARE.

This Customer License and Support Services Agreement ("Agreement") is a legal agreement between the end user downloading or installing the software ("you") and Actian Corporation, with its principal place of business located at 2300 Geng Road, Suite 150, Palo Alto, CA 94303 ("Us," "Our," or "We"). IF YOU ARE ENTERING INTO THIS AGREEMENT ON BEHALF OF A COMPANY OR AN ENTITY, YOU REPRESENT THAT YOU ARE THE EMPLOYEE OR AGENT OF SUCH COMPANY OR ENTITY AND YOU HAVE THE AUTHORITY TO ENTER INTO THIS AGREEMENT AND LEGALLY BIND YOUR COMPANY OR ENTITY. For purposes of this Agreement, "You" or "Your" includes you and any of your companies or entities that you have bound under this Agreement. This Agreement governs the purchase and use of the software and services described in an Order (defined below).

**1. DEFINITIONS.**

1.1 "Documentation" means the user documentation supplied by Us with the Product.

1.2 "Customer Subsidiaries" means those companies which are Your wholly-owned subsidiary on the Effective Date of this Agreement. Wholly-owned subsidiary shall be defined as an entity in which You own a 100% shareholding.

1.3 "Order" means a document typically titled "Order Confirmation" or "Software and Support Services Order," executed by the parties, that refers to this Agreement and describes in greater detail Your order-specific information and use restrictions including, but not limited to: Your billing information, lists of Products and Support Services ordered, permitted number of cores with which the Products can be used, and pricing. Such Order(s) is (are) hereby incorporated into this Agreement by reference.

1.4 "Outsourcer" means a third party engaged by You for internal data processing, consulting, product customization, or internal information management.

1.5 "Products" means the machine-readable object code of the software programs specified in an order, together with any Documentation and Updates thereto.

1.6 "Subscription Term" means one year from the date of the applicable Order or as otherwise specified in the Order or an addendum to this Agreement.

1.7 "Support Services" means Product support services.

1.8 "Updates" means any update, release, or enhancement that is provided to You at Our discretion under Support Services.

1.9 "Warranty Period" means thirty (30) days from the date of initial delivery to You of the applicable Product (excluding Updates).

**2. LICENSE.**

2.1 License Grant. Provided that You comply with the terms and conditions of this Agreement, including, but not limited to the conditions stated in Sections 2.2(i) – 2.2(iv), We grant You a limited, non-exclusive, non-sublicensable and non-transferable license to use the Products for Your business purposes during the Subscription Term in accordance with the terms and conditions of this Agreement with any restrictions stated in an Order or attachment hereto, such as the number of copies of the Products made or used by You, installed on Your workstations or servers, or on the number of Your users or the number of seats, sockets or cores accessing or using the Product. For the avoidance of doubt, You have no right or license under this Agreement to any use, copy, instance or version of a Product or other software program, or support services for a particular Product, unless such use, copy, instance or version and such support services are covered in a then-current Order or attachment thereto. You must ensure that any limits on the number of cores/CPU's are not exceeded by platform virtualization or other means. Customer Subsidiaries may place Order(s) under this Agreement, provided that such Order(s) reference this Agreement, and shall have the benefit of the Support Services as may be described in such Order(s), provided that:

i) You will ensure that each of such Customer Subsidiaries is aware of and complies with the terms of this Agreement as though such Customer Subsidiaries were You, and You are liable and responsible for their acts and omissions; and

ii) You will indemnify Us and keep Us fully and effectively indemnified against all costs, claims, demands, expenses and liabilities of whatsoever nature which We may sustain as a result of a failure by any Customer Subsidiaries to comply with the terms of this Agreement.

2.2 Product Use Rights. The license granted in Section 2.1, above, is subject to the following conditions:

i) License Restrictions. Except as expressly permitted by this Agreement, You may not:

(i) distribute, lease, loan, sell, encumber, sublicense, or otherwise transfer a Product;

(ii) permit third-party access to or use of the Products, or use, access, or allow access to the Products in any way to benefit third parties, including, but not limited to operating the Products in a service bureau, SaaS, ASP, or other similar hosted environment; (iii) use a Product to provide or operate hosting or Application Service Provider(ASP) services, Software as a Service, service bureau, marketing, training, outsourcing services, or consulting services, or any other commercial service related to the Products;

(iv) use a Product to develop a product which is competitive with any of the software programs manufactured and/or marketed by Us;

(v) use a Product in the same production environment in which You deploy an open source version of the Product; vi) use the Products beyond the scope or term of any license; or (vii) use the Product to process data for third parties (e.g., data performing data migrations, conversions, or transformations for Your customers). Actian Vector (formerly Vectorwise) cannot be used as a transactional database. You shall notify Us if You become aware of any unauthorized third party access to, or use of, a Product.

ii) Outsourcers. You may permit access to, and use of, the Products by an Outsourcer, provided that:

(i) the Outsourcer agrees to comply with the terms of this Agreement and to access and use the Products solely for purposes of rendering services to You; and

(ii) the total number of licenses used by You and Outsourcer must not exceed the scope or number of licenses purchased. You shall be responsible and liable for Outsourcer's compliance with the terms of this Agreement. Upon completion of Your services by Outsourcer, You shall, upon Our request, certify in writing that Outsourcer has un-installed and destroyed all copies of Products within thirty (30) days of such completion of services, and You will give Us any reasonable assistance We may request to ensure Outsourcer complies with this clause.

iii) Duplication of Product. You may make Product copies equal to the number of licensed copies expressly authorized under this Agreement plus a reasonable number of archival copies for inactive backup purposes, provided that all Product copyright, trademark, patent, and related proprietary notices incorporated in or affixed to the Product shall be duplicated by You on all copies or extracts thereof and shall not be altered, removed, or obliterated. Except as required to be permitted by applicable law, reverse compiling (including reverse compiling to ensure interoperability), reverse engineering and other source code derivation of the Product is prohibited. If You wish to exercise any right to reverse engineer to ensure interoperability in accordance with applicable law, You shall first provide written notice to Us and permit Us, at Our discretion, to make an offer to provide information and assistance reasonably required to ensure Product interoperability with Your other products for a fee to be mutually agreed upon (if any).

iv) Product Ownership and Restrictions. The copies of Products provided hereunder are licensed, not sold, and all intellectual property rights and title to the Products shall remain with Us and Our suppliers and no interest or ownership therein is conveyed to You. No right to create a copyrightable work, whether joint or unitary, is granted or implied; this includes works that modify (even for purposes of error correction), adapt, or translate the Product or create derivative works, compilations, or collective works therefrom, except as necessary to configure the Product using the menus, options and tools provided for such purposes and contained in the Product. You shall not attempt to circumvent any user limits or other license, timing or use restrictions that are built in to the Products. Certain items of software code provided along with the Products are subject to "open source" licenses ("Third Party Code") provided with the Products. The Third Party Code is not subject to the terms and conditions of this Agreement, except for Sections 5 and 6 of this Agreement. Nothing in this Agreement limits Customer's rights under, or grants Customer rights that supersede the terms and conditions of any applicable license for the Third Party Code, including any rights to copy, modify or distribute Third Party Code under the applicable license.

You are hereby notified that the Products may contain time-out devices, counter devices, and/or other devices intended to ensure the limits of a particular license will not be exceeded ("Limiting Devices"). If the Products do contain Limiting

Devices, We shall ensure that You receive any keys or other materials necessary to use the Products to the limits of Your license.

2.3 Product Export. Any person or entity exporting or re-exporting Products or services directly or indirectly and via any means, including electronic transfer, is wholly responsible for doing so in accordance with the U.S. Export Administration Regulations and the laws of host countries and You agree to comply strictly with all such laws and regulations. We assume no responsibility or liability for Your failure to obtain any necessary export approvals. Specifically, no Product or services may be exported to embargoed or otherwise restricted countries or end-users. This provision shall survive the expiration or earlier termination of this Agreement.

### 3. SUPPORT AND ADDITIONAL SERVICES.

3.1 Support Services. The details of the Support Services can be found at <http://supportservices.actian.com/support-services/support#policy>. We may suspend or terminate Support Services for all Product(s) in the event that You do not pay fees for Support Services when due. If You purchase Support Services for a Product, then You shall purchase Support Services for all licenses and copies of such Product. You may not use or access support services (i) for a software product not covered in a then-current Order, or (ii) for a Product not covered by a then-current paid Actian support plan. You may not use or access support services for the benefit of a third party, or provide access to or permit use of support services by a third party.

3.2 Additional Services. Consulting services or training may be obtained by You on an as-available basis and at mutually agreed rates in accordance with a separate agreement. Should we agree to provide consulting services, the payment of the Product license and Support Services fees under this Agreement shall not be contingent under any circumstances upon the performance of any such services including installation and implementation services.

### 4. FEES; TAXES; PAYMENT TERMS; PURCHASE ORDERS; SHIPPING.

4.1 Fees. Fees or other charges shall be as specified in an Order. All amounts payable under this Agreement shall be payable in advance, and shall be non-refundable and not subject to set off or deduction by You. In the event that You wish to renew the subscription of a Product, the applicable price shall be that stated within the then-current Actian price list, unless otherwise agreed between the parties.

4.2 Taxes. Our fees are exclusive of, and You are responsible for, duties and taxes (other than taxes on Our income).

4.3 Invoicing and Payment. All payments of fees and charges under this Agreement shall be made in U.S. dollars within thirty (30) days of the date of the applicable invoice sent to You by Us. Any amount payable by You to Us hereunder which is past due may be subject to a late payment charge equal to one

and a half percent (1.5%) per month, or the highest rate permitted by law, whichever is less. The receipt or request for payment of such amounts shall not prejudice Our rights with respect to Your failure to pay on the due date.

4.4 Orders and Shipping. We have no obligation to accept Purchase Orders, including without limitation Purchase Orders for renewal of Support Services. Any fulfillment of Purchase Orders shall be solely in accordance with the terms of this Agreement and We expressly reject any conflicting terms and conditions in Your Purchase Order. Products and Documentation are shipped FOB origin, Our site. Delivery will be by electronic or physical means, at Our election, and all Products shall be deemed accepted by You immediately upon the earlier of download or receipt from Us.

### 5. LIMITED WARRANTIES.

5.1 We warrant that, during the Warranty Period, the Products (excluding Updates) will operate substantially in conformity with the applicable Documentation. Updates are not included within the definition of Products for the purposes of any Warranty or Warranty Period.

5.2 Within the Warranty Period, if You detect a defect in a Product's physical media, You may return the defective media to Us and We will replace it free of charge.

5.3 Provided that We are notified in writing of a Product's non-conformance with the warranty set forth in section 5.1 within the applicable Warranty Period, We shall, at Our option: a) repair or replace the defective Product, or b) refund the license fees paid for the Product in exchange for a return of the defective Product. In the event of a refund Your license to use the Product will immediately expire. This Section 5.3 is Your exclusive remedy for breach of the limited warranty in Section 5.1. The above warranties specifically exclude defects resulting from accident, abuse, misapplication or unauthorized repair, modifications, enhancements and installation in an incompatible environment. We do not warrant that use of the Products will be uninterrupted or error free.

5.4 EXCEPT FOR EXPRESS WARRANTIES STATED IN THIS SECTION 5 AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE PRODUCTS AND SERVICES ARE PROVIDED "AS IS," AND WE, AND OUR SUPPLIERS DISCLAIM ALL OTHER WARRANTIES AND CONDITIONS, WHETHER EXPRESS OR IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTY (I) OF MERCHANTABILITY OR SUITABILITY, (II) OF FITNESS FOR A PARTICULAR PURPOSE, OR (III) OF NON-INFRINGEMENT OF THIRD PARTY RIGHTS.

#### 6. LIMITATION OF LIABILITY.

To the maximum extent permitted by applicable law, in no event will We or Our Suppliers be liable to You or any third party for any indirect, special, incidental, consequential or punitive damages arising out of or related to this Agreement, including without limitation, any lost profits or revenues, loss or inaccuracy of any data, or cost of substitute goods, regardless of the theory of liability (including negligence) and even if We have been advised of the possibility of such damages. We and Our suppliers' aggregate liability to You or any third party for any cause whatsoever shall not exceed the total fees paid by You to Us under this Agreement during the 12 months preceding the date that the claim arose. In no event shall You raise any claim under this Agreement more than 2 years after (i) the discovery of the circumstances giving rise to such claim; or (ii) the effective date of the termination of this Agreement. The limitations in this Section shall apply even if any remedy fails of its essential purpose. Nothing in this Agreement shall exclude or limit either party's liability for death or personal injury caused by that party's negligent act or omission or by wilful default.

#### 7. THIRD PARTY CLAIMS.

7.1 We shall: (i) defend, or at Our option settle, any legal proceeding brought against You to the extent that it is based on a claim that a Product infringes a third-party patent, trademark or copyright of the country in which You take delivery of the Product; and (ii) pay all damages and costs finally awarded against You by a court of competent jurisdiction to the extent attributable to such a claim or agreed to by way of a settlement entered into by Us, provided that: You (i) notify Us promptly of each such claim; (ii) give Us sole control of the defense and/or settlement of the claim; (iii) fully cooperate with Us in the defense or settlement of the claim; (iv) mitigate such damages and costs as far as is reasonably possible; and (v) take no action that may prejudice Our ability to defend the claim.

7.2 If all or any part of the Product is, or in Our opinion is likely to become, the subject of a claim of infringement, We may at Our sole discretion:

(i) procure for You the right to use the Product or the affected part thereof; (ii) replace the Product or affected part with other software that has the same or additional functionality; (iii) modify the Product or affected part to make it non-infringing; or (iv) if none of the foregoing remedies is commercially feasible as determined by Us in Our sole discretion, terminate your license to the Product and upon return of the Product, refund a pro-rated (over a 12 month period on a straight-line basis) portion of the payments paid by You to Us over the preceding 12 months for the Product or the affected part.

7.3 We shall have no liability or other obligations to the extent a claim is based on: (i) failure to use an Update provided by Us, if infringement could have been avoided by use of the latest version of the Products; (ii) combination, operation, or use of Products with other products not provided by Us, if such infringement would have been avoided in the absence of such combination, operation, or use; (iii) Your use of Product in any manner inconsistent with the applicable license terms and conditions; (iv) modification, alteration, or enhancement to the Product not performed or expressly authorized by Us; (v) the furnishing to You of any information, service or technical support by a third party; (vi) non-licensed use of the Products; or (vii) Our compliance with Your designs, specifications or instructions.

THE FOREGOING PROVISIONS OF THIS SECTION STATE THE ENTIRE LIABILITY AND OBLIGATION OF US AND YOUR EXCLUSIVE REMEDY FOR CLAIMS OF INFRINGEMENT OF THIRD PARTY RIGHTS.

#### 8. TERM AND TERMINATION.

8.1 Unless sooner terminated as provided below, the term of this Agreement shall begin on the Effective Date and continue for one year and then automatically renew for successive one-year terms, unless either party notifies the other party in writing of its intent not to renew at least ninety days prior to the expiration of the initial or then-current renewal term. If the Agreement term is not renewed, it shall be deemed to expire upon the earlier of (i) one year from the end of the then-current term or (ii) the end of the last remaining Subscription Term. If a Product is obtained under a perpetual license, the Agreement shall be deemed not to expire for purposes of that Product only.

8.2 Notwithstanding the foregoing, either party may terminate this Agreement or an Order (i) by written notice of breach

of the Agreement or such Order, provided the other party fails to cure such breach within thirty days after such notice, or (ii) forthwith if the other party makes an assignment for the benefit of creditors or proceedings are commenced by or for such other party under any bankruptcy, insolvency, or debtor's relief law. Upon termination or expiration for any reason, all rights (including all license rights) and obligations shall terminate except as provided in this Section 8.2 (and Section 8.1 in the case of expiration only), and such termination or expiration shall not relieve You from Your obligation to pay fees that remain unpaid and shall not limit either party from pursuing other available remedies. Upon termination or expiration of this Agreement or any part thereof, We shall have no obligation to refund to You any fees paid by You. If an Order is terminated or expired, You must certify in writing to Us that You have immediately un-installed and destroyed or returned all copies of the Product within thirty (30) days of such termination/expiration. The following Sections survive termination or expiration of this Agreement: 1, 2.1(i) and (ii), 2.2(iv), 4, 5.4, 6, 8, and 9.

## 9. GENERAL.

9.1 Confidential Information. Each party receiving Confidential Information ("Recipient") shall retain in confidence and require its employees, agents, and contractors to retain in confidence all Confidential Information of the other party ("Discloser"). "Confidential Information" means (i) for Us: the terms and conditions of this Agreement, all financial terms and conditions contained in Our quotation, and the Products as well as results of any Product benchmark or similar tests (whether performed by Us, You, or any third party); and (ii) for either party: any information, in written or other tangible form, which has been conspicuously marked by Discloser as "confidential" or "proprietary" or if not so marked, if it should reasonably be regarded as confidential due to the nature of the information being disclosed. Recipient shall protect Discloser's Confidential Information in the same manner Recipient protects its own Confidential Information of similar importance, but in no event with less than reasonable care. Confidential Information shall remain the sole property of the Discloser and shall not be disclosed to any third party (except, solely to employees, attorneys, consultants, and subsidiaries, who need to know and are bound by a written agreement with Recipient to maintain the confidentiality of such Confidential Information in a manner consistent with this Agreement) or used except as permitted under this Agreement. Confidential Information shall not include any information that: (i) is or becomes publicly known without the Recipient's breach of any obligations owed to the Discloser; (ii) is rightfully disclosed to the Recipient from a source other than the Discloser without a breach of an obligation of confidentiality; or (iii) is independently developed by the Recipient without any access to the Discloser's Confidential Information. Notwithstanding the foregoing, We may disclose that You are Our customer. In addition, either party may disclose information in compliance with applicable law or a court order, provided the Discloser is given reasonably prompt notice thereof and the Recipient provides cooperation and assistance in any attempt to prevent or limit such disclosure. The obligations set forth herein with respect to Confidential Information shall continue in full force and effect for a period of three (3) years after the date of termination of this Agreement.

9.2 Relationship of the Parties. This Agreement is not intended to and shall not create a relationship such as a partnership, franchise, joint venture, fiduciary, agency or employment relationship. Neither party may act in a manner that expresses or implies a relationship other than that of independent contractor, nor bind the other party.

9.3 Governing Law and Venue. Any action related to this Agreement shall be governed by California law and controlling U.S. federal law, and the choice of law rules of any jurisdiction shall not apply. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. The venue for any claims arising under this Agreement shall be the federal courts located in the Northern District of California or the state courts located in Santa Clara County, California, and the parties agree to submit to the exclusive jurisdiction of such courts.

9.4 Assignment. Neither this Agreement nor any right, obligation, or Product licensed hereunder may be assigned by You without Our prior written consent. Any purported assignment in violation of the foregoing is void. Subject to the foregoing, the provisions of this Agreement shall be binding upon and inure to the benefit of the parties, and their permitted successors and assigns.

9.5 Severability. If any provision of this Agreement is declared unlawful, void, or unenforceable, then that provision shall be limited to the extent enforceable, or otherwise severed, and will not affect the validity and enforceability of the remaining provisions.

9.6 Audits. During the term of this Agreement and continuing until two years after termination or expiration, You shall keep and retain complete and accurate records regarding Your use of the Products.

i) Self-Audits. To help manage Your use of the Products and Your compliance with this Agreement, You agree to perform a self-audit upon 10 working days prior written notice from Us, on the self-audit form made available by Us. If

Your self-audit form reveals a discrepancy that You have previously or are currently using more of Our products than You have valid Orders or licenses for, You must pay Us the unpaid amounts at the same time as returning the self-audit form to Us. In the event that You are late in submitting a self-audit form We may delay accepting orders and/or suspend Support Services until We receive the self-audit form and We may instigate the Formal Audit process defined below.

ii) Formal Audits. We, or Our designated agent, may, upon five (5) working days prior written notice to You, inspect any of Your facilities where Products are used and audit records for the purpose of confirming Your use of the Products and Your compliance with this Agreement. We may perform only one formal audit per twelve (12) month period unless a previous audit reveals a discrepancy. Our audit shall be performed at Our sole expense; provided however, that if, as a result of Our audit, it is determined that You have underpaid Us by more than 5% of the amount owed during the period audited, then You shall bear the reasonable cost of Our audit. In the event of any underpayment, You shall pay all past-due fees immediately in accordance with the terms of this Agreement. This section survives termination of this Agreement for two (2) years.

9.7 Force Majeure. Except with respect to the obligation to pay fees when due hereunder, neither party shall be deemed in default of this Agreement because of a delay or failure in performance of its obligation resulting from any cause beyond its reasonable control (a "Force Majeure"), provided it gives reasonably prompt notice of the Force Majeure condition to the other party and uses reasonable efforts to mitigate the delay or failure.

9.8 Notices. Any notices required or permitted to be given hereunder shall be delivered by personal delivery, express courier, or recorded delivery, postage prepaid, return receipt requested, to a party's address set forth in an Order, or if to You to Your headquarters or to Us to: Actian Corporation, Attn: Legal Department, 500 Arguello Street, Suite 200, Redwood City, CA 94063. A notice shall be deemed effective when actually delivered. Either party may change its address for purposes of this Agreement by written notice given in accordance herewith.

9.9 Marketing. Except if required to do so by the Securities Exchange Commission, regulatory authority or similar body, neither party shall provide copies of this Agreement or otherwise disclose its terms to any third party, without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed. The parties agree that within thirty (30) days of the Effective Date We may issue a press announcement describing the relationship of the parties. You agree to allow Us to reference and identify You, and use Your logo in Our advertising, sales promotion, press releases, public filings, website usage, and other publicity matters relating to the Products furnished and/or the related Support Services performed pursuant to this Agreement, so long as such use is without any modification of Your name, mark, or logo.

You agree to act as a "Reference Account" for Us. In such cases where You have agreed to serve as a "Reference Account," We shall be allowed to refer other customers, potential customers, press, analysts, etc., to Your executives, who are familiar with Your relationship with Us, to act as a reference for Us.

9.10 U.S. Government End Users. The software is "commercial items" as that term is defined at 48 C.F.R. 2.101, consisting of "commercial computer software" and "commercial computer software documentation" as such terms are used in 48 C.F.R. 12.212. Consistent with 48 C.F.R. 12.212 and 48 C.F.R. 227.7202-1 through 227.7202-4, all U.S. Government end users acquire the software with only those rights set forth under this Agreement. Any technical data provided that is not covered by the above provisions shall be deemed "technical data-commercial items" pursuant to 48 C.F.R. 252.227.7015(a). Any use, modification, reproduction, release, performance, display or disclosure of such technical data shall be governed by the terms of 48 C.F.R. 252.227.7015(b).

9.11 High Risk Activities. The Products are not fault-tolerant and not designed, manufactured or intended for use or resale as on-line control equipment in hazardous environments requiring fail-safe performance, such as in the operation of nuclear facilities, aircraft navigation or communication systems, air traffic control, direct life support machines, or weapons systems, in which the failure of the Product could lead directly to death, personal injury, or severe physical or environmental damage ("High Risk Activities"). We and Our suppliers specifically disclaim any express or implied warranty of fitness for High Risk Activities.

9.12 Third Party Rights. Notwithstanding any other provision in this Agreement, nothing in this Agreement shall create or confer any rights or other benefits in favor of any person not a party hereto, except with respect to Microsoft software included in the Products. Microsoft is a third party beneficiary with the right to enforce its right in its software.

9.13 Injunctive Relief. You acknowledge that the Products contain Our and Our licensees' valuable trade secrets and proprietary information and that any actual or threatened disclosure or unauthorized use or distribution of the Products or Our or Our licensees' Confidential Information will constitute immediate and irreparable harm to Us for which monetary

damages would be an inadequate remedy and entitle Us to immediate injunctive relief without the need to post a bond or show actual monetary damages.

9.14 Integration and Amendment. This Agreement constitutes the entire agreement between the parties and supersedes all prior or contemporaneous conditions, agreements, communications or representations, whether oral or written, relating to the subject matter hereof. Neither party has relied on any statement or representation by an employee or agent of the other party in entering into this Agreement. Any additional or different terms in Your documents (including any terms contained on Purchase Orders) shall not apply and are hereby deemed to be material alterations and notice of objection to, and rejection of them is hereby given. Except as permitted herein, this Agreement may not be modified or any term or condition waived except in writing signed by a duly authorized representative of each party. No waiver of any breach of any provision of this Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provision hereof. Headings are for convenience only and shall not affect the interpretation of any provision hereunder.

**Attachment 1.j**  
**HighSoft End User License Agreement**



**HIGHSOFT**

Standard License Agreement 11.0

This License Agreement sets forth the terms and conditions governing purchases and use of Software owned and delivered by Highsoft AS.

By Installing or using the Software, Licensee agrees to be bound by this Agreement, unless Licensee is using the Software for authorized non-commercial purposes.

If Licensee does not agree to this Agreement, Licensee is not allowed to install or use any Software made available through Highsoft Website.

## **1. Definitions**

**Agreement** shall mean this document, its appendices and the License Statement;

**Advantage** shall mean the set of supplies and services offered by Highsoft to Licensee, as defined in section 3.6 below, for as long as Licensee is validly enrolled in Advantage;

**Affiliate** shall mean any entity that directly, or indirectly controls, is controlled by, or is under common control with the subject entity. "Control", for purposes of this definition, means direct, or indirect ownership, or control of more than 50% of the voting interests of the subject;

**Applicable Releases** shall mean the Release(s) of the licensed Software applicable at the time of this Agreement in addition to all subsequent Releases of same, which are released by Highsoft during the time in which Licensee is validly enrolled in Advantage pursuant to section 3.6;

**Confidential Information** shall mean any and all written, verbal, or demonstrated information provided by one Party to the other in connection with this Agreement; Confidential information shall include, without limitation, information relating to technologies, finances, marketing and legal affairs which relate in any manner to a Party's actual, or anticipated business whether obtained in tangible or intangible form, including oral or visual;

**Content Creator** shall mean any person that is not a Developer who is working with a product that use the Software through an abstract interface (e.g. Highcharts Editor) to create and/or modify charts to be further published, including but not limited to choosing data, modifying labels or style;

**Customer Installation** shall mean any distribution of the Software as an integral part of a Licensee Product installed or to be installed on a server owned and/or operated by a Licensee customer pursuant to an OEM license granted in accordance with section 3.4 below;

**Customer Installation with Developer Rights** shall mean any distribution of the Software, as an integral part of a Licensee Product installed or to be installed on a server owned and/or operated by a Licensee customer, that allows the Licensee customer to customize Software for Licensee customer's own purposes, pursuant to an OEM license with Developer Rights granted in accordance with section 3.4 below;

**Delivery Date** shall mean the date Licensee is invoiced by Highsoft for the applicable Software;

**Developer** shall mean any person who will be working with the API and/or source code in any capacity including, but not limited to, developers, designers and quality assurers who make use of the Software in the planning, development, production and maintenance phases. The number of Developers authorized to work with the Software is stated in the License Statement;

**Highsoft** shall mean Highsoft AS, a Norwegian corporation with organization no. NO996840506MVA;

**Highsoft Website** shall mean [www.highcharts.com](http://www.highcharts.com); **License** shall mean the right to use the Software granted to Licensee by Highsoft through this Agreement, in the form of a High-Five License, Developer License, OEM License, or Mobile Wrapper License. Licensee must choose one or more license type(s) prior to entering into this Agreement. The usage rights granted under each of the above-mentioned license types, are defined in section 3 of this Agreement;

**License and Advantage Fee** shall mean the fee payable by Licensee to Highsoft for the initial right to use Software (and to be enrolled in Advantage during the first twelve (12) months after Delivery date) and/or for subsequent renewals of Advantage respectively in accordance with the License;

**Licensee** shall mean the legal entity to which License has been granted;

**Licensee Product** shall mean any proprietary software product, application or other software solution, marketed by Licensee, in which Software has been incorporated pursuant to an OEM-license or other valid authorization from Highsoft, and which Licensee thereby is authorized to make available to its own customers, or use for Licensee's internal purposes. Licensee Products shall be listed in the License Statement;

**License Statement** shall mean a document confirming purchase to be sent to Licensee by Highsoft; which states what License has been purchased, what Software, and if applicable, also for what Licensee Products the Software can be used;

**Party** shall mean a party to this Agreement;

**Release** shall mean, with respect to any licensed Software, any release of minor news, and bug fixes or substantial news and improvements, possible redesign, and refactoring of the API. Such improvements may typically include modifications to the Software which increase the efficiency, ease of use and/or add additional capabilities or functionality. To be entitled to gain access to Releases, Licensee must be validly enrolled in Highsoft's Advantage, pursuant to sections 3.1, 3.6 and 4;

**Software** shall mean the software owned by Highsoft and licensed to Licensee through this Agreement, including Applicable Releases, and consisting of one or more of the following products as stated in the License Statement: Highcharts JS, Highstock JS, Highmaps JS, Highcharts .NET, Highcharts Gantt, Highcharts iOS and/or Highcharts Android;

**Third Party** shall mean any other party than the Parties, including but not limited to Licensee customers;

## **2 Ownership and Copyright**

The Software is the property of Highsoft and is protected by copyright law as well as other statutory and non- statutory intellectual property law. Highsoft product names are owned by Highsoft and protected under trademark law as registered trademarks.

All title and copyrights in and to Software, trademarks and the accompanying materials and rights are and shall remain owned fully and solely by Highsoft.

Through this Agreement, Software is licensed, not sold.

## **3. Grant of License**

Subject to the terms and conditions of this Agreement and upon Licensee's full payment of the applicable fees, Highsoft grants Licensee the right to use the Software within the scope of the granted License type, and to receive services and Releases included in Advantage as described below.

The License, which shall be registered in Licensee's name, shall commence on Delivery Date and be effective until terminated in accordance with the terms and conditions set forth in this Agreement.

The export server running at Highsoft Website is based on a fair usage policy. Highsoft does not gather, or use for commercial purposes, any information sent to the export server. The software available for on-premise installation of the export-server is available under the MIT license.

When entering into this License Agreement, Licensee must choose one of the License types described in this section. Each License type grants Licensee a specific set of usage-rights to Software, as described respectively in subsection 3.2 to 3.5 below.

Depending on the purchased License type(s), sections 3.2, 3.3, 3.4, and/or 3.5 below shall apply. Section 3.1 and 3.6 shall

apply to all License types and hence regardless of the chosen License. The License type(s) chosen by Licensee shall be stated in the License Statement.

### **3.1 General Grants and Limitations**

The determination of which License type will be suitable for Licensee will depend on factors, such as e.g. the number of developers, the manner of deployment of Licensee Products, the number of installations, etc.

Licensee may seek advice on the suitable License type directly from Highsoft. In such case, Highsoft will use to its best effort to suggest a suitable License type based on the information provided by Licensee. Licensee guarantees that all information provided to be complete and true. However, Highsoft provides no guarantees as to the suitability of the chosen License type and disclaims all liability related to the choice made by Licensee.

The purchase of any License to use the Software shall also include a twelve (12) months enrollment in Highsoft's Advantage plan as defined in section 3.6 below, commencing on Delivery Date. Licensee may renew Advantage with additional twelve (12) month periods pursuant to section 3.6 below, subject to payment of the Advantage fee in accordance with section 4.

Licensee may obtain Software source code by downloading the source code from Highsoft Website, and make own edits, and keep its own repositories with the modified sourcecode.

Licensee undertakes not to use Software as part of any offerings comprising functionality that is substantially similar to that of Software or any other products that Highsoft is offering, during the term of this Agreement, and for a period of three (3) years after termination. Nothing in this Agreement shall, however, be construed to preclude either Party from developing, using, marketing, licensing and/or selling independently software which has the same or similar functionality as Software or any other products, as long as such activities do not infringe the intellectual property rights of the other Party.

Highsoft reserves all rights not expressly granted to Licensee in this Agreement. Without limiting the generality of the foregoing, Licensee acknowledges and agrees that: (a) except as specifically set forth in this Agreement, Highsoft retains all right, title and interest in and to Software, and Licensee does not acquire any right, title or interest to Software except as set forth herein; (b) any configuration or deployment of Software shall not affect or diminish Highsoft's rights, title or interest in and to Software. Except as stated in the foregoing subsection, nothing in this Agreement shall limit in any way Highsoft's right to develop, use, license, create derivative works of, or otherwise exploit Software, or to permit Third Parties to do so.

Licensee shall not modify, delete or obscure any notices of proprietary rights or any Software identification or restrictions on or in Software found in the license-header of the code files.

### **3.2 High-Five License**

A High-Five License is only available for start-up companies at the pre-revenue and/or pre-financing stage.

Only companies fulfilling the abovementioned conditions are eligible to use Software based on the High-Five License. Highsoft may at its sole discretion decide whether such conditions are fulfilled or not.

Through a High-Five License, Highsoft grants Licensee a non-exclusive, non-sublicensable, non-reusable, worldwide right to install, reproduce, use and further develop the Software as described in subsection 3.3 'Developer License' or Mobile Wrapper License as described in subsection 3.5 below, with the following exceptions:

The License is limited to a maximum of two (2) Developers,

The High-Five License is only available and valid for one (1) year from Delivery Date.

Upon expiration of the High-Five License, in order to continue the use of the Software, Licensee shall be obliged to purchase a License as described in subsections 3.3, 3.4 or 3.5 below.

If any item in this Agreement contradicts this subsection 3.2, the wording in this subsection shall prevail.

### **3.3 Developer License**

Through a Developer License, Highsoft grants Licensee a non-exclusive, perpetual (for Applicable Release(s)), non-sublicensable, non-reusable, worldwide right to install, reproduce, use and further develop Software:

on any computer, platform, system and/or environment; on any website, domain, web application, or intranet; or in any SaaS;

controlled or owned by Licensee.

The number of Developers must not exceed the total number of Developers stated in License Statement.

A Developer License does not authorize Licensee to carry out Customer Installations. All Customer Installations made by a Licensee holding a Developer License are therefore unauthorized and invalid.

Each Developer License includes 5 Content Creators by default unless otherwise expressly agreed to in writing by Parties, and further set forth in the License Statement.

Licensee and its Affiliates are under no circumstances authorized to transfer, rent, lease, lend, sell, copy, redistribute, or sublicense any Software, by itself or with other software, or in any other way make Software available to any Third Party. Any attempt to do so is considered a material breach of this Agreement.

### **3.4 OEM License**

Through an OEM License, Highsoft grants Licensee a non-exclusive, perpetual (for Applicable Release(s)), sublicensable, non-reusable, worldwide right to install, reproduce, use and further develop Software as an integral part of a Licensee Product, provided that such Licensee Product be supplied to Third Party through either a Customer Installation, a Customer Installation with Developer Rights and/or with Content Creator Rights, dependent on Licensee's choice as specified in License Statement.

Sublicensing of Software is only allowed when incorporated with Licensee Product supplied to Third Party in accordance with this Agreement.

Software shall only be incorporated into such Licensee Products as specified in the License Statement.

Licensee is prohibited from reselling any Licensee Product in any manner that will infringe this License Agreement. Licensee is prohibited from granting its customers permission to use the Software in a manner that contradicts the terms of this Agreement.

Highsoft acknowledges and agrees that (i) Licensee retains all rights, title and interest in and to any Licensee Product, and Highsoft does not acquire any right, title, or interest in or to such product; and (ii) any integration of Software with Licensee Product shall not affect or diminish Licensee's rights, title, and interest in and to such Licensee Product.

### **3.5 Mobile Wrapper License**

Through a Mobile Wrapper License, Highsoft grants Licensee a non-exclusive, perpetual (for Applicable Releases), non-sublicensable, non-reusable, worldwide right to install, reproduce, use and further develop Highcharts iOS and/or Highcharts Android, as stated in the License Statement, for a given number of iOS and/or Android platforms controlled or owned by Licensee.

For avoidance of doubt, the Mobile Wrapper License is limited to the purchase and usage of Highcharts iOS and/or Highcharts Android and does not give Licensee any right to use any other Software product.

The number of Developers and the number of applications allowed must not exceed the total number stated in the License Statement.

Licensee and its Affiliates are under no circumstances authorized to transfer, rent, lease, lend, sell, copy, redistribute, or sublicense any of the licensed Software, by itself or with other software, or in any other way make Software available to any Third Party. Any attempt to do so is considered a material breach of this Agreement.

### **3.6 Advantage plan – initial period and Renewal**

Upon purchase of any license under this Agreement, Licensee will automatically be enrolled in Highsoft's Advantage plan for the first twelve (12) months after Delivery Date. Licensee may thereafter successively renew their participation in Advantage for 12 months at the time, subject to payment of the applicable Advantage Fee pursuant to section 4 below.

Under a valid and effective Advantage plan, which runs for twelve (12) months at the time, Licensee shall be entitled to receive:

All new Releases of the licensed Software released during the applicable twelve (12) months period, Ten (10) hours of personalized technical support per Developer in the License,

Technical support by e-mail, and online chat as specified on Highsoft's website,

Priority response, no later than 24 hours on working days, CET (CEST) after the request was received, Access to 2nd line support by core developers,

Applicable to licenses defined in sections 3.2 to 3.4 only: Text chat with 1st line support engineers, working days 10-18 CET (CEST),

Advantage as set forth in this section, shall not extend to Third Parties to which Licensee distributes Licensee Product containing Software or any part thereof. Support to Licensee's customers shall hence be Licensee's full and sole responsibility. Highsoft may, at its sole discretion, at any time choose to discontinue the supply of new Releases. Investigation of any claimed bug/error/malfunction/nonfunctioning of Software, and when possible suggestions as to corrective- or work-around solutions to the problems,

Supply of emergency hot fixes to Software. This will be available as patches to the latest stable source code, and, if applicable, be included in the subsequent Release,

Guidance and advice on implementing Software with any Third-Party systems and platforms where such implementation is authorized under this Agreement. This includes advice on best practices, code review and guidance on parts of the code that are directly related to using Software. The guidance and advice from Highsoft will not include general usage of the Third-Party system, platform or actual coding work.

Any bug and error fixing, malfunctioning of Software is to be delivered outside the personalized technical support hours.

During each applicable twelve (12) months period, Highsoft will provide support for all Releases of Software released within that time period.

Advantage does not cover issues arising in connection with implementation of Software in/to Licensee own products.

#### **4. License and Advantage Fee, Subsequent Advantage Fee(s)**

Licensee shall upon purchase pay the agreed License Fee for the purchase of Software and the initial 12 months enrollment in Advantage. For each subsequent 12 month renewal of the subscription to Advantage, Licensee shall pay the Advantage fee applicable at the time of renewal.

Unless full payment is made by Licensee through Highsoft's Website at the time of purchase, Highsoft shall invoice Licensee and Licensee shall pay all invoices by the agreed payment method timely, which shall be no later than 30 days from invoice date. In case of payment delay, Highsoft may claim late payment interest.

Each Party is responsible to pay any bank charges and/or local taxes imposed by law of Party's home country related to the purchase of ordered Items. Invoices from Highsoft do not include taxes, except VAT in the case of Norwegian customers. Licensee cannot withhold any part of the invoiced amount as payment of taxes.

All Licenses and accompanying rights as well as subsequent renewals of Advantage are granted to Licensee on the condition that all the due fees are paid to Highsoft in full and on time.

#### **5. Delivery**

During the term of this Agreement, Software shall be made available by Highsoft and Licensee shall be authorized to download Software from Highsoft Website. As set forth in section 3.6 above, new Releases of Software after the initial twelve (12) months period are not available to Licensee without additional purchase of a renewal of the corresponding Advantage plan.

For the Highcharts .NET License, Highsoft will provide Licensee with a license key to access the Software.

#### **6. Marketing**

Licensee may use Licensee's own descriptions of the functionality provided by Software for the purposes of marketing Licensee Products insofar as the descriptions are not misleading.

Licensee shall not do anything that might misrepresent the ownership of Software. Licensee undertakes not to brand Software as Licensee's own or declare or give the impression that Licensee owns the copyright in Software.

Licensee may use Highsoft name and logos in its marketing, promotion and website, as is reasonably necessary in order to describe and promote Highsoft Software.

Licensee agrees to conduct its business with the highest standards and will do nothing to injure Highsoft's reputation.

## **7. Warranties and representation**

### **7.1 Scope**

Highsoft's warranties and representations in this section 7 are limited to Software provided to Licensee under this Agreement, and warranties and representations shall under no circumstances be deemed to cover the Map Collection, which is made available to Licensee by Highsoft.

### **7.2 Highsoft's warranties and representations**

Highsoft warrants and represents that:

For a period of ninety (90) days following Delivery Date of Software, Software will perform substantially in accordance with Highsoft's written specifications, provided that it has been used in accordance with all documentation and specifications made available on Highsoft's Website,

Highsoft will perform its obligations under this Agreement in accordance with all applicable laws and regulations,

Highsoft has the full and unconditional ownership of Software,

This Agreement does not infringe intellectual property rights of any Third Party, The Software does not include any Third-Party software,

Licensee may make full use of License granted to it in full knowledge of the above,

Highsoft has the requisite knowledge, personnel, resources and know-how to fully perform and deliver Software and associated services as contemplated by this Agreement in a professional manner,

Highsoft has not intentionally placed and will use its best efforts to avoid the placement of any Harmful Codes into Software provided under this Agreement. For the purpose of this section 7.2 "Harmful Codes" is defined as any program that infects, damages and/or impairs another program or data, disables hardware or software, or permits or assists in the breach of data.

### **7.3 Licensee's remedies**

In the event of breach, or alleged breach of any of the warranties in section 7.2, Licensee shall promptly notify Highsoft and delete Software. Licensee's sole remedy in such an event shall be that Highsoft shall re-supply or correct the Software so that it operates according to the warranties set out in section 7.2. The warranties shall not apply if Licensee has modified, or used Software improperly, or on an operating environment not approved by Highsoft. Improper use and unapproved operating environments will be as set forth in the documentation provided to Licensee on or prior to Delivery Date.

## **8. Limitation of Liability**

All Software and support services supplied by Highsoft are provided 'as is' and may have errors and omissions. Thus, remedies are only available to Licensee in the event of any breach of the warranties set out in section 7.

UNDER NO CIRCUMSTANCES, AND EVEN IF INFORMED THEREOF BY LICENSEE OR ANY OTHER PARTY, SHALL HIGHSOFT BE LIABLE FOR (i) LOSS OF, OR DAMAGE TO, DATA; (ii) SPECIAL, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES; OR (iii) LOST PROFITS, BUSINESS, REVENUE, GOODWILL, OR ANTICIPATED SAVINGS.

In all events, Highsoft's liability for damages to Licensee for any cause whatsoever related to this Agreement, shall be limited to License Fee paid or due by Licensee for a twelve (12) month period under this Agreement.

## **9. Intellectual Property Infringement**

Highsoft will defend, indemnify and hold Licensee harmless against any claim stating that Software is violating any Third-Party copyright provided that:

Licensee promptly notifies Highsoft of the claim, such notice to be provided no later than ten (10) business days after receipt of said claim(s),

A hardcopy of the notices of copyright infringement is sent to: Highsoft AS, Sentrumsgata 44, 6893 Vik i Sogn, Norway,

Licensee shall in good faith cooperate with and assist Highsoft in the defense of the claim in question and meet reasonable requests from Highsoft in that respect,

Notwithstanding the above, Highsoft shall have sole control of the defense and any related settlement negotiations in the case of legal proceedings,

Licensee timely provides Highsoft with all necessary assistance, information and authority to perform the above.

If Software is held by a final court ruling to be infringing any Third Party intellectual property rights Highsoft will at its option: (i) obtain the right for Licensee to continue to use Software consistent with this Agreement;

(ii) modify Software so that it is non-infringing; or solely in the event that (i) and (ii) are not feasible, (iii) refund any and all invoiced amounts to Licensee and all of Highsoft's obligations under this Agreement shall terminate upon written notice.

Notwithstanding the foregoing, Highsoft's indemnity obligations under this section 9 shall under any circumstances be limited to the total amount invoiced to Licensee by Highsoft under this Agreement during the last twelve (12) months prior to the day when Licensee provided notice to Highsoft of claim subject to this section 9.

## **10. Confidentiality**

For the purpose of this section each Party shall be called Disclosing Party and Receiving Party respectively.

Each Party acknowledges that Confidential Information is proprietary, that it is valuable to Disclosing Party and that any disclosure or unauthorized use thereof may cause irreparable harm and loss to Disclosing Party.

Confidential Information shall not include information that (i) is generally known to the public at the time of disclosure; (ii) is legally received by Receiving Party from a Third Party, which Third Party is in rightful possession of Confidential Information, (iii) becomes generally known to the public subsequent to the time of such disclosure, but not as a result of disclosure by Receiving Party, or (iv) prior to signing of this Agreement, is already in the possession of Receiving Party.

Obligations of receiving Party in regard to Confidential Information:

In consideration of the disclosure to Receiving Party of Confidential Information, Receiving Party agrees to receive and to treat Confidential Information on a confidential and restricted basis and to undertake the following additional obligations with respect thereto,

To use Confidential Information for the sole purpose of fulfilling this Agreement unless otherwise expressly agreed to in writing by Parties,

Not to duplicate, in whole or in part, any Confidential Information,

Not to disclose Confidential Information to its members, officers, employees, Affiliates, counsel or consultants except on a need-to-know basis, and each such person Receiving Confidential Information shall be notified of and required to abide by the terms and conditions of this Agreement,

Not to disclose Confidential Information to any Third-Party entity or individual, corporation, partnership, sole proprietorship, customer, advisor or client without the prior express written consent of Disclosing Party;

This confidentiality section 11 shall survive any termination of the Agreement however occasioned.

## **11. Term and Termination**

The initial term of this Agreement shall be two (2) years from Delivery Date. The Agreement shall then automatically

renew for additional successive one year periods (each a "Renewal Period") unless either party notifies the other in writing at least ninety (90) days before the end of the current period that it does not wish to extend the Agreement for an additional Renewal Period.

Either Party may terminate this Agreement in the event of a material breach of this Agreement by the other Party.

The termination of this Agreement shall not impair any license, sublicense or maintenance obligations already granted or undertaken by Licensee towards Third Party regarding Software as incorporated into Licensee Product pursuant to OEM-License. In such case, upon termination of this Agreement, Licensee may continue to exercise the rights granted hereunder to the extent necessary to fulfill Licensee's existing contractual obligations towards such Third Party.

On termination of this Agreement: section 2, 8, 10 and 16 shall survive,

Licensee shall immediately cease use and distribution of Software,

Each Party must remove, delete or otherwise destroy any of other Party's material that it has received, copied or otherwise obtained, including but not limited to Confidential Information cf. section 10, except for information required to support any license, sublicense or maintenance obligations already granted or undertaken by Licensee towards any Third Party. A written confirmation that such deletion has been completed shall be sent to the other Party without undue delay.

## **12 Relationship Between Parties**

Parties are independent contractors, and this Agreement will not be construed as constituting either Party as partner, joint venture, agency or fiduciary of the other, as creating any other form of legal association that would impose liability on one Party for the act, or failure to act, of the other, or as providing either Party with the right, power, or authority (express, or implied) to create any duty or obligation of the other. Neither Party shall directly or indirectly represent to the public that it has the right or the authority to create or accept obligations on behalf of the other Party. Except as otherwise expressly provided in this Agreement, each Party has the sole right and obligation to supervise, manage, contract, direct, procure, perform or cause to be performed all work to be performed by it under this Agreement.

## **13. Severability**

In the event any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement will remain in full force.

## **14. Waiver**

The waiver by either Highsoft, or Licensee of any default or breach of this Agreement shall not constitute a waiver of any other or subsequent default or breach. Except for actions for non-payment or breach of Highsoft's intellectual proprietary rights in Software, no action, regardless of form, arising out of this Agreement may be brought by Licensee more than one (1) year after the cause of action has occurred.

## **15. Non-assignment**

Licensee is not allowed to assign or transfer all, or any part of its rights under this Agreement without Highsoft's prior written consent. Notwithstanding the foregoing, either Party may assign this Agreement in its entirety to its Affiliate(s), or in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of its assets. In such case, Licensee shall notify Highsoft in writing without undue delay, and unless otherwise agreed upon in writing, this Agreement shall bind, and inure to the benefit of Parties, their respective successors, and permitted assigns.

## **16. Applicable Law and Venue**

This Agreement shall be governed by and construed in accordance with the laws of Norway.

Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination, or invalidity thereof, Parties shall seek to solve amicably through negotiations. If the Parties do not reach an amicable solution within two (2) weeks, any dispute, controversy or claim shall be finally settled by the regular courts of Norway. Both Parties hereby agree to and accept Sogn District Court (Sogn tingrett) as exclusive legal venue.

## **17. Amendments**

No amendment to, or modification of this Agreement will be binding unless made in writing and signed by Parties. Parties agree that any additional or different terms in any other document or arrangement not forming part of this Agreement, including any letter or terms of engagement or the like, purchase order, invoice, acknowledgment, delivery receipt, confirmation or other delivery or acceptance document issued by or on behalf of Highsoft, or by or on behalf of Licensee at the request of Highsoft, shall be void, and of no force or effect if in breach with this Agreement.

## **18. Entire Agreement**

This Agreement is the entire agreement between Highsoft and Licensee relating to this relationship and supersedes all prior or contemporaneous oral or written communications, proposals and representations relating to that relationship.

## **19. Processing of personal identifiable information**

To the extent Licensee's purchase of a License under this Agreement involves processing by Highsoft of personal information about Licensee or any of its personnel or customers, Highsoft shall be acting as a data controller. By law, Highsoft is required to provide the data subject with information about Highsoft, and why and how it uses personal data, and about the data subject's rights in regard to such data. These matters are duly treated in Highsoft's privacy policy, available at Highsoft's Website. The Licensee hereby undertakes to provide any personnel which is or might be affected by the collecting of personal data under this Agreement with due information about Highsoft's privacy policy.

## **20. Notices**

All notices to be given under this Agreement to Highsoft shall be sent by email to [sales@highsoft.com](mailto:sales@highsoft.com)

Information from Highsoft to Licensee shall be sent by email to the email address Licensee has provided upon purchase. It is Licensee's responsibility to ensure that the e-mail address is correct. Highsoft does not take responsibility for lost communication.

All notices, demands or other communication given by a party to the other shall be deemed to have been duly given when made in writing and sent to the registered e-mail address.

**Attachment 1.k**  
**RedHat End User License Agreement**

**END USER TERMS AND CONDITIONS**  
**JBOSS ® ENTERPRISE MIDDLEWARE**

These End User Terms and Conditions (“EULA”) are included as Attachment X to Exhibit A to the CGI Technologies and Solutions Inc. (“CGI”) Proprietary Software License Agreement (“License Agreement”) between CGI and Client, which commences on the Effective Date noted in the License Agreement, and govern Client’s use of the JBoss Enterprise Middleware and any related updates, source code, appearance, structure and organization (the “Programs”), regardless of the delivery mechanism. By entering into the License Agreement, the Client has agreed to comply with the terms and conditions of the EULA and acknowledges that CGI’s obligations to Client under the License Agreement with respect to the Programs are limited to the obligations of Red Hat, Inc. specified in the EULA. For purposes of EULA, the term “parties” refers to Client and Red Hat, Inc. and, to the extent applicable, CGI.

1. **License Grant.** Subject to the following terms, Red Hat, Inc. (“Red Hat”) grants to you a perpetual, worldwide license to the Programs (each of which may include multiple software components) pursuant to the GNU Lesser General Public License v. 2.1. With the exception of certain image files identified in Section 2 below, each software component is governed by a license that permits you to run, copy, modify, and redistribute (subject to certain obligations in some cases) the software component. This EULA pertains solely to the Programs and does not limit your rights under, or grant you rights that supersede, the license terms applicable to any particular component.

2. **Intellectual Property Rights.** The Programs and each of their components are owned by Red Hat and other licensors and are protected under copyright law and under other laws as applicable. Title to the Programs and any component, or to any copy, modification, or merged portion shall remain with Red Hat and other licensors, subject to the applicable license. The “JBoss” trademark, “Red Hat” trademark, the individual Program trademarks, and the “Shadowman” logo are registered trademarks of Red Hat and its affiliates in the U.S. and other countries. This EULA does not permit you to distribute the Programs using Red Hat’s trademarks, regardless of whether they have been modified. You may make a commercial redistribution of the Programs only if (a) permitted under a separate written agreement with Red Hat authorizing such commercial redistribution or (b) you remove and replaced all occurrences of Red Hat trademarks and logos. Modifications to the software may corrupt the Programs. You should read the information found at <http://www.redhat.com/about/corporate/trademark/> before distributing a copy of the Programs.

3. **Limited Warranty.** Except as specifically stated in this Section 3, a separate agreement with Red Hat, or a license for a particular component, **to the maximum extent permitted under applicable law, the Programs and the components are provided and licensed “as is” without warranty of any kind, expressed or implied, including the implied warranties of merchantability, non-infringement or fitness for a particular purpose.** Red Hat warrants that the media on which the Programs and the components are provided will be free from defects in materials and manufacture under normal use for a period of 30 days from the date of delivery to you. Neither Red Hat nor its affiliates warrant that the functions contained in the Programs will meet your requirements or that the operation of the Programs will be entirely error free, appear or perform precisely as described in the accompanying documentation, or comply with regulatory requirements. **This warranty extends only to the party that purchases subscription services for the Programs from Red Hat and/or its affiliates or a Red Hat authorized distributor.**

4. **Limitation of Remedies and Liability.** To the maximum extent permitted by applicable law, your exclusive remedy under this EULA is to return any defective media within 30 days of delivery along with a copy of your payment receipt and Red Hat, at its option, will replace it or refund the money you paid for the media. **To the maximum extent permitted under applicable law, under no circumstances will Red Hat, its affiliates, any Red Hat authorized distributor, or the licensor of any component provided to you under this EULA be liable to you for any incidental or consequential damages, including lost profits or lost savings arising out of the use or inability to use the Programs or any component, even if Red Hat, its affiliates, an authorized distributor, and/or licensor has been advised of the possibility of such damages. In no event shall Red Hat's or its affiliates' liability, an authorized distributor's liability or the liability of the licensor of a component provided to you under this EULA exceed the**

**amount that you paid to Red Hat for the media under this EULA.**

**5. Export Control.** As required by the laws of the United States and other countries, you represent and warrant that you: (a) understand that the Programs and their components may be subject to export controls under the U.S. Commerce Department's Export Administration Regulations ("EAR"); (b) are not located in a prohibited destination country under the EAR or U.S. sanctions regulations (currently Cuba, Iran, Iraq, North Korea, Sudan and Syria, subject to change as posted by the United States government); (c) will not export, re-export, or transfer the Programs to any prohibited destination, persons or entities on the U.S. Bureau of Industry and Security Denied Parties List or Entity List, or the

U.S. Office of Foreign Assets Control list of Specially Designated Nationals and Blocked Persons, or any similar lists maintained by other countries, without the necessary export license(s) or authorization(s); (d) will not use or transfer the Programs for use in connection with any nuclear, chemical or biological weapons, missile technology, or military end-uses where prohibited by an applicable arms embargo, unless authorized by the relevant government agency by regulation or specific license; (e) understand and agree that if you are in the United States and export or transfer the Programs to eligible end users, you will, to the extent required by EAR Section 740.17(e), submit semi-annual reports to the Commerce Department's Bureau of Industry and Security, which include the name and address (including country) of each transferee; and (f) understand that countries including the United States may restrict the import, use, or export of encryption products (which may include the Programs and the components) and agree that you shall be solely responsible for compliance with any such import, use, or export restrictions.

**6. Third Party Programs.** Red Hat may distribute third party software programs with the Programs that are not part of the Programs. These third party software programs are not required to run the Programs, are provided as a convenience to you, and are subject to their own license terms. The license terms either accompany the third party software programs or can be viewed at <http://www.redhat.com/licenses/thirdparty/eula.html>. If you do not agree to abide by the applicable license terms for the third party software programs, then you may not install them. If you wish to install the third party software programs on more than one system or transfer the third party software programs to another party, then you must contact the licensor of the applicable third party software programs.

**7. General.** If any provision of this EULA is held to be unenforceable, the enforceability of the remaining provisions shall not be affected. Any claim, controversy or dispute arising under or relating to this EULA shall be governed by the laws of the State of New York and of the United States, without regard to any conflict of laws provisions. The rights and obligations of the parties to this EULA shall not be governed by the United Nations Convention on the International Sale of Goods.

## Attachment 1.1 Redis Cloud Terms of Use

### Redis Enterprise Cloud, Redis Enterprise VPC & Memcached Cloud Terms of Use

Version: February 1, 2018

#### 1. General

Welcome! Redis Labs, Inc., Redis Labs Ltd. and their affiliates (“**Redis Labs**”, “**us**”, “**we**” or “**our**”) provides these Terms of Use (the “**Agreement**”) to inform you of our policies and procedures regarding the use of our Redis Enterprise Cloud, Redis Enterprise VPC & Memcached Cloud cloud-based services (including without limitation any programs, tools, components, upgrades, updates and all related applications and reports) (the “**Services**”) offered through [redislabs.com](https://redislabs.com), including any subdomain of this website or other websites owned by us or operated on our behalf (the “**Site**”), or any other third party’s website or service. Redis Labs and you may be referred to each individually herein as a “**Party**” and collectively as the “**Parties**”.

EACH AND ANY USE OF THE SERVICES IS SUBJECT TO, AND CONDITIONED UPON, ASSENT TO AND COMPLIANCE WITH THIS AGREEMENT (AS SHALL BE AMENDED FROM TIME TO TIME BY POSTING AN AMENDED AGREEMENT ON THE SITE). BY USING THE SERVICES AND/OR COMPLETING THE REGISTRATION PROCESS, YOU SIGNIFY YOUR CONSENT TO BE BOUND BY THE AGREEMENT AND THAT YOU ARE OF LEGAL AGE TO FORM A BINDING CONTRACT. THE AGREEMENT IS BETWEEN US AND YOU, AN INDIVIDUAL OR AN INDIVIDUAL ACTING ON BEHALF OF A LEGAL ENTITY THAT WILL BE USING THE SERVICES. IF YOU DO NOT AGREE TO THE AGREEMENT YOU MUST NOT USE THE SITE OR THE SERVICES.

The term of this Agreement commences on the earlier of (i) the date you start using the Services; (ii) the date you complete the registration process, and continues as long as you are using the Services and until your subscriptions expires or either party terminates this Agreement earlier in accordance with this Section. Either party may terminate this Agreement if the other party materially breaches this Agreement and does not cure such breach within 14 days of a written notice.

Without derogating from the generality of the foregoing, we may terminate this Agreement or suspend your account in any of the following events: (i) you or your affiliates have breached this Agreement or any other agreement with Redis Labs; (ii) we have a reasonable basis to believe that you, your account, or any activity through use of your Personal Data is fraudulent; (iii) you and/or any communications and other activities through use of your Personal Data may expose us, our partners or any third party to liability; (iv) you have made an assignment for the benefit of creditors, you become a subject to liquidation, bankruptcy or any other similar procedure.

UPON TERMINATION FOR ANY REASON OR NO REASON, YOU CONTINUE TO BE BOUND BY THIS AGREEMENT, WHILE ALL YOUR RIGHTS UNDER THIS AGREEMENT IMMEDIATELY EXPIRE. UPON TERMINATION, WE ARE NO MORE RESPONSIBLE FOR ANY OF YOUR DATA FILES, BACKUP FILES OR USAGE HISTORY WHICH ARE STORED BY US.

IF YOU INTEND TO USE ANY OF THE SERVICES, THESE TERMS SHOULD BE READ TOGETHER WITH OUR PRIVACY POLICY.

#### 2. The Services

We provide online Services that host in-memory NoSQL data (“**NoSQL Data**”) on public cloud servers managed by us, commercially known as Redis Cloud Enterprise (previously known as Redis Cloud, Redis<sup>®</sup> Cloud or RC) Redis Enterprise VPC (previously known as Redis Cloud Private, Redis<sup>®</sup> Cloud Private or RCP) and Memcached Cloud. You may access and use the Services, including any content made available through the Services (“**Content**”), solely for your personal use or your internal business purposes, and only as long as you are in compliance with all of the provisions of this Agreement.

When using the Services you will provide us with your NoSQL Data. You retain full ownership to your NoSQL Data. We don’t claim any ownership to any of it. This Agreement does not grant us any rights to your NoSQL Data or intellectual property except for the limited rights that are needed to run the Services, as explained herein. We may need to make

design choices to technically administer the Services, for example, how to replicate, store, scale, cluster, compress, decompress or backup your NoSQL Data. You hereby give us full permissions to make any such design choice.

The Services are accessible only to registered members of the Site, and we are under no obligation to accept any person as a registered member. Minimum hardware and software requirements for use of the Services may be posted on the Site from time to time. However, we do not guarantee the access to or performance of the Services, even if you meet such minimum requirements. Occasionally, you may experience interrupted Services, delays or errors in the Services. This may be due to a number of reasons including, maintenance that we perform on the Site as well as reasons beyond our control. We will attempt to provide you with prior notice of any interruptions, delays or errors, but we cannot guarantee that such notice will be provided.

You acknowledge that we may, in our sole discretion and at any time(s), change or discontinue providing any part of the Services without prior notice, and establish or change limits concerning use of the Services without prior notice, including without limitation (i) the number of users that can access the Services or use the Services at any one time, (ii) the number of projects managed by the Services, and (iii) the number of times (and the maximum duration for which) you may access the Services in a given period of time. You may reject changes by discontinuing use of the Services. Your continued use of the Services will constitute your acceptance of and agreement to such changes.

We may, in our sole discretion and without notice or liability to you or any third party: (i) immediately suspend or terminate your account (if any) and block any and all current or future access to and use of the Site and the Services (or any portion thereof) without derogating from any other right or remedy that we may have by law, equity or otherwise; (ii) delete your usage history and your backup data files older than 12 months or, delete your entire usage history, data files and backup data files 3 months after you terminate using the Services, whichever is sooner.

### **3. Redis Enterprise VPC**

Additional provisions applicable to the Redis Enterprise VPC Service, are detailed in Appendix A hereto.

### **4. Charges**

Certain parts of the Services are subject to your purchase and payment of applicable fees (“**Chargeable Services**”).

The pricing for Chargeable Services through the Site can be found at [redislabs.com](https://redislabs.com). The pricing for Chargeable Services through third-party providers offering the Services (“**Partners**”) can be found at each such Partner’s website. We may modify the price, content, or nature of the Chargeable Services at any time. We may provide notice of any such changes by email, notice to you upon log-in, or by publishing them on the Site. We may change the fees and charges in effect, or add new fees and charges from time to time, but we will give you advance notice of these changes by email.

By providing a credit card or other payment method accepted by us (“**Payment Method**”) for the Chargeable Services, you are expressly agreeing that we are authorized to charge you the applicable fee at the then current rate, and any other charges you may incur in connection with your use of the Chargeable Services to your elected Payment Method.

For all purchased Chargeable Services, your Payment Method will be charged on a monthly basis or at the interval indicated in our fees and payment policies, if different.

If we do not receive payment from you through the Payment Method, you agree to pay all amounts due upon demand. If we have a reasonable basis to believe we won’t receive payment from you on the payment due date, you hereby give us an irrevocable permission to charge you earlier than that date. We reserve the right to take all steps necessary to collect amounts due from you, including but not limited to legal action and/or using third party collection agencies. Without derogating from the aforesaid, we reserve the right to discontinue the provision of the Services to you for any late payments.

To the fullest extent permitted by law, refunds (if any) are at our sole discretion. Refunds shall be awarded only in the form of credit for future Services. No cash refunds will be awarded. Nothing in these Terms obligates us to extend credit to any party.

Charges are exclusive of taxes, including without limitation, value added and other similar taxes, which shall be added to each payment at the appropriate rate. Charges are solely based on our measurements of your use of the Chargeable Services. Overdue payments shall be subject to a late charge of 1.5% per month.

You may use the Services for no charge (“**Free Services**”), provided that such usage is limited per each user (an

individual or a company) to one (1) Redis Enterprise Cloud subscription, one (1) Redis Enterprise VPC subscription and one (1) Memcached Cloud subscription, each up to the capacity or time limits designated at <https://redislabs.com/pricing>. We reserve the right to discontinue the provision of the Free Services at any given time, without providing a prior notice to that effect.

## 5. Personal Data

Some functions of the Services may require you to provide certain personal information, including among others, name, company name, email address and telephone number (“**Personal Data**”). You agree to:

- Provide true, accurate, current and complete Personal Data as prompted by the Services.
- Maintain and promptly update the Personal Data to keep it accurate, current and complete.
- Maintain the security and confidentiality of any usernames and passwords, and any other security or access information used by you to access the Site or Services.
- Refrain from impersonating any person or entity or misrepresent your identity or affiliation with any person or entity, including using another person’s Personal Data.
- Refrain from using the Services to store any protected health information.
- Immediately notify us in writing if you become aware of any loss, theft or use by any other person or entity of any of your Personal Data in connection with the Site or the Services or any other breach of security that you become aware of involving or relating to the Site and Services.
- Log out of any accounts you have created on the Site or with the Services at the end of each session.

You represent and warrant that your use in our Services comply with any applicable laws, including without limitation any applicable privacy protection laws. We assume, and you represent and warrant to us, that any communications and other activities through use of your Personal Data were sent or authorized by you, and you are fully responsible for all activities that occur under your Personal Data. We will not be liable for your losses caused by any unauthorized use of your Personal Data. We further do not assume any responsibility for any communications sent by you.

Without derogating from the foregoing, we reserve the right to reset any usernames and passwords if there has been any unauthorized access to, or use of, the Services using your Personal Data.

You declare that by providing Personal Data to us, you hereby consent to, us sending, and you receiving, by means of telephone, facsimile, SMS or e-mail, communications containing content of a commercial nature relating to the Site and Services. You acknowledge that we do not have to obtain your prior consent (whether written or oral) before sending such communications to you, provided that we shall immediately cease to send any such further communications should you notify us in writing that you do not wish to receive such commercial content anymore.

## 6. User Conduct

In connection with your use of the Services (including without limitation any information, data, images, feedback, material or ideas that you provide to us through the Services or the Site (each, a “**Submission**”), you agree (i) to abide by all applicable local, state, federal, national and international laws and regulations, and (ii) not, nor allow or facilitate a third party, to violate or infringe any rights (including without limitation copyrights, rights of publicity or privacy and trademarks) of others or our policies or the operational or security mechanisms of the Services. Without limiting the foregoing you may:

- Not use the Site, the Services or any of its Content (including without limitation any programming, images, photographs, graphics), to promote, conduct, or contribute to fraudulent, obscene, pornographic, inappropriate or illegal activities, including without limitation deceptive impersonation, in connection with contests, pyramid schemes, surveys, chain letters, junk e-mail, spamming or any duplicative or unsolicited messages (commercial or otherwise).
- Not interfere with the access, use or enjoyment of the Services by others (including without limitation causing greater demand on the Services than is deemed by us reasonable); harass or defame others; or promote hatred towards any group of people.

- Not alter, modify, delete, forge, frame, copy, publicly display, publicly perform, rent, sell, hyper-link, create derivative works or otherwise interfere with or in any manner disrupt, circumvent, or compromise, any part of the Site, the Services, any Content (including without limitation trademarks, Services marks and logos contained in the Site but excluding Content provide entirely by you). However, you may copy Content that is reasonably required for the intended purposes of the Site and the Services.
- Not access or attempt to access any of our systems, programs or data that are not made available for public use, or attempt to bypass any registration processes to the Services, security and traffic management devices, software or routines.
- Not decompile, disassemble, reverse engineer or otherwise attempt to discover any source code or underlying ideas or algorithms of the Site or the Services except if and to the extent permitted by applicable law.
- Not use any robot, spider, other automated device or any tool-bar, web-bar, other web-client, device, software, routine or manual process, to access the Services, make Submissions, monitor or scrap information from the Services, or bypass any of our robot exclusion request (either on headers or anywhere else on the Services), if any.
- Not use any meta tags or any other “hidden text” utilizing any trademarks or intellectual property owned or licensed by us.

## **7. Your Submissions**

We may, in our sole discretion, use any feedback, material or ideas that you provide to us or post on or through the Services or the Site to enhance and better customize the Site and the Services. You further grant us and our successors a perpetual, worldwide, non-exclusive, transferable, non-revocable, sub-licensable, royalty-free license to unrestrictedly use, modify, create derivative works from, distribute and display any feedback you provide to us with respect to the Site or the Services, without compensation, liability or notice to you, in any promotions or redistribution of part or all of the Site or any other sites that were created (as private labels for others or otherwise), are operated or are wholly or partially owned by us, in any media formats and through any media channels including without limitations in future modifications of the Site. You are entirely responsible for all your Submissions and the consequences of posting or publishing them on the Site.

## **8. Privacy Policy**

Certain information about you or collected on your behalf is subject to our Privacy Policy, presented in [redislabs.com](https://redislabs.com) ("**Privacy Policy**"). By accessing the Services you consent to the collection and use of information as described in our Privacy Policy, as may be amended by us from time to time.

## **9. Copyright and Trademarks**

All of the Content and all of the copyright, database rights, trademark rights and other intellectual property rights in and to the Content (including without limitation all design, text, graphics, audio, video or image files and software) is protected by copyrights, trademarks, service marks, patents or other proprietary rights, both with respect to individual content and as a collective work or compilation, pursuant to laws and international conventions. Any rights to the Site, Services and its Content not expressly granted in the Agreement and excluding users’ Submissions, are reserved by us and our licensors. All trademarks, service marks, trade names, and trade dress are proprietary to us or our licensors. No ownership of any Content or trademarks, service marks, trade names, trade dress or other proprietary rights in the Site and related goodwill, is transferred to you. You undertake not to do any act or thing which is inconsistent with or which is likely in any way to prejudice such title. You hereby represent and warrant to us that you and/or your representatives have all rights in your data which is required in order to use the Services, and that your use of your data through your Personal Data doesn’t violates any third party rights, including without limitation any third party intellectual property rights.

## **10. Links to and from other Websites; Third Party's Services**

The Services may provide links to other websites (including those of our partners). We may, from time to time, at our sole discretion, add or remove links to other websites. You understand and agree that we may utilize the service of third-party providers to provide certain service through the Services, such as registration, authentication, billing, hosting or other services. Such services are provided by the third parties in accordance with their own terms of service and privacy

policies, and we make no representations or warranties regarding same. These links and third parties services are provided solely as a convenience to you, and access to any such websites and/or making any usage of such third parties' services is at your own risk. You are recommended to review the information provided by third parties (such as, but not limited to, the privacy policy and terms of use of the relevant website) before accessing such websites. We do not endorse or control, and are not responsible for, these websites or their content, services or availability. Accordingly we do not make any representations about them, or any material found there, or any results that may be obtained from using them. You expressly relieve us from any and all liability arising from your use of any other website. Whilst we will do our best to help you in any dispute that arises between you and a third party we cannot be responsible for any loss or damage.

#### **11. Disclaimer**

The Site, the Services and any Content is provided on an “as is” and “as available” basis. WE EXPRESSLY DISCLAIM ALL WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. WITHOUT LIMITING THE FOREGOING, WE MAKE NO WARRANTY THAT THIS SITE OR THE SERVICES WILL MEET YOUR REQUIREMENTS, OR WILL BE UNINTERRUPTED, TIMELY, SECURE, OR ERROR, BUG OR VIRUS FREE; NOR DO WE WARRANT OR MAKE ANY REPRESENTATIONS REGARDING THE USE OR THE RESULTS OF THIS SITE, THE SERVICES OR THE CONTENT IN TERMS OF ITS CORRECTNESS, COMPLETENESS, AVAILABILITY, ACCURACY, RELIABILITY OR OTHERWISE. YOUR USE OF THIS SITE AND CONTENT IS AT YOUR OWN DISCRETION AND RISK, AND YOU ARE SOLELY RESPONSIBLE FOR ANY RESULTING CONSEQUENCES.

#### **12. No Liability**

UNDER NO CIRCUMSTANCES WE SHALL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES (I) ARISING OUT OF THE USE OR THE INABILITY TO USE THIS SITE, SERVICES OR CONTENT, (II) FOR COST OF PROCUREMENT OF SUBSTITUTE GOODS AND SERVICES, OR (III) RESULTING FROM ANY INACCURACIES OR ERRORS OF INFORMATION RECEIVED AS A RESULT OF USING THIS SITE OR SERVICES; IN EACH CASE, INCLUDING BUT NOT LIMITED TO, DAMAGES FOR LOSS OF PROFITS, REPUTATION, GOODWILL, USE, DATA OR OTHER INTANGIBLE, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, whether based on contract, tort, negligence, strict liability or otherwise. Without derogating from any of the foregoing, our total aggregate liability in connection with the Site, Content, Services or the Agreement will be limited to the amount of fees actually paid by you to us during the preceding one month, if any. The foregoing limitations shall apply notwithstanding any failure of essential purpose of any limited remedy and are fundamental elements of the bargain between us and you.

#### **13. Indemnification**

YOU RELEASE, AND AGREE, AT YOUR OWN EXPENSE, TO INDEMNIFY, DEFEND AND HOLD HARMLESS, OUR OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND AFFILIATES, FROM ALL LIABILITIES, CLAIMS, ALLEGED CLAIMS, LOSS AND DAMAGES (OF EVERY KIND, WHETHER KNOWN OR UNKNOWN AND SUSPECTED OR UNSUSPECTED), AND INCLUDING REASONABLE ATTORNEY’S FEES RELATED IN ANY WAY TO: (I) YOUR BREACH OF ANY TERM OR CONDITION OF THIS AGREEMENT; (II) YOUR USE OF, RELIANCE ON OR ACCESS TO THIS SITE, THE SERVICES OR THE CONTENT; (III) ANY USE, MISUSE, OR UNAUTHORIZED USE OF THE SITE OR THE SERVICES THROUGH YOUR PERSONAL DATA; (IV) ANY USE, MISUSE, OR UNAUTHORIZED USE THROUGH YOUR PERSONAL DATA WITH RESPECT TO VIOLATION OF THIRD PARTY RIGHTS; AND (V) YOUR SUBMISSIONS. WE WILL PROVIDE YOU WITH WRITTEN NOTICE OF SUCH CLAIM, SUIT OR ACTION. YOU SHALL COOPERATE FULLY IN THE DEFENSE OF ANY CLAIM. WE RESERVE THE RIGHT, AT OUR OWN EXPENSE, TO ASSUME THE EXCLUSIVE DEFENSE AND CONTROL OF ANY MATTER SUBJECT TO INDEMNIFICATION BY YOU.

#### **14. Infringement Notices and Takedown**

If you believe that any material contained on Services infringes your copyright, you should notify us at [legal@redislabs.com](mailto:legal@redislabs.com).

Your notice should be in English and contain the following information: (a) a physical or electronic signature of a person authorized to act on behalf of the owner of the copyright interest that is allegedly infringed; (b) a description of such

copyrighted work(s) and an identification of what material in such work(s) is claimed to be infringed; (c) a description of the exact name of the infringing work and the location of the infringing work on the Site; (d) information sufficient to permit us to contact you, such as your physical address, telephone number and e-mail address; (e) a statement by you that you have a good faith belief that the use of the material identified in the manner complained of is not authorized by the copyright owner, its agent, or the law; (f) a statement by you that the information in the notification is accurate and, under penalty of perjury that you are authorized to act on the copyright owner's behalf.

We will only respond to any claims involving alleged copyright infringement. Notwithstanding this section, we reserve the right at any time and in our sole discretion, to remove content which in our sole judgment appears to infringe the intellectual property rights of another person.

## **15. Fair Usage**

You may use the Services only for the purpose and the authorized usage set forth herein and only for as long as you are in compliance with all of the terms and conditions herein. Unfair usage and illegitimate use are expressly prohibited.

The following is a non-exhaustive list of practices that would be considered illegitimate use or unfair usage:

- i. use the Services in a manner that may be or become jeopardizing, malicious, misleading, inappropriate, improper or otherwise harmful;
- ii. use any part of the Services for any illegal or unethical purposes;
- iii. interfere with the ordinary use of the Services; and/or
- iv. breach or otherwise circumvent any security or authentication measures.

We, at our option, may terminate our relationship with you, or may suspend the Services immediately if we determine, at our sole discretion, you are using the Services for unfair usage or illegitimate use. Where reasonable, we will provide you with notice of improper usage before suspension or termination of the Services.

## **16. Governing Law and Jurisdiction**

This Agreement shall be governed by and construed in accordance with the State of Delaware laws, without giving effect to its conflict of law principles. Disputes arising in connection with this Agreement shall be subject to the exclusive jurisdiction of the applicable United States federal and state courts of the State of Delaware.

## **17. Limitation of Claims**

You agree that regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to use of the Agreement must be filed within one (1) year after such claim or cause of action arose or be forever barred.

## **18. Miscellaneous**

If any part of the Agreement is found to be invalid, unlawful or unenforceable, the offending part shall be amended or extracted from the remaining terms all of which shall remain in full force as permitted by law. The Agreement, and any rights and licenses granted hereunder, may not be transferred or assigned by you, but may be assigned by us without restriction. This Agreement and our rules and policies in this Site comprise the entire agreement between you and us, states our and our suppliers' entire liability and your exclusive remedy with respect to the Site and the Services, and supersede all prior agreements pertaining to this Agreement and such rules' and policies' subject matter. Any failure to exercise or enforce any right or provision of this Agreement shall not constitute a waiver of such right or provision.

The section titles in this Agreement are solely used for the convenience and have no legal or contractual significance. No waiver of any term of the Agreement shall be deemed a further or continuing waiver of such term or any other term, and any failure to assert any right or provision under the Agreement shall not constitute a waiver of such term. No provision of the Agreement shall be construed against the owners of this site but rather shall be construed in a neutral and fair manner as terms entered into by a fully-informed party on a voluntary basis. The terms of the Agreement, which by their nature should survive the termination of the Agreement, shall survive such termination.

## Appendix A – Redis Enterprise VPC Additional Provisions

### 1. The Services

In our Redis Enterprise VPC ("RV") Service, the NoSQL Data is hosted and run on virtual machines ("Instances") and persistent storage devices ("Persistent Storage") (Instances and Persistent Storage are jointly referred to as "Resources") in your private deployment environment (also known as virtual private cloud or VPC) on the cloud ("Environment"). In addition to the Services described under the Agreement, we may:

- a. From time to time, launch Resources in the Environment and provision them with the software required for providing the RV Service ("Software").
- b. From time to time, shutdown provisioned Resources.
- c. Operate the Software on the Resources on an ongoing basis to support your database needs.
- d. Monitor performance and health of the Resources and Software.

### 2. Your Obligations

- a. You will set your account with the cloud provider, such that we can self-provision Resources in the Environment.
  - b. You will configure your account with the cloud provider, such that we shall receive immediate response to any reasonable provisioning request in the Environment.
  - c. You will grant us at least one pre-defined access permission ("Permission") to the Environment, in order to enable us to provide the Services. The Permission level shall be equal to the highest level of user permissions available in your Environment.
  - d. You shall not terminate or cease the Permission, or otherwise prevent us access in any other way to any of the Resources provisioned by us in the Environment.
  - e. You shall not maintain any SSH access to the Resources provisioned by us in the Environment.
3. You hereby agree and acknowledge that we will launch in the Environment as many Resources as we see fit in order to provide the Services.
  4. We shall not be responsible for any damage, loss of data or information or any other loss that may occur as a result or in relation to you terminating Resources provisioned by us in the Environment.
  5. Without derogating from any other term of this Agreement, we shall not in any manner be liable or responsible for any Service failure resulting or in relation to (a) your failure to fulfill your obligations under this Appendix, (b) Environment technical failures, (c) Environment terms or policy changes by the cloud provider.
  6. Without derogating from any other term of this Agreement, you shall not (a) allow any third-party to access and/or attempt to access the Software code or images, and/or to decompile, disassemble, translate, reverse engineer or otherwise attempt to derive source code from any encrypted or encoded portion of the Software, (b) sell, sublicense, rent, lease, distribute, market, or commercialize the Software or your subscription, (c) directly or indirectly circumvent or violate the technical restrictions of the Software, (d) remove any identification, proprietary, copyright or other notices in the Software or documentation, (e) modify or create a derivative work of any portion of the Software. Notwithstanding anything to the contrary under the Agreement, you shall be directly responsible to any damages, losses, expense, or any indirect, consequential, or other damages incurred or suffered by us, arising from attempt to act as specified under subsections (a)-(e) without a specific written consent by us.



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **11**  
 to  
 Contract Number **071B4300137**

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
	300 S. Washington Square
	East Lansing, MI 48933
	Jon Jasper
	(248) 496-4336
	jon.jasper@cgi.com
	CV0059354

<b>STATE</b>	Program Manager	Ruth Schwartz	DTMB
		(517) 284-7585	
	schwartzr1@michigan.gov		
	Contract Administrator	Garrick Paraskevin	DTMB
(517) 284-6993			
paraskeving@michigan.gov			

**CONTRACT SUMMARY**

ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AN

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2021

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		September 30, 2021

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
\$72,608,751.00	\$0.00	\$72,608,751.00

**DESCRIPTION**

Effective 10/1/2019, this Contract is is utalizing exisiting funding in the amount of \$117,600.00 to provide additional general implementation support services in the form of Subject Matter Experts that will be assigned primarily to support the Department of Health and Human Services (DHHS) implementation effort per the attached Statement of Work.

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



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

**for**

**SIGMA Project Additional Implementation and Support Services  
STATEMENT OF WORK 06032019 for Contract Change Notice No. 9**

This Statement of Work for Contract Change Notice No. 9 (“Statement of Work”) is entered into by the Department of Technology, Management and Budget (“DTMB” or “State”) and CGI Technologies and Solutions Inc. (“Contractor” or “Vendor”) under the terms of the Implementation Services Agreement (Contract # 071B4300137) (“Agreement”), dated June 25, 2014, between DTMB and Contractor in accordance with Section 2.005 of the Agreement and Attachment 4 to the Agreement.

**Project Title:**

Additional ERP Support Services

**Period of Performance:**

06/03/2019 – 09/30/2019

**DTMB Business Relationship Manager:**

Susan Nordyke

NordykeS@michigan.gov

(517) 373-9784

**Agency Project Manager:**

Robin Keene

KeeneR@michigan.gov

(517) 284-9367

**1. OVERVIEW AND BACKGROUND**

Additional general implementation support services are being requested in the form of Subject Matter Experts that will be assigned primarily to support the Michigan Department of Health and Human Services (DMHHS) implementation effort.

**2. OBJECTIVES OF STATEMENT OF WORK**

Onboard a CGI SIGMA Expert using the monthly rate identified in Section 6 of this Statement of Work to assist the MDHHS Cost Accounting department as well as the Cost Allocation department.

**3. SCOPE OF WORK**

Contractor will perform the task and other services specified in this Section 3 (“Services”) on a monthly billing basis at the rates specified in Section 6 of this Statement of Work. The schedule for performance

of the Services is specified in Section 4. Contractor is not responsible for the completion of Deliverables under this Statement of Work.

The Subject Matter Expert will be expected to assist in MDHHS readiness activities including, but not limited to, the following:

1. Review, identify, and recommend policy modifications
2. Review, recommend, update, and document procedure changes
3. Review, recommend, update, and document agency specific desk guides and reference material
4. Support MDHHS Change Management Efforts and Change Management Lead(s), provide communication recommendations and advice to help MDHHS employees make a successful transition to the new system
5. Provide support including assistance in ensuring SIGMA core system defects are resolved and re-tested
6. Provide general post-production support services

**4. PROJECT SCHEDULE**

The schedule for performance of the Services is specified in the Integration Master Schedule (IMS), Agency Implementation Plan, and Agency Technical Schedule. The high-level project schedule dates are included below.

Key Date	Date
Resource Extension Date Start	6/01/2019
SIGMA Post Implementation Supporting Activities	
1. Cost Accounting	9/30/2019
2. Cost Allocation	9/30/2019
3. Core Financials	9/30/2019

**5. PROJECT STAFFING**

Contractor will provide the individual resources/roles specified in this Section 5 for performance of the Services.

The State is requesting one (1) CGI SIGMA Subject Matter Expert resource.

**6. COMPENSATION AND PAYMENT**

This Section 6 specifies the hourly billing rates applicable to the performance of the Services. The specified monthly billing rates are based on the communication between the CGI Contractor (Stephan Arrants) and the MDHHS Chief Financial Officer (Steven Bendele).

Resource Cost Description	Costs
One CGI Subject Matter Expert at \$175.00 an hour for 672 hours. Duration is for four (4) months.	\$117,600.00

Resource Cost Description	Costs
DTMB Contractor costs for (1) CGI SME for 672 hours each @ 7.00 per hour	\$4,704.00
Total MDHHS Costs:	\$122,304.00

Except as otherwise provided in this Section 6, the terms and conditions of Section 2.040 (Financial Provisions) of the Agreement applicable to services performed on a time and materials basis shall apply to compensation and payment for the Services under this Statement of Work.

**7. OTHER TERMS AND CONDITIONS**

None



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **10**

to

Contract Number **071B4300137**

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
	300 S. Washington Square
	East Lansing, MI 48933
	Jon Jasper
	(248) 496-4336
	jon.jasper@cgi.com
	CV0059354

<b>STATE</b>	<b>Program Manager</b>	Ruth Schwartz	DTMB
		(517) 284-7585	
		schwartzr1@michigan.gov	
	<b>Contract Administrator</b>	Garrick Paraskevin	DTMB
		(517) 256-7516	
		paraskeving@michigan.gov	

**CONTRACT SUMMARY**

ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AN

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS		EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		September 30, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$72,608,751.00	\$2,251,200.00	\$74,859,951.00		

**DESCRIPTION**

Effective 9/24/2019, this Contract is increased by \$2,251,200.00 for the State to exercise an optional line item defined in Change Notice 8 to extend the use of a 5th environment for FY20 and FY21 to support testing of future SIGMA upgrades.

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on 9/12/2019.



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **9**

to

Contract Number **071B4300137**

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
	300 S. Washington Square
	East Lansing, MI 48933
	Jon Jasper
	(248) 496-4336
	jon.jasper@cgi.com
	CV0059354

<b>Program Manager</b>	Ruth Schwartz	DTMB
	(517) 284-7585	
	schwartzr1@michigan.gov	
<b>Contract Administrator</b>	Garrick Paraskevin	DTMB
	(517) 284-6993	
	paraskeving@michigan.gov	

**CONTRACT SUMMARY**

ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AND MAINTENANCE AGREEMENT

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2021

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input checked="" type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$72,281,151.00	\$327,600.00	\$72,608,751.00		

**DESCRIPTION**

Effective 3/5/2019, this Contract is increased by \$327,600.00 to provide additional general implementation support services in the form of Subject Matter Experts that will be assigned primarily to support the Department of Health and Human Services (DHHS) implementation effort per the attached Statements of Work.

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



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

**for**

**SIGMA Project Additional Implementation and Support Services**

**STATEMENT OF WORK for Contract Change Notice No. 9**

This Statement of Work for Contract Change Notice No. 9 (“Statement of Work”) is entered into by the Department of Technology, Management and Budget (“DTMB” or “State”) and CGI Technologies and Solutions Inc. (“Contractor” or “Vendor”) under the terms of the Implementation Services Agreement (Contract #071B4300138) (“Agreement”), dated June 25, 2014, between DTMB and Contractor in accordance with Section 2.005 of the Agreement and Attachment 4 to the Agreement.

**Project Title:**

Additional ERP Implementation and Support Services

**Period of Performance:**

01/01/2019 – 05/31/2019

**DTMB Business Relationship Manager:**

Susan Nordyke

NordykeS@michigan.gov

(517) 373-9784

**Agency Project Manager:**

Robin Keene

KeeneR1@michigan.gov

(517) 284-9367

**1. OVERVIEW AND BACKGROUND**

Additional general implementation support services are being requested in the form of Subject Matter Experts that will be assigned primarily to support the Department of Health and Human Services (DHHS) implementation effort.

**2. OBJECTIVES OF STATEMENT OF WORK**

Extend two (2) Subject Matter Experts using the monthly rate identified in Section 6 of this Statement of Work.

**3. SCOPE OF WORK**

Contractor will perform the task and other services specified in this Section 3 (“Services”) on a monthly billing basis at the rates specified in Section 6 of this Statement of Work. The schedule for performance of the Services is specified in Section 4. Contractor is not responsible for the completion of Deliverables under this Statement of Work.

The Subject Matter Expert will be expected to assist in DHHS readiness activities including, but not limited to, the following:

1. Review, identify, and recommend policy modifications
2. Review, recommend, update, and document procedure changes
3. Review, recommend, update, and document agency specific desk guides and reference material
4. Support DHHS Change Management Efforts and Change Management Lead(s), provide communication recommendations and advice to help MDHHS employees make a successful transition to the new system
5. Provide support including assistance in ensuring SIGMA core system defects are resolved and re-tested
6. Provide general post production support services

#### 4. PROJECT SCHEDULE

The schedule for performance of the Services is specified in the Integration Master Schedule (IMS), Agency Implementation Plan, and Agency Technical Schedule. The high-level project schedule dates are included below.

Key Date	Date
Resource Extension Date Start	01/01/2019
MDHHS SIGMA PIF Supporting Activities	
1. Inventory Analysis and Pilot Testing Activities	05/31/2019
2. Grants Given Analysis and Pilot Testing Activities	05/31/2019
3. Help Desk Issue Resolution (including SIGMA Remedy)	05/31/2019
4. Additional Analysis and Reporting Needs	05/31/2019

#### 5. PROJECT STAFFING

Contractor will provide the individual resources/roles specified in this Section 5 for performance of the Services.

The State is requesting two (2) Subject Matter Expert resource.

#### 6. COMPENSATION AND PAYMENT

This Section 6 specifies the monthly billing rates applicable to the performance of the Services. The specified monthly billing rates are based on the communication between the CGI Contractor (Bill Hutchinson) and the SIGMA DTMB Deputy Director (Lisa Evani).

Resource Cost Description	Costs
Two (2) Subject Matter Experts at (a) \$245.00/hour and (b) 175.00/hour per month for five (5) months.	\$327,600.00

Except as otherwise provided in this Section 6, the terms and conditions of Section 2.040 (Financial Provisions) of the Agreement applicable to services performed on a time and

materials basis shall apply to compensation and payment for the Services under this Statement of Work.

## **7. OTHER TERMS AND CONDITIONS**

None



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **8**

to

Contract Number **071B4300137**

<b>CONTRACTOR</b>	CGI TECHNOLOGIES AND SOLUTIONS INC
	300 S. Washington Square
	East Lansing, MI 48933
	Jon Jasper
	(248) 496-4336
	jon.jasper@cgi.com
	CV0059354

<b>Program Manager</b>	Ruth Schwartz	DTMB
	(517) 284-7585	
	schwartzr1@michigan.gov	
<b>Contract Administrator</b>	Garrick Paraskevin	DTMB
	(517) 284-6993	
	paraskeving@michigan.gov	

<b>CONTRACT SUMMARY</b>			
<b>ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AND MAINTENANCE AGREEMENT</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input checked="" type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
DESCRIPTION OF CHANGE NOTICE			
OPTION	LENGTH OF OPTION	EXTENSION	REVISD EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$66,356,715.00	\$5,924,436.00	\$72,281,151.00	
DESCRIPTION			
Effective 12/28/2018, this Contract is increased bt \$5,924,436.00 to (1) increase storage size which had been previously under-scoped, (2) align the SIGMA Procurement Module software license with the overall MSA Contract duration, and (3) clarify service level agreements (SLAs).			
All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on 12/18/2018.			



**MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET**

**IT SERVICES for SIGMA Project**

**CONTRACT CHANGE REQUEST No. 8**

This Contract Change Request is submitted by the Department of Technology, Management and Budget ("DTMB" or "State") under the terms of the Contract #07184300137 ("Contract") dated June 25, 2014, between DTMB and CGI Technologies and Solutions, Inc. ("Contractor" or "Vendor") in accordance with Section 2.024 and Exhibit 2-1 of the Contract.

**Contract:**

ERP Hosting, Managed Services, Software License and Maintenance Agreement

**Period of Coverage:**

June 25, 2014 - September 30, 2021

Contract No. 071B4300137

**Requesting Party:**

CGI Technologies and Solutions Inc.

**Submission Date:**

December 18, 2018

**Project Manager of Requesting Party:**

William Hutchinson

**Phone:**

717.421.8391

**1. EFFECTIVE DATE**

The Contract Change Notice (CCN) resulting from this Contract Change Request shall become effective on December 31, 2018.

**2. OVERVIEW AND BACKGROUND**

Pursuant to in-depth discussions concerning operation of the ERP Solution since Go-Live in October 2017, the parties have identified elements of the Contract that require updates to support ongoing successful performance of the solution. Contract elements requiring updates include Article 2 (Terms and Conditions); Attachment 1 (Glossary); Attachment 2 (Statement of Work), including Exhibits A and B (collectively, Service Level Agreement); Attachment 3 (Payment Schedule); Attachment 4 (Key Personnel); Attachment 5 (Capacity, Processing, and Other Standards); Attachment 6 (Contractor Licensed Software); and Exhibit A to Attachment 9 (Proprietary Software License Agreement).

**3. OBJECTIVES OF REQUESTED CHANGES**

The purpose of this CCN is to effectuate the Contract updates described in Section 2.

**4. CHANGES IN SCOPE**

Pursuant to this CCN the State exercises its option for CGI Advantage Procurement and VSS hosting, managed services, and Advantage and Bundled Software Maintenance as specified in Attachment 3, Price Table 5 and Attachment 6: Contractor Licensed Software the table titled Optional CGI Advantage Procurement and VSS Maintenance Fee Schedule.

**5. CHANGES IN COMPENSATION AND PAYMENT**

Section 7.4 of this CCN specifies the pricing terms codified for additional storage and environments provided to date and to be provided in the future. Upon finalization of this CCN, CGI shall invoice the State \$1,408,684 as follows:

- As a lump sum
  - Fiscal Year 2018 related storage and hardware increase specified in Row 35 of Attachment 3, Table 1: \$623,926
  - First Quarter, Fiscal Year 2019, portion of storage and hardware increase, optional years for hosting and managed services for CGI Advantage Procurement and VSS, and fifth environment.as specified in Rows 35-37 of Attachment 3, Table 1: \$335,000
  - Fiscal Year 2019 maintenance fees associated with exercise of the option for CGI Advantage Procurement and VSS specified in Section 4 of this CCN: \$449,758
- Per quarterly invoicing schedule as defined in Attachment 3

**6. CHANGES IN STAFFING**

None.

**7. CHANGES IN OTHER CONTRACT TERMS**

Other terms and conditions of the Contract are modified as specified in this Section 7. Except as so modified, the Contract remains in full force and effect. Replacements of entire Attachments to the Contract are specified as such with the replacement attachment attached to this CCN. In-line modifications within Contract provisions are tracked as follows: additions are noted with green

underlining, deletions are noted with green strikes, moves are noted with green double underlining and double strikes.

## 7.1. Changes to Article 2 (Terms and Conditions)

Pursuant to this CCN, Sections 2.243, 2.401, and 2.404 of Article 2 of the Contract are modified as specified in this Section 7.1.

### 2.243 Service Level Credits

It is agreed between Contractor and the State that the actual damages to the State as a result of Contractor's failure to provide the promised Services and/or Deliverables in the manner specified in Attachment 2, Exhibit A of this Agreement, would be difficult or impossible to determine with accuracy. The State and Contractor therefore agree that service level credits as set out in in this Agreement shall be a reasonable approximation of the damages that shall be suffered by the State as a result thereof. Accordingly, in the event of such damages, the State may assess service level credits as set forth herein. Service level credits will be assessed against the next payment due for Managed Services unless no other payments are due under the Agreement, in which case, Contactor will pay State in readily available funds. The State will notify Contractor in writing of any assessment of service level credits on or before the date the State assesses such credits. No delay by the State in assessing or collecting service level credits shall be construed as a waiver of such rights. Assessment of service level credits pursuant to this Section 2.243 shall be the State's sole and exclusive monetary remedy with respect to the failure or delay giving rise to the assessment. The State shall not be permitted to assess service level credits under this Section 2.243 where: (i) the parties have entered into dispute resolution proceedings under Section 1.105 of this Agreement regarding the facts and circumstances giving rise to the State's claim and where such dispute resolution proceedings are still pending; or (ii) where the applicable failure of Contractor results entirely or in part from the action or inaction of the State, its personnel, its other contractors, or other conditions or events set forth in Section 2.244 below. ~~The aggregate amount of all service level credits will not exceed ten percent (10%) of Managed Services fees paid annually and will apply against the limitation of liability in Section 2.221. The amount of combined Service Penalties assessed as a Service Credit in any month will not exceed one-twelfth of the fees specified in Row 38 of Table 1 of Attachment 3 for the current Fiscal Year. The cumulative amount of Service Credits assessed in any given calendar year, will not exceed the lesser of (i) 14% of the fees specified in Row 38 of Table 1 of Attachment 3 for the Fiscal Year in which the applicable calendar year begins or (ii) \$800,000. This annual cap on assessed Service Credits will reset annually on January 1 each year. In the event that the number of months remaining in the Contract is less than 12, the denominator for the applicable Amount at Risk will be prorated based on the number of months remaining instead of 12.~~

If more than one service level failure results from the same cause, only the highest available credit shall be imposed. For example, if a network outage results in a failure by Contractor to meet the Availability SLA, and the On Line Response Time SLA, only the highest credit shall be payable, but Contractor's failure to meet the Issue Response Time SLA following the outage, (which was not itself caused by the outage) would result in a second, separate credit.

### Unauthorized Removal of any Key Personnel

It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Agreement, 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, 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 \$50,000.00 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 \$50,000.00 liquidated damages for an Unauthorized Removal, Contractor must pay the amount of \$1,666.67 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 \$50,000.00 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 \$100,000.00 per individual.

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2.401 General

~~A. Definitions~~

- ~~1. "Content" means any information, data, and any other materials placed by the State and/or its customers and/or by Contractor on the State's behalf onto the Contractor System.~~
- ~~2. "Contractor System" means, collectively, all of the components of the infrastructure and computing environment used by Contractor to perform the Managed Services, whether owned by Contractor or its suppliers, including the Managed Applications, Contractor or third party facilities, hardware, operating systems, networking equipment, software applications and associated Contractor's databases, tables, data and documentation and training materials. "Contractor System" excludes Managed Application(s) to the extent the Managed Application is a third party product provided to Contractor by the State.~~
- ~~3. "Managed Application(s)" means the proprietary software application(s) listed in the Agreement that will be hosted and operated for use in providing Services to the State.~~

~~B. State Use of Managed Services~~

The State shall use the Managed Services only for the State's internal business purposes.

**7.2. Changes to Attachment 1 (Glossary)**

Pursuant to this CCN, Attachment 1 to the Contract is modified as specified in this Section 7.2. Substantive changes are tracked as indicated in Section 7; corrections of typographical errors and alphabetical ordering are not tracked.

**Attachment 1: Glossary**

Term	Definition
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).

<b>ACH</b>	Automated Clearing House (ACH) is an electronic network for financial transactions in the United States. The ACH Network is governed by the National Automatic Clearing House Association, which sets the operating rules for automated transactions around the United States. This network allows banks to clear their automated payments through the U.S. Federal Reserve and Electronic Payments Network, which serve as ACH operators.
<b>Additional Service</b>	Means any Services/Deliverables within the scope of the Agreement, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
<b>ADPICS</b>	The Advanced Purchasing and Inventory Control System (ADPICS) is a CICS/Cobol/DB2 procurement management system designed to specifically address the purchasing, receiving, and accounts payable requirements of the State of Michigan.
<b>Agreement or Contract</b>	Refers to this Agreement or Contract, as defined in the preamble.
<b>AICPA</b>	American institute of CPAs
<b><u>At Risk Amount</u></b>	<u>The maximum Service Credit that may be assessed in any month as specified in Section 2.243 of the Agreement.</u>
<b>Audit Period</b>	See Article 2, Section 2.110
<b>Background Technology</b>	All pre-existing software, data, know-how, ideas, methodologies, specifications and other technology in which Contractor owns such Intellectual Property Rights as are necessary for Contractor to grant the rights and licenses set forth in Section 2.321, and for the State to exercise such rights and licenses, without violating any right of any third party or any law or incurring any payment obligation to any third party, and that: (a) are identified as Background Technology in any Statement of Work; and (b) were or are developed or otherwise acquired by Contractor prior to the Effective Date with respect to the initial Statement of Work, or the date of the State's request for additional Services, with respect to any other Statement of Work.
<b>BAI</b>	Bank Administration Institute. BAI Files refers to electronic file and data formats established by the Bank Administration Institute.
<b>Blanket Purchase Order</b>	An alternate term for Agreement as used in the State's computer system.
<b>Business Critical</b>	Any function identified in any Statement of Work as Business Critical.
<b>Business Day</b>	Whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
<b>CAFR</b>	Comprehensive Annual Financial Report (CAFR) is a set of U.S. government financial statements comprising the financial report of the State that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB). GASB provides standards for the content of a CAFR in its annually updated publication <i>Codification of Governmental</i>

	<i>Accounting and Financial Reporting Standards.</i>
Chronic Failure	Defined in any applicable Service Level Agreements.
Configured Software Deliverable	ERP or third party application software: <ul style="list-style-type: none"> <li>• configured to meet State requirements in accordance with a design approved by the State</li> <li>• subject to unit testing by the Contractor in accordance with this Agreement</li> </ul>
<u>Content</u>	<u>Any information, data, and any other materials placed by the State and/or its customers and/or by Contractor on the State's behalf onto the Contractor System.</u>
Contractor or Prime Contractor	The firm providing services to the State under direct contractual agreement.
<u>Contractor System</u>	<u>Collectively, all of the components of the infrastructure and computing environment used by Contractor to perform the Managed Services, whether owned by Contractor or its suppliers, including the Managed Applications, Contractor or third party facilities, hardware, operating systems, networking equipment, software applications and associated Contractor's databases, tables, data and documentation and training materials. "Contractor System" excludes Managed Application(s) to the extent the Managed Application is a third party product provided to Contractor by the State or is a Punch-out Catalog Subscription Product.</u>
COTS	Commercial-Off-the-Shelf Software.
Custom Software Deliverable	The customized computer program(s), other than the ERP Solution, including programming tools, scripts and routines, the Contractor is required to or otherwise does develop for the State under this Agreement, as described more fully in each Statement of Work, including all updates, upgrades, new versions, new releases, enhancements, improvements and other modifications made or provided pursuant to the applicable Statement of Work.
Days	Means calendar days unless otherwise specified.
DCDS	Data Collection and Distribution System
Deliverable	A required service or outcome that must be provided by the Contractor to the State as required or identified by or in an Agreement. Deliverables may include, but are not limited to: designs, specifications, hardware, tools, components of technical environments, custom software, modifications and enhancements to software, documented analysis, plans, reports, training, services to the State, support or assistance to the State, documentation, testing or related services, provided expertise, or achievement of specified outcomes.
Documentation	All user manuals, operating manuals, technical manuals and any other instructions, specifications, documents and materials, in any form or media, that describe the functionality, installation, testing, operation, use, maintenance, support and technical and other

	components, features and requirements of any Custom Software Deliverable.
<b>DOT</b>	Michigan Department of Transportation. May also be stated as MDOT.
<b>DTMB</b>	Michigan Department of Technology, Management and Budget
<b>EDI</b>	Electronic Data Interchange
<b>EFT</b>	Electronic Funds Transfer
<b>Environmentally preferable products</b>	A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.
<b>ERP</b>	Enterprise Resource Planning System.
<b>ERP Implementation Project or Project</b>	The project to implement an ERP system and any related application software. Contractor services under this Agreement are provided in association with the ERP Project. Reference to the ERP Implementation Project may also be made using the term 'Project'.
<b>ERP Solution</b>	The ERP Solution represents the entire suite of application and other software needed to meet the State's requirements, proposed by the Bidder to meet such requirements' or implemented by the Contractor to meet State requirements and timelines.
<b>Final Acceptance</b>	The States acceptance based on submitted Deliverables having been reviewed and approved in accordance with applicable acceptance criteria related to Custom Software Deliverables and Configured Software Deliverables or other criteria as may be established or defined elsewhere in this Agreement.
<b>Force Majeure</b>	See Article 2, Section 2.244.
<b>Hosted Services</b>	Hosted Services or Hosting Services generally refers to those services required to provide project, production, or production QA technical environments, as specified, for use by the State in association with the ERP Project or with production use of the ERP and other applications once any implementation of the ERP and other application software has occurred.
<b>Hosting Environment</b>	The Hosting Environment includes all servers, server software, hosting platforms, storage space, telecommunications connectivity and equipment and other hardware, software, technology and other materials the Contractor is required to, or otherwise does, use, provide or provide access to as part of the Contractor's requirement to host, support, and maintain the ERP Solution.
<b>HRMN</b>	The Human Resources Management Network (HRMN) is State's human resource and payroll system.
<b>Implementation Services Agreement</b>	Contract No. 071B4300138 by and between the parties, dated the same date hereof.
<b>Incident</b>	Any interruption in Services, diminution in the quality of services, or

	observed defect that impacts business operations <u>other than one that is defined as an Issue.</u>
Index Code	An element used on MAIN transactions that infers preset values for other coding block elements prior to validation or other processing.
Intellectual Property Rights	All or any of the following: (a) patents, patent disclosures and inventions (whether patentable or not); (b) trademarks, service marks, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith; (c) copyrights and copyrightable works (including computer programs), mask works and rights in data and databases; (d) trade secrets, know-how and other confidential information; and (e) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection provided by applicable law in any jurisdiction throughout the world.
<u>Issue</u>	<u>For purposes of the Service Level Agreement, an issue means a deviation of a Managed Application from its licensed documentation or of a supported customization from its detailed design documentation; or to otherwise perform in accordance with the Service Level Agreement.</u>
<u>Issue and Incident Priority</u>	<u>The priority of any Issue or Incident, as assigned by the State. This priority indicates, within an Issue or Incident Severity level, the relative order and timeframe in which Issues and Incidents will be handled by Contractor. Priority can be defined as “Urgent”, “High”, “Normal”, and “Low.”</u>
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders
Key Personnel	Any Personnel identified in the Agreement as Key Personnel.
<u>Locality</u>	<u>Michigan local government agency or political subdivision</u>
MAIN	MAIN is a CICS/Cobol/DB2 based system implemented in 1994 and functions as the State’s financial reporting and accounting system.
<u>Managed Applications</u>	<u>The proprietary software application(s) listed in the Agreement that will be hosted and operated for use in providing Managed Services to the State.</u>
Managed Services	Managed Services refers to those services described in Attachment 2 of the Agreement. Within Attachment 2, the term may also apply to that section of the services related to IT application maintenance and expanded Job Setup services described in Sections 18 to 23.
<u>Measurement Interval</u>	<u>The period of time over which a given Service Metric is measured for purposes of determining performance. Measurement Interval is monthly unless stated otherwise.</u>
MIDB	Michigan Informational Database (MIDB) is the State’s financial data warehouse.

New Work	Any Services/Deliverables outside the scope of the Agreement and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
NSF	NSF is a designation given to checks received by the State which have been dishonored by the bank on which drawn due to insufficient funds in the bank account on which the check was issued.
PCA	Program Cost Accounting Code. A coding block element used in MAIN.
PCO	Project Control Office – This term may be used interchangeably with PMO.
PMO	Project Management Office – This term may be used interchangeably with PCO.
<u>Processing Schedule</u>	<u>A detailed schedule of processing activities for the Managed Applications to include production and non-production scheduled Maintenance Windows, modified hours of availability if different from those specified in the SLA, and all planned, regularly scheduled batch jobs to be run each day of the year including those for special processing activities if known. CGI will update the Operational Framework with the mutually agreed Processing Schedule for each Contract Year no later than July 31 preceding the applicable Contract Year.</u>
<u>Punch-Out Catalog Subscription Product</u>	<u>A subscription-based punch-out catalog service more fully specified in this CCR. The Punch-Out Catalog Subscription Product is a complement to the ERP Solution and provides non-critical business activity. This product resides outside the ERP Solution boundary controlled by CGI – that is, outside CGI’s responsibility for CGI-hosted and -managed services under the Contract. As such, it is considered ‘incidental’ and therefore is not subject to SIGMA security requirements with exception of those expressly stated in Attachment 2 and not necessary for go-live or ongoing production operation of the Advantage Financial solution</u>
QA	<p>Quality Assurance. This term may be used to describe a firm, hired by the State to provide management advice, to assist in reviewing Contractor deliverables, and support the State in ensuring the integrity of design and development decisions.</p> <p>Alternatively, it may be used to refer to a 'Quality Assurance' Environment, a name given to a technical environment that mirrors the production technical environment in terms of infrastructure, product set, systems software, DBMS, application software, configuration, and capacity that is used to test application and other changes prior to migrating them to the production environment. <u>One difference between the Production and ‘Quality Assurance’ Environment is that the ‘Quality Assurance’ Environment will not be available on the Internet and the Production QA environment may share certain non-enterprise-wide third party licensing with other</u></p>

	<b>non-production environments.</b> Such an environment may also be called a Production QA environment.
<u>Recovery Point Objective or RPO</u>	<u>The maximum acceptable amount of data loss during a disaster measured in time.</u>
<u>Recovery Time Objective or RTO</u>	<u>The maximum period of time within which the Contractor System is required to resume operations after a disaster.</u>
RMDS	The Report Management and Distribution System controls access, distribution, and retention of all reports generated by MAIN
R*STARS	The Relational Standard Accounting and Reporting System (R*STARS) is a comprehensive statewide financial management and accounting information system. It is used as the financial system for the State.
RESERVED	Section is not applicable or included in this RFP. This is used as a placeholder to maintain consistent numbering.
RFP	The State' Request for Proposal 084R4300001 soliciting proposals for ERP software, implementation services, hosting and managed services.
RTI	A code that can be entered on R*STARS transactions that infers one or more full accounting distributions prior to validation or other processing.
RTM	Requirements Traceability Matrix
Run Book or Runbook	A routine compilation, in electronic or physical book form, of the procedures and operations which the administrator or operator of the system carries out. Procedures documented in the Run Book will include those to begin, stop, and supervise the system as well as those needed for the handling of special requests and of contingencies. The Run Book will have step-by-step instructions decision to determine and carry out the appropriate course of action given a particular scenario.
Security Rich	A Security Rich environment is one proactively managed to be in compliance with required State, Federal, and other applicable laws, policies, and standards as referenced in Article 1, section 1.108 environment and as further specified in the Security Section of the Technical/General requirements provided in Attachment 10 of the Implementation Services Agreement.
Service(s)	Any function performed for the benefit of the State, including any of the services Contractor is required to or otherwise does provide under this Agreement or any Statement of Work, as more fully described in this Agreement or such Statement of Work.
<u>Service Credits</u>	<u>A portion of the monthly At Risk Amount credited by Contractor against the State's monthly hosting fee as a result of a failure by Contractor to achieve the specified Service Level for the defined</u>

	<p><u>Service Metrics.</u></p> <p><u>The Service Credit is equal to the At Risk Amount multiplied by the Service Penalty for the respective Service Metric. This amount is accrued based on the month in which the Service Credit was earned (even if a metric is measured over a timeframe exceeding one month) and reconciled on a quarterly basis and applied to the next applicable payment for hosting fees.</u></p>
Service Level	A target for a specific Service Metric against which Contractor’s performance is to be measured and reported.
Service Level Agreement (SLA)	A service-level agreement (SLA) defines selected standards of service and Contractor reporting that must be provided by the Contractor in association with the Agreement. The Service Level Agreement will stipulate Service Credits that apply if the required service levels are not met.
Service Metric	The specific units of measure mapping to the State’s business objectives for which Service Levels are established.
Service Penalty	The amount for each Service Metric that is factored against the At Risk Amount for purposes of calculating any Service Credits relative to the applicable Service Level(s) during a given Measurement Interval.
SOC reports or AICPA SOC reports	Service Organization Control (SOC) reports are internal control reports on the services provided by a service organization providing valuable information that users need to assess and address the risks associated with an outsourced service. They are provided by American Institute of CPAs.
Software Configuration	The process or result of defining or refining application functionality through means other than programming. Such means may include (but are not limited to) entry of parameters, selection of table based options that control processing, and user or administrator selected options that control or tailor the user interface. Configuration does not include creation or modification of programming code or use of scripting language.
Software Deliverable	Computer program(s) including programming tools, scripts and routines, the Contractor is required to or otherwise does implement for the State under this Agreement, as described more fully in each Statement of Work, including all updates, upgrades, new versions, new releases, enhancements, improvements and other modifications made or provided pursuant to the applicable Statement of Work.
Software License	The Software License Agreement, attached as Attachment 9 to this Agreement by and between the parties, dated the same date hereof.
Software Maintenance Agreement	The Software Maintenance Agreement, attached as Attachment 10 to this Agreement by and between the parties, dated the same date hereof.
Software Vendor	The manufacturer and provider of ERP or third party application software proposed for use by the State. The Software Vendor is the entity that grants a license to use the ERP or other Software and that

	provides maintenance services once such software is licensed.
State	The State of Michigan
State Location	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
State-Specific	Infrastructure, hardware, software, tools, and processes/procedures that are defined, deployed, and/or assigned specifically for the State and are thus not leveraged by Contractor on a common basis across other Contractor clients. This would include but not be limited to virtualized servers including the operating system and all software installed above it, as well as the respective database server/instances in providing the State's specific ERP environments.
Statement of Work	Article 1, Attachments 2-8 of this Agreement, as applicable. Any subsequent Agreement Changes affecting the scope of work as may be negotiated and agreed to by the State.
Subcontractor	A person or firm that provides material or service(s) that the Prime Contractor is obligated to provide to the State via an Agreement.
SUITE	State Unified Information Technology Environment or SUITE is the name of the State's project management and software engineering methodology.
UAT	User Acceptance Test
Unauthorized Removal	Contractor's removal of Key Personnel without the prior written consent of the State.
Upgrade	Contractor's obligations with respect to a Minor Release upgrade of the ERP Solution, per Section 20.B of Attachment 2. Release upgrades of the underlying software or infrastructure, per any use of the term "upgrade" outside of Section 20.B of Attachment 2, is limited to being undertaken in conjunction with Contractor's Minor Release upgrade obligations in Section 20.B such that compatibility is maintained across the ERP Solution with the release of the Advantage ERP Software in production use by the State. Use of the terms "update" and "upgrade" outside of Section 20.B of Attachment 2 is therefore limited to the Contractor patching and/or applying smaller changes to the respective element of the ERP solution.
Work in Progress	A Deliverable that has been partially prepared, but has not been presented to the State for Approval.
Work Product	Refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Agreement.
Written Deliverable	Refers to any deliverable named in Attachments 2 - 7 that is created and submitted to the State in document, diagram, presentation, spreadsheet, or printed output form. Examples of such deliverables include (but are not limited to)

	plans, designs, test scripts, reports, or analysis.
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**7.3. Changes to Attachment 2 (Statement of Work)**

Pursuant to this CCN, Attachment 2 is hereby modified as specified in Sections 7.3.1, 7.3.2 and 7.3.3.

**7.3.1. General**

Section 1.S is deleted from Section 1 and incorporated in concept within the Service Level Agreement as modified by Section 7.3.3.

~~SLA Standard 3: Online Response Time shall not apply to reports run through CGI infoAdvantage. The Parties agree to design and develop up to six (6) reports using Business Objects that will serve as benchmarks for 'ad hoc' query performance. These reports will be representative of the range of expected reasonable production 'ad hoc' queries in terms of size, complexity, and result sets. This set of reports is not intended to be representative of the largest ad hoc queries that the State might create but rather the range of query sizes that are typical of State use in a given month. These benchmark reports and the performance standards for each will be mutually agreed upon by the State Project Director and the CGI Project Manager during the project and will be included in performance testing to validate that the standards are reasonable and can be met.~~

~~Once the Advantage software is implemented and being used in the production environment, the State will be able to submit and run the benchmark reports periodically and record the results. If standards for the benchmark reports are not met, then CGI agrees to work with the State to address any performance issues. CGI will have access to, and the right to periodically run the benchmark reports as a basis for proactively monitoring report performance and response times or in an attempt to validate State reported performance issues.~~

~~If the State observes that benchmark performance is not being met on a consistent basis over a 30 day period the State will notify CGI of the performance issue. If CGI does not address the issue in a manner that is mutually agreed to be satisfactory, then the Parties agree to create a new service level agreement related to ad hoc query performance and to include it in the Managed Services Agreement via a change order within 15 business days of the State's request.~~

**7.3.2. Hardware, System Software, and Infrastructure Maintenance Timeliness, Tracking, Scheduling**

Section 3 is modified as specified in this Section 7.3.2.

Contractor shall schedule all system software, infrastructure and hardware maintenance in advance and will make such during off-peak hours as approved by the State. ~~As noted in Section 38 of this Agreement, Contractor's maintenance window is 7:00 p.m. Friday ET (once nightly cycle processing has concluded) until 7:00 p.m. Sunday ET on the second weekend of every month.~~ The Contractor will include exceptions to the maintenance window that will allow the State to meet its processing and system availability needs for time and attendance reporting. The

Contractor does not usually take all available maintenance windows nor does the window generally last the entire scheduled time.

The Agreement establishes that the scheduling of all system software, infrastructure and hardware maintenance is to be performed during off-peak hours as approved by the State. The State has agreed to an alternate maintenance window as described in the paragraph below. The Agreement also requires exceptions to the standard monthly maintenance windows that would allow the State to meet its processing and system availability needs for time and attendance reporting, longevity payroll processing, and fiscal year end closing activities. These and any other special processing time periods will be laid out and planned in advance as part of the annual Processing Schedule.

In order to provide greater flexibility to accommodate State scheduling requirements by minimizing the time that the production environment is unavailable, and in order to meet the security related patching requirements detailed in the Agreement and DTMB NIST controls, the maintenance window has been altered to performing production maintenance over one weekend and non-production over another weekend. This flexibility fits into one of Contractor's maintenance models, in which two standard monthly maintenance windows and four quarterly maintenance windows are performed for all clients leveraging this model. The non-production maintenance window is conducted over the weekend following the 2nd Tuesday of each month (known as Patch Tuesday), and the production maintenance window is conducted the next weekend. Maintenance is performed between the hours of 6:00 pm ET on Saturday and 6:00 am ET on Monday. An abbreviated maintenance window schedule will be implemented when the maintenance window conflicts with the State's time entry processing window or other critical processing needs. The abbreviated maintenance window will be used for production environments only and will begin at 6:00pm ET on Saturday and conclude, with applications returned to production use, before 7:00am ET on Sunday. Specific dates for regular production, non-production and abbreviated maintenance windows will be documented in the annual Processing Schedule.

Scheduling of application patching and the quarterly maintenance window will be carried out as defined and agreed upon in the "Process / Schedule for Abbreviated Maintenance Window" section of the Operational Framework.

- A. The Contractor shall apply updates to the system in response to software updates introduced by the publisher or manufacturer of the software with 90 days advance notice to the State.
- B. The Contractor must ensure software compatibility with ERP software patches and service packs with 30 days advance notice. The Contractor must give 6 months advance notice of major operating system updates.
- C. All proposed software updates shall be documented and must be approved by the SIGMA Operations and Support BOND Director. Proposed software updates must identify at a minimum:
  1. The reason for the update.
  2. The plan to ensure recoverability.



3. The off-line test plan and test results.
4. Actions to roll back the update if errors or problems are encountered.
5. Verification procedures to demonstrate the success of the update and that no other systems or subsystems are adversely affected.
6. The proposed schedule for the update addressing critical processing needs and associated risks
7. Notification recipients.

D. The Contractor shall provide:

1. A process for reporting and tracking problems, and applying software maintenance updates and bug fixes.
2. A process for receiving, estimating, and scheduling State-requested software upgrades.
3. Electronic access to an archive of all past monthly maintenance activity reports.

E. The Contractor shall work with the State to plan and conduct an acceptance test for all changes made to hardware, infrastructure, system software, and other non-application software tools or components. The planning, execution, and verification of such testing shall be a joint responsibility of the Contractor and the State. Final acceptance will be determined by the State.

The State will:

1. Provide all WAN support and the necessary network connectivity up to the Contractor Service Delivery Center demarcation point, as agreed to by the Parties; and
2. Provide additional WAN capacity for any supported server resource that has reached critical usage levels and is impacting the Contractor's ability to provide the Services or relieve the Contractor of any affected Service Levels until such time as the required capacity is installed.
3. Assist the Contractor in developing procedures for handling all planned and unplanned outages affecting the environment including review, approval, communication and proper documentation; and
4. Notify the Contractor of any planned or emergency changes to the State's environment affecting the Contractor's provision of the Services.

### **7.3.3. Service Level Agreement**

Pursuant to this CCN Exhibits A and B to Attachment 2 are hereby replaced in their entirety by new Exhibits A and B attached hereto as Appendix A.

### **7.4. Changes to Attachment 3**

Pursuant to this CCN Attachment 3 is hereby modified as specified in Appendix B.

**7.5. Changes to Attachment 4**

Pursuant to this CCN Attachment 4 of the Contract is modified by modifying the table of Key Personnel as follows:

On-Site Project Executive	<del>TBD subject to approval of the State- Kim Ingram</del>	Part Time	<del>October</del> <u>November 2018</u>
On-Site Operations Manager	Vigna Nalliah	Full Time	October <u>2018</u>
Delivery Project Executive	Danna Westcott	Part Time (25%)	September 2018
Service Delivery Manager	Patricia Lang	Full Time	March 2015
Data Base Administrator	Shared Resource	Full Time across Shared Resources	March 2015
Disaster Recovery Lead	Shared Resource Assigned/designated to coordinate Disaster Recovery testing or in the event of an actual Disaster	Part Time across Shared Resources /	March 2015
On-Site ERP Application Maintenance Lead	<u>Senthil Bagavathy</u>  <u>Scott Waldman</u>	Full Time	October 2018 – <u>January 31, 2019</u>  <u>Beginning February 1, 2019</u>

**7.6. Changes to Attachment 5**

Pursuant to this CCN, Attachment 5 to the Contract is replaced in its entirety by new Attachment 5 attached hereto as Appendix C.

**7.7. Changes to Attachment 6**

Pursuant to this CCN, the Advantage Toolkit Modules list include in Attachment 6 of the Contract is corrected as specified in this Section 7.7.

Advantage Toolkit Product Component Name	Type of License	License Agreement Duration	Quantity
Versata Logic Server	Site	Perpetual	1 site license
Versata Logic Studio	Named User	Perpetual	3 named users
IBM WebSphere App Svr Network Deployment –Sub Capacity	Processor Value Units	Perpetual	10,000
IBM WebSphere App Svr Proc (Build Machine)	Processor Value Units	Perpetual	400 PVUs
IBM Process Server	Processor Value Units	Perpetual	100 PVUs

Pervasive Data Integration Universal Engine - Production	Cores	Perpetual	1 license 4 cores
Pervasive Data Integration Universal Engine-Non-Production	Cores	Perpetual	1 license 4 cores <sup>4</sup>
Pervasive Data Integration Universal Developer	Named User	Perpetual	5 authorized users
Eclipse BIRT Engine - Production	Core	Perpetual	4 cores
Eclipse BIRT Engine- Non-Production	Core	Perpetual	4 cores
Finite Matters PatternStream w/Framescript	Named User	Perpetual	5 named users
Adobe FrameMaker	Named User	Perpetual	5 named users
Adobe Acrobat Pro	Named User	Perpetual	5 named users
Adobe RoboHelp	Named User	Perpetual	1 authorized user
Pitney Bowes Group Production	Transactions per Year	Perpetual	< 3 million transactions per year
Pitney Bowes Group Non- Production	Transactions per Year	Perpetual	< 3 million transactions per year
DeltaXML	<del>Named User</del> Site	Perpetual	1 site license
Perforce	Named User	Perpetual	20
Jira	Named User	Perpetual	100
Convey TaxPort – Unlimited Users	Unlimited Users and Limited Transactions	Perpetual	25K Transactions
Jmeter	Open Source	Perpetual	Open Source
Liason	Punch Out Vendors	Perpetual	Up to 5 Punch Out Vendors
<u>BA&amp;T SAP BusinessObjects Analysis Edition for Office; Unrestricted</u>	<u>Concurrent Sessions</u>	<u>Perpetual</u>	<u>25</u>
<u>BA&amp;T SAP BusinessObjects Analysis Edition for OLAP; Unrestricted</u>	<u>Concurrent Sessions</u>	<u>Perpetual</u>	<u>25</u>
<u>BA&amp;T SAP BusinessObjects Business Int. Platform Mobile add-on; Unrestricted</u>	<u>Concurrent Sessions</u>	<u>Perpetual</u>	<u>150</u>
<u>BA&amp;T SAP BusinessObjects Business Intelligence Platform; Unrestricted</u>	<u>Concurrent Sessions</u>	<u>Perpetual</u>	<u>175</u>
<u>BA&amp;T SAP BusinessObjects Business Intelligence Platform; Unrestricted</u>	<u>Named User</u>	<u>Perpetual</u>	<u>400</u>
<u>BA&amp;T SAP BusinessObjects Crystal Reports; Unrestricted</u>	<u>Concurrent Sessions</u>	<u>Perpetual</u>	<u>25</u>
<u>BA&amp;T SAP BusinessObjects Dashboard; Unrestricted</u>	<u>Concurrent Sessions</u>	<u>Perpetual</u>	<u>175</u>
<u>BA&amp;T SAP BusinessObjects Explorer; Unrestricted</u>	<u>Concurrent Sessions</u>	<u>Perpetual</u>	<u>175</u>
<u>BA&amp;T SAP BusinessObjects Web Intelligence; Unrestricted</u>	<u>Concurrent Sessions</u>	<u>Perpetual</u>	<u>175</u>
<u>SAP Application Standalone BI Limited User &amp; BI Platform</u>	<u>Named User</u>	<u>Perpetual</u>	<u>380</u>
<u>SAP Application Standalone Business Analytics Professional User &amp; BI</u>	<u>Named User</u>	<u>Perpetual</u>	<u>20</u>

<u>Platform; Unrestricted</u>			
<u>MapQuest Enterprise Edition</u>	<u>Transactions</u>		

**7.8. Changes to Attachment 9**

Pursuant to this CCN, Exhibit A to Attachment 9 to the Contract is modified by replacing the body of Exhibit A and adding Attachments 1.f and 1.g as specified in Appendix D hereto.

**CCN No. 8, Appendix A****Attachment 2****Exhibit A****SERVICE LEVEL AGREEMENT****A. SLA Management.**

- (1) Contractor shall implement and utilize its current measurement and monitoring methods, tools, and procedures to track and report Contractor's performance in delivering the Services relative to the applicable Service Levels and shall produce a monthly report.
- (2) Service reporting will be provided monthly by Contractor. The report will measure and document Contractor's performance of the Services relative to the Service Levels and the State's usage of Services. The report will set forth in detail the Service Metrics relative to the Service Levels, the actual current measured level of performance for each Service Metric (even if the Service Metric is measured over longer than a single month), and any resulting monthly Service Credits.
- (3) In all cases, Contractor will be responsible for measuring Service Levels and calculating appropriate Service Credits for the Parties in accordance with this Section and subject to review and concurrence by the State.
- (4) For avoidance of doubt, all times are Eastern Time zone unless specified otherwise. Also, times listed are exclusive of Maintenance Windows. Standard maintenance window is as defined in Section 3.0 of Attachment 2.
- (5) Availability of environments includes the redundant IP based Router and network from Lansing to the Contractor's hosting center.

**B. SLA Applicability.** The following items provide a detailed explanation as to when and how the terms of the SLA will be applied.

- (1) In the event that a single Incident/Issue affects more than one Service Level, while each missed Service Metric will be reported, only the Service Metric with the highest Service Penalty will apply with respect to any Service Credits issued by Contractor to the State. However, other unrelated incidents resulting in Incidents/Issues will be considered as separate events and aggregated with respect to measuring performance against each Service Metric and associated Service Levels. For example, if a network outage results in a failure by Contractor to meet the Availability SLA, and the On Line Response Time SLA, only the highest credit shall be payable, but Contractor's failure to meet the Incident/Issue Response Time SLA following the outage (which was not itself caused by the outage) would result in a second separate credit.
- (2) In November 2018 and approximately July of each subsequent year, the State and Contractor will mutually agree in writing upon a Processing Schedule, for the upcoming October to September State fiscal year, that supports the State's business needs and identifies any times/days where the Managed Services defined herein apply and do not apply, including the State's special processing periods (which are excluded from the calculation of any Service Credits if volumes exceed those specified in the Contract as modified through Contract Change Notices). Any material adjustment or impact [for example, increasing the number of batch jobs by more than 5% per cycle for more than a few days within the annual period] that changes the Processing Schedule will be handled as mutually agreed.
- (3) The State will suspend any specific Service Metric and associated Service Level/Service Credit that will subsequently not be met due to the State failing to perform its responsibilities under this Statement of Work; provided Contractor has provided the State with prompt written notification of such failure by the State and the State agrees, with State agreement not to be unreasonably

withheld. The State's related responsibilities in non-technical use and administration of the Contractor System after the Live Date include functional configuration, functional management, and the State's use of Contractor staff augmentation support for Incident/Issue(s) requiring functional support in troubleshooting and diagnosis.

Contractor performance against any suspended Service Metric and associated Service Level will be reinstated once the corresponding activity has been performed by the State. The State agrees that where Contractor performance against a Service Metric is dependent upon support from State staff outside normal State business hours, the State will make the necessary staff available to provide the required support to enable resolution of Incidents/Issues affecting Service Metrics and associated Service Levels.

- (4) Any events or situations affecting the Contractor System that are the sole responsibility of third parties will not be counted toward Contractor's ability to achieve the Service Level(s) associated with the respective Service Metric(s). To the extent that Contractor, including Contractor's subcontractors and suppliers, has shared responsibility, the State and Contractor will mutually agree concerning the impact of achievement of applicable Service Level(s).
- (5) If Contractor is waiting on the State for additional information that is necessary in order to complete a resolution during the resolution of an Incident/Issue, measurement of Contractor's non-conformance with the respective Service Metric and associated Service Levels being impacted is suspended until the State's response with the requisite information is received. Once Contractor makes available a fix or correction that is ready for deployment to remediate an Incident/Issue impacting one or more Service Metrics, measurement of Contractor's non-conformance with the respective Service Metric and associated Service Levels being impacted ends (if the available fix or correction remediates the Incident/Issue) or is suspended as further described below.

As an example, Contractor is not responsible for additional time associated with subsequent State-required approvals or procedures related to the application of the fix or correction. If, upon application of the fix or correction, the Incident/Issue is not remediated, measurement of Contractor non-conformance against the Service Metric will resume where it left off prior to application of the fix or correction, upon notification by the State to Contractor and acknowledgement by Contractor to the State of the new or continued situation.

The State will promptly proceed to test each fix or correction and notify Contractor of any failure of the fix or correction to resolve the applicable Incident/Issue. If the State unduly delays in testing or notification, the Incident/Issue will be logged as a new Incident/Issue for which a new resolution time measurement will be initiated.

- (6) If the Service Level for the respective Service Metric is met three (3) successive months immediately following a single month in which the Service Level was not met, the Service Credit owed to the State associated with that Service Metric will be reduced by fifty percent (50%) and such offset applied to the next invoice in accordance with Service Credit processing.
- (7) SLA Standard 5: Online Response Time shall not apply to reports run through CGI infoAdvantage. The Parties have identified up to six (6) reports using Business Objects that will serve as benchmarks for 'ad hoc' query performance. These reports will be representative of the range of expected reasonable production 'ad hoc' queries in terms of size, complexity, and result sets. This set of reports is not intended to be representative of the largest ad hoc queries that the State might create but rather the range of query sizes that are typical of State use in a given month. If a change is required to the benchmarks identified, replacement benchmark reports and the performance standards for each will be mutually agreed upon by the State SIGMA Operations Director and the Contractor Project Manager and will be performance tested to validate that the standards are reasonable and can be met.

The State is able to submit and run the benchmark reports periodically and record the results. If standards for the benchmark reports are not met, then Contractor agrees to work with the State to

address any performance issues. Contractor will have access to, and the right to periodically run the benchmark reports as a basis for proactively monitoring report performance and response times or in an attempt to validate State reported performance issues.

If the State observes that benchmark performance is not being met on a consistent basis over a 30 day period the State will notify Contractor of the performance issue. If Contractor does not address the issue in a manner that is mutually agreed to be satisfactory, then the Parties agree to create a new Service Metric related to ad hoc query performance and to include it in the Managed Services Agreement via a change order within 15 business days of the State’s request.

The reports currently identified as the benchmark are:

<b>Row</b>	<b>Report Name</b>	<b>Benchmark</b>
1	MI-TELL-0003	TBD
2	MI-BS-0001 Trial Balance	TBD
3	FIN-GA-0017 Detailed Transaction Listing	TBD
4	FIN-TREA-0010 Check Disbursement Printing and Handling Control	TBD
5	FIN-GA-0019 Document Messages and Exception Report	TBD
6	BUD-APPVAL-0001 Appropriation Validation	TBD

The Contractor and the State will work together to define the Benchmarks noted as TBD by March 31, 2019.

- (8) SLA Standards 7 and 10 will be adjusted minute-for-minute by any State-requested holds to the batch processing cycle unless other mutually agreed upon changes to the cycle are made to mitigate missing the target as a result of the hold. SLA Standards 7 and 10 will not be adjusted for holds that are necessary due to inbound interfaces unless the interface volumes exceed the ‘above peak’ volume stated in Attachment 5, Table B

C. Calculation of System Availability in Production and Non-Production Environments.

- (1) The formula for calculation of Contractor System Availability is specified in Section D (Service Metrics with Service Penalties).
- (2) The Contractor System is considered available when a properly configured computer is capable of successfully executing the individual application transactions specified in Section D (Service Metrics with Service Penalties) from the end client’s workstation unless the Hours of Availability have been adjusted or modified by the holiday schedule, scheduled maintenance periods, nightly batch processing window, or as otherwise set forth in the Contract. Unavailability caused by components for which the State (e.g., MILogin, state network) is responsible are considered scheduled outages for this purpose.
- (3) When Contractor System Availability is in question the:
  - i) Starting point is defined as the mutual acknowledgement by the State and Contractor that the Contractor System is not available.
  - ii) End point is defined as the mutual acknowledgement by the State and Contractor that Contractor System availability has been reestablished.
  - iii) The tests to determine availability should be conducted from multiple State locations to rule out an issue with a State network segment versus the Contractor System. Examples are users at various locations, network resources for the State’s network responsibilities, and MILogin resources.

D. Service Metrics with Service Penalties

This Section D specifies Service Metrics for which Service Penalties apply and the Service Penalties that are applicable pursuant to Section 2.243 of the Contract.

Service Level within Sliding Scale Penalty Structure					Measurement Calculation																		
<i>Standard 1 – Production Incident / Issue Resolution )</i>																							
The Contractor must respond to and resolve Incidents/Issues within the times below, unless otherwise agreed upon by the State and the Contractor. Incident / Issue Severity Levels and Priority are defined in Exhibit B: Severity Level and Priority Definitions.																							
	Response Time	Resolution Time	Response Time	Resolution Time	Response Time	Resolution Time	Response Time	Resolution Time															
Severity/ Priority	Urgent		High		Normal		Low																
Critical	10 Minutes	24 Hours	10 Minutes	36 Hours	8 Hours	10 Days	1 Day	Through mutual agreement															
Serious	1 Hour	48 Hours	1 Hour	72 Hours	8 Hours	30 Days	1 Day	Through mutual agreement															
Moderate	1 Day	Quarterly Patchset	1 Day	Quarterly Patchset	1 Day	Annual Patchset	2 Days	Through mutual agreement															
Minor	Response and resolution time is through the mutual agreement of the parties.																						
<table border="1"> <thead> <tr> <th colspan="5">Sliding Scale Penalty Structure</th> </tr> <tr> <th>Penalty</th> <th>None</th> <th>10%</th> <th>25%</th> <th>50%</th> </tr> </thead> <tbody> <tr> <td>Service Rate</td> <td>&gt;=94%</td> <td>&lt;94% But &gt;=92%</td> <td>&lt;92% But &gt;=90%</td> <td>&lt;90%</td> </tr> </tbody> </table>									Sliding Scale Penalty Structure					Penalty	None	10%	25%	50%	Service Rate	>=94%	<94% But >=92%	<92% But >=90%	<90%
Sliding Scale Penalty Structure																							
Penalty	None	10%	25%	50%																			
Service Rate	>=94%	<94% But >=92%	<92% But >=90%	<90%																			
					<p>Leveraging the CGI Advantage ticketing system (aka Solutions Support Center) to log and track Incidents/Issues using the contractually defined Incident/Issue Severity, Contractor will quantify the number of tickets that are responded to and resolved with timeframes as required.</p> <p><b>Response Time:</b> Measurement of response time (i) begins the time at which the State gives notice to Contractor via the specified contact point and (ii) concludes upon Contractor’s formal acknowledgement that the ticket is being assigned. For tickets with Moderate or Minor Severity or Low Priority, the automated email response that the ticket has been received is sufficient.</p> <p><b>Resolution Time:</b> Measurement of resolution time (i) begins upon the earlier of the time at which the State gives notice to Contractor via the specified contact point or Contractor identifies the Incident/Issue and (ii) concludes upon delivery, as applicable, of a software code correction or corrective services ready for deployment.</p> <p>Targets are depicted in the chart to the left.</p> <p><b>Calculation: For each combination of Critical and Serious Severity/Priority:</b>  <math>A = \text{Total that met response time} / \text{total reported}</math></p>																		

B = Total that met resolution time / total reported  
 Service Level = (A + B) / 2

**Standard 2 – Production Major Function Unavailability**

Sliding Scale Penalty Structure				
Penalty	None	10%	25%	50%
Service Rate	>=99.5%	<99.5% But >=99%	<99% But >=95%	<95%

As applicable only to Issues or Incidents that produce the inability to use major/key functionality for the core applications within the applicable defined Hours of Availability, as detailed in Standard 3, for the specific transaction in question.

For each of the transaction sets below, creating four (4) sub-targets for this standard:

- If the Incident/Issue is a defect for purposes of this Agreement, it will be subject to Standard 2 and not subject to Standard 1; considered a Critical/Urgent Incident/Issue using standard Severity/Priority definitions and the Service Target Response and Resolution times in Standard 1; and held to the Resolution Service Rate to the left.
- If the Incident/Issue is NOT a defect for purposes of this Agreement, it will be measured in minutes the same as Standard 3.

**Transactions to be Tested for Major Function UnAvailability Determination.**

**Unavailability for purposes of this Standard is any one or more, but not all, of the noted transactions for a module being inoperative/inaccessible.**

**FIN**

- PO, GAX, CR, and JV create/validate/submit
- Vendor, Commodity, Invoice, Receiving, Document Catalog Searches and Disbursement Query

**HRM:** Take timesheet from worklist and approve timesheet to final

**PB:**

- Execute a Budget Query
- View a Budget Request
- View a Project Definition
- Submit a Budget Request Form

**ESS**

- Create timesheet, enter data and submit for approval
- Create and submit travel expense document

**MSS**

- Take timesheet from worklist and approve timesheet to next approval level

**VSS**

- Click on each of Address Contacts tab, Financial transaction tab then scheduled Payments, scheduled Checks/EFT and scheduled Invoices/Requests sub-tabs
- Perform search for agreement

**infoADV**

- the reports identified in Section B.7 of this exhibit representing the reporting query benchmarks

For example:

- If a timesheet defect prevents users from processing timesheets either online or via batching, the Incident/Issue will be measured as a Critical/Urgent per Standard 1 calculations but will be measured against a >99.5 rate versus the 94% in Standard 1.
- If ABI stops polling, preventing workflow necessary for timesheet approvals to be processed, the unavailability of that function will be measured in minutes per Standard 3

calculations.

- If both of the above are true, if either measure misses its respective Service Rate to the left, the Service Metric is missed.

**Standard 3 – Production On-Line Application Availability**

Application Suite		Hours of Availability	
Non-Public Facing	HRM	7am –	7am –
	FM	6pm	4pm
Public-Facing	PB	Business	Saturdays
	InfoADV	Days	
		24/7	

Sliding Scale Penalty Structure				
Penalty	None	10%	25%	50%
Service Rate	>=99.5%	<99.5% But >=99%	<99% But >=95%	<95%

Standard 3 applies when any one of the listed modules is unavailable (inaccessible due to the application being down) or not functioning in its entirety.

**Availability Calculation:**

A =  $X - Y - Z / X - Y$  for the non-public facing components

B =  $X1 - Y1 - Z1 / X1 - Y1$  for the public facing components

C = Service Level for the month =  $A + B / 2$

Where:

X = Minutes of planned availability per day multiplied by planned days of availability in the month

Y = Minutes of planned outages for the month

Z = Minutes of unplanned outages for the month

- An outage of an individual application is considered and calculated as an outage. For example, a 1 hour outage of FIN results in Z = 60 minutes
- An outage of multiple applications caused by a single incident is calculated as a single outage. For example, a 1 hour outage of FIN, HRM, PB, and InfoAdv due to a single incident results in Z = 60 minutes
- An outage of multiple applications crossing public and non-public facing applications is calculated as a single outage. For example, a 1 hour HRM outage that also results in an ESS outage results in Z = 60 minutes.

- An outage of one or several public facing applications caused by a single incident is calculated as a single outage. For example, a 1 hour outage of ESS results in Z1 = 60 minutes and, a 1-hour outage of ESS and MSS from a single incident results in Z1 = 60 minutes.

**Availability Calculation Examples:**

- In a month with 30 days of expected availability for the Public-Facing application suite, X will be calculated as follows:  
 $X = 41,400$   
 $((24 \text{ hours per day} * 60 \text{ minutes} * 30 \text{ days})$   
 $\text{less } 60 \text{ minutes per day of planned outage}$
- In a month with 22 Business Days and 4 Saturdays, one of which is a planned outage for the Non-Public Facing application suite, X will be calculated as follows:  
 $X = 16,140$   
 $(11 \text{ hours per day} * 60 \text{ minutes} * 22 \text{ Business days})$   
 $\text{plus } (9 \text{ hours per day} * 60 \text{ minutes} * 4 \text{ Saturdays})$  less  
 $(9 \text{ hours per day} * 60 \text{ minutes} * 1 \text{ Saturday})$

**Standard 4 – Non-Production On-Line Application Availability**

Application Suite		MA1 Hours of Availability		MA2 Hours of Availability	SH1 Hours of Availability	SH2 Hours of Availability
Non-Public Facing	HRM FM PB InfoADV	7am – 6pm Business Days	7am – 4pm Saturdays	6am – 6pm Mon-Sat	6am – 6pm Mon-Sat	6am – 6pm Mon-Sat
Public-Facing	ESS MSS VSS Trans Portal	24/7				
Weight with MA2		35%		20%	35%	10%
Weight without MA2		45%		0%	45%	10%

**Transactions to be Tested for Availability Determination:**

Same as Standard 3.

**Availability Calculation:**

Same as Standard 3 with the following exception: Once the outcome is calculated for any given environment (e.g., MA1, SH1, SH2), the percentage of the Sliding Scale Penalty Structure will be multiplied by the Weight for that environment found in the table to the left.

For the MA2 calculation, if MA2 is in service per the contract, the weighting row ‘with MA2’ will be used. If MA2 is contractually decommissioned, the weighting row with ‘without MA2’ will be

Sliding Scale Penalty Structure				
Penalty	None	10%	25%	50%
Service Rate	>=92%	<92% But >=87%	<87% But >=82%	<82%

used. No additional change to this SLA is required.

**Standard 5 – Online Response Time**

Both online inquiry and online update transactions must be achieved within the cumulative transaction response times specified below:

Standard | Metric

- A: <2 sec | 91%
- B: <3 sec | 93%
- C: <4 sec | 95%
- D: <5 sec | 97%

Sliding Scale Penalty Structure				
Penalty	None	10%	25%	50%
Service Rate	100%	N/A	<100%	N/A

New Relic graphs will be provided showing the transaction counts at the macro solution level as well as the ADV root level. The graphs will be accompanied by charts detailing the transaction counts for each of the four measures to the left. Both the singular percentage of the measure as well as the cumulative percentage to achieve the measurements to the left will be provided.

Individual transactions for this metric and their associated targets will be mutually agreed by the parties no later than 12/1/2018 and implemented in phases concluding no later than 9/1/2019 by confirmation from the State of completion. At that time, graphs similar to those described above will be either added to the reporting or replace those above as the sole measure for this metric.

**Standard 6 – Network Response Time**

The Contractor must perform the Managed Services in accordance with the Network Response Time Performance Standard measured as the network response time from the server at the Contractor’s hosting center to the Lansing based vendor Router and back to the server host. Average Network Response time must be <0.125 seconds.

Sliding Scale Penalty Structure				
Penalty	None	10%	25%	50%
Service Rate	100%	N/A	<100%	N/A

The overview and detailed graphs from the measurement tool (currently SmokePing) will be provided. The graphs will include the latency for both Lansing and Dimondale throughout the month as well as the number of pings per second used in the resulting rates.

**Standard 7 – Completion Times for Critical Batch Jobs**

The Contractor must complete each planned execution of each job in the list by the noted time. For purposes of this Service Metric, a missed completion is defined as a designated execution of a particular job completing beyond the specified planned completion time. Jobs listed in that definition are subject to the following standard in relation to the listed Critical Completion Time.

Sliding Scale Penalty Structure				
Penalty	None	10%	25%	50%
Service Rate	<=2	>2 But <=4	>4 But <=6	>6

**Critical Batch Jobs:**

- Start of online day run each Business Day by 7am or as otherwise modified per Standard 3
  - “Begin Day”
  - “App Day”
- Transmission of bank files to Comerica and JP Morgan run each Business Day by 5am or as otherwise modified per mutual agreement of the Parties.  
Execute\_FIN\_Outbound\_Interface\_jobs for specifically the following five components:
  - OUTB\_ACH\_VEND\_PRENOTE
  - OUTB\_ACH\_VEND\_EFTPMT
  - OUTB\_ACH\_VEND\_EFTRVRSL
  - OUTB\_ACH\_CW\_EFTPRT
  - OUTB\_ACH\_CW\_EFTRVRSL
- Transmission of timesheets to HRMN via move HRMN\_STE\_file\_from PDI\_to\_FTS by 8pm every other Tues per the payroll cycle schedule for specifically following two components:
  - HRM\_EXPENSE\_EXTRACT
  - HRM\_TIME\_EXTRACT

**Calculation:**

X = Number of critical jobs not completing on time in a month, with each missed execution time for a job counting as 1

Compliance with all Michigan breach notification laws and requirements including incident response procedures

Sliding Scale Penalty Structure				
Penalty	None	10%	25%	50%
Service Rate	100%	N/A	<100%	N/A

**Calculation:**

Did Contractor fail to notify MI of any security breaches per the notification laws?  
If No – Met, otherwise Not Met

**Standard 9 – Monitoring & Auditing Security Breach**

Physical, Network, System Security Breach Detection will be determined by monitoring compliance with the following:  
Remote logging access (and system configuration/policy reviews) for SOM systems and their related networking and security systems.

Sliding Scale Penalty Structure				
Penalty	None	10%	25%	50%
Service Rate	100%	N/A	<100%	N/A

**Calculation:**

Did Contractor maintain compliance with the breach detection requirements?  
If Yes – Met, otherwise Not Met

E. Service Metrics with no associated Service Penalties

Service Measurement Level	Measurement Calculation
<b>Standard 10 - Off-Line Batch Processing – Delivery</b>	
<p>100% All scheduled output from normal nightly batch processing must be complete and delivered to the specified State end user in the manner elected by such end user. For the purposes of this Section, the term “delivered” shall mean with respect to end users who are defined end users of the Contractor System and who elect to receive their output in electronic format, the Contractor must have such output available by 7 a.m. each Business Day.</p>	<p>Any failure to complete results in a missed Service Metric.</p>
<b>Standard 11 – Off-Line Batch Processing – On-request Jobs</b>	
<p>100% The Contractor must initiate production ‘on-request’ jobs within two (2) hours of receipt of an approved request, subject to the design limitations of the System, in no case shall initiation of such processing be delayed beyond the current night’s batch processing cycle.</p> <p>Note: The State will be responsible for communicating and coordinating required scheduling changes with the Contractor operations staff as early as reasonably possible, ideally no later than four (4) hours prior to the end of the online business day.</p>	<p>Calculation is as follows:            Number of on-request jobs that were processed by Contractor in the timeframe requested            Divided by the            Number of on-request jobs.</p>
<b>Standard 12 – Daily DR Backups</b>	
<p>100% The Contractor must ensure that Disaster Recovery Back-ups are complete, encrypted, prepared and either moved to the off-site storage facility on a daily basis per the mutually agreed schedule or</p>	<p>Calculation is as follows:            100-            ([number of hours data is more than 24 hours old] / [hours per month])</p> <p>Result will be shown out to 5 decimal places.</p>

	replicated to the 'Hot Site' or 'Warm Site' as required by this Agreement.	
<b>Standard 13 – Incident/Issue Resolution – Incident/Issue Triage</b>		
100%	Contractor to indicate Incident/Issue high-level diagnosis and estimate to remedy to the State within 30 minutes of acknowledgement, where Incident/Issue means any Critical Urgent or Critical High Incident/Issue where the Services for which Contractor is responsible under the SOW are unavailable.	<p>Calculation is as follows:</p> <p>Was the State provided a high-level diagnosis for all Critical Urgent Incidents/Issues within 30 minutes of acknowledgement?</p> <p>If Yes – Met, otherwise Not Met</p>
<b>Standard 14 – Incident Resolution – Incident/Issue Closure</b>		
100%	Incident/Issue to be documented with root cause remedy, (where root cause is within Contractor's control), and procedures to eliminate repeat of Incident/Issue within 24 hours of Incident/Issue close, where Incident/Issue means any Critical Urgent or Critical High Incident/Issue where the Services for which Contractor is responsible under the SOW are unavailable.	<p>Calculation is as follows:</p> <p>Was the State provided a documented root cause for all Critical Urgent Incidents/Issues within 24 hours of Incident/Issue closure?</p> <p>If Yes – Met, otherwise Not Met</p>
<b>Standard 15 – Incident/Issue Resolution – Incident/Issue Recidivist Rate</b>		
100%	Closed Incidents/Issues not to reappear across all in scope Services no more than 2 times following Incident/Issue closure, where Incident/Issue means any Critical Urgent or Critical High Incident/Issue where the Services for which Contractor is responsible under the SOW are unavailable.	<p>Calculation is as follows:</p> <p>Did any previously closed Critical Urgent Incident/Issue reoccur more than 2 times?</p> <p>If Yes – Met, otherwise Not Met</p>
<b>Standard 16 – Capacity Monitoring &amp; Planning – CPU</b>		
99.5%	Contractor Service Delivery Center CPU capacity not to exceed 95% aggregate sustained utilization by	A graph from the measurement tool (currently New Relic) showing the month's CPU usage for all production servers will be provided. If the usage gets within 5% of the target,

	Supported server class (compute, file, web, etc.) for a period of 4 hours or 80% aggregate sustained utilization for a period of 8 hours. If this performance indicator has not been met then Contractor has notified the State and provided a remediation/enhancement plan as set forth in the Process Interface Manual or other supporting documents.	additional detailed graphs will be made available as well showing a more granular level around the period of time usage was close to the target. For example, if a particular day shows usage close to the target, a more detailed graph will be provided of that day allowing for determination if the 4 or 8 hour targets were compromised.
<b><i>Standard 17 – Capacity Monitoring &amp; Planning – Disk</i></b>		
99.5%	Contractor Service Delivery Center disk capacity (online) not to exceed 80% utilization as measured by both available disk space and available I/O by server class for period of 5 days. If this performance indicator has not been met then Contractor has notified the State and provided a remediation/enhancement plan as set forth in the Process Interface Manual or other supporting documents.	A graph from the measurement tool (currently New Relic) showing the month’s Disk usage for all production servers will be provided. If the usage gets within 5% of the target, additional detailed graphs will be made available as well showing a more granular level around the period of time usage was close to the target. For example, if a particular period shows usage close to the target, a more detailed graph will be provided of that period allowing for determination if the 5 day target was compromised.
<b><i>Standard 18 – Capacity Monitoring &amp; Planning – Memory</i></b>		
99.5%	Contractor Service Delivery Center memory usage not to exceed 95% aggregate sustained utilization by server class for period of 4 hours. If this performance indicator has not been met then Contractor has notified the State and provided a Remediation / enhancement plan as set forth in the Process Interface Manual or other supporting documents.	A graph from the measurement tool (currently New Relic) showing the month’s Memory usage for all production servers will be provided. If the usage gets within 5% of the target, additional detailed graphs will be made available as well showing a more granular level around the period of time usage was close to the target. For example, if a particular day shows usage close to the target, a more detailed graph will be provided of that day allowing for determination if the 4 hour target was compromised.
<b><i>Standard 19 – Capacity Monitoring &amp; Planning – LAN/WAN</i></b>		
99.5%	Data center LAN and Wide Area connectivity elements not to exceed 90% aggregate sustained utilization on primary network backbone. If this performance indicator has not been met then Contractor has notified the State and provided a remediation/enhancement plan as set forth in the Process Interface Manual or other supporting	Telecommunications vendor graphs for each of Lansing and Dimondale will be provided showing usage for the month. The graphs will include Utilization In/Out/Busy, Error In/Out, Discard In/Out, and Packet Rate In/Out. If usage goes within 5% of the target, additional information will be requested by Contractor from the vendor.

	documents.	
<b>Standard 20 – Security Compliance – Policies</b>		
100%	Material compliance with the State IT and Federal (FISMA) security policies for the classification of data contained in the systems	Calculation: Did Contractor comply with the applicable security policies? If Yes – Met, otherwise Not Met
<b>Standard 21 – Security Compliance – Antivirus</b>		
100%	Check the malware and antivirus signatures every 12 hours and update of malware and antivirus signatures when new signatures are available	Calculation is as follows: Were the malware and antivirus signatures checked every 12 hours? If Yes – Met, otherwise Not Met
<b>Standard 22 – Security Compliance – Scanning</b>		
100%	100% of environments (inclusive of memory, disk and other file structures) to be actively scanned for viruses, trojan horses, rootkits and other malware every 24 hours	Calculation is as follows: Were the environments scanned for viruses, trojan horses, rootkits, and other malware every 24 hours? If Yes – Met, otherwise Not Met
<b>Standard 23 – Security Compliance – User Account Reviews</b>		
100%	100% of environments to be reviewed for inactive/suspended user accounts every 30 days	Calculation is as follows: Were the user accounts reviewed/validated within the last 30 days? If Yes – Met, otherwise Not Met
<b>Standard 24 – Annual Security Review – Policies</b>		
100%	An appropriately scoped assurance engagement under the AICPA's SOC reporting framework is required.  Contractor will notify the State within forty-five (45) days of the availability of the Internal Controls Audit (the report is to be available in approximately October of each year). This report will be distributed via a secure method to a limited audience to protect its sensitivity. Prior to distribution each year the parties will agree upon and document the method of	Calculation is as follows: Did Contractor deliver the report within forty-five days of its availability? If Yes – Met, otherwise Not Met

	<p>distribution and the audience to receive a copy of the report.  <b>Measurement Interval is ANNUAL</b></p>	
<b>Standard 25 – SLA Report Timeliness</b>		
100%	<p>Reports on Service Level performance shall be targeted to a date not later than fifteen (15) calendar days in the month following delivery of Managed Advantage services.</p> <p>The Service Level performance report will provide the agreed upon disposition on each performance metric, high-level details on Incidents/Issues that impacted each metric if not fully met, and penalty details should credits be owed to the State of Michigan.</p>	<p>Calculation is as follows:          Did Contractor deliver the report by the fifteenth (15<sup>th</sup>) calendar day of the month following delivery of the associated services?          If Yes – Met, otherwise Not Met</p>
<b>Standard 26 – Asset Management Refresh and Accuracy</b>		
98%	<p>Asset Inventory Element Accuracy will be determined by comparing the Contractor provided and maintained Asset Management Tracking system records against the State system generated record of Asset Inventory Elements. The scope of this comparison is all hardware (physical and virtual) including equipment and software procured, operated and supported by the Contractor for use by the State, as set forth in the agreement.</p> <p>Contractor will not be responsible for accuracy errors that are not caused by Contractor. Given use of a leveraged platform, the Contractor will provide and maintain a tailored Asset Management Inventory such that it would be applicable and accurate should the State want hosting to be undertaken at the State or other location, per Section 2.U of Attachment 2.  <b>Measurement Interval is ANNUAL</b></p>	<p>Calculation is as follows:  <math>Element\ Accuracy = (Total\ Accurate\ Asset\ Inventory\ Elements) / (Total\ Asset\ Inventory\ Elements)</math>          If result is <math>\geq 98\%</math> - Met,          otherwise Not Met</p>

**Exhibit B**

**Severity Level and Priority Definitions**

“Incident/Issue Severity” is the severity assigned to all Incidents/Issues, as ultimately managed by Contractor with mutual agreement by the State. This assignment will be reviewed as a coordinated effort between the Parties based on the definitions of the severities, possible workarounds, and the impact on the functionality. The following Incident/Issue Severity definitions, which correspond to the CGI Advantage Standard Maintenance Agreement, apply. “Incident/Issue Priority” is the accompanying Priority within a Severity Level as assigned by the State with the clarifying definitions documented below.

<b>Severity</b>	<b>Definition</b>
Critical	A problem with the Contractor supported Software causing critical impact to the client’s business operations for which no workaround is immediately available and associated work using the Software cannot continue.
Serious	A problem with the Contractor supported Software causing significant impact to the client’s business operations for which a workaround is available but is unacceptable on a long-term basis.
Moderate	A problem with the Contractor supported Software that impairs some functionality, but a practical workaround exists.
Low	A problem with the Contractor supported Software that does not affect any functionality of the Software.

<b>Priority</b>	<b>Definition</b>
Urgent	The Incident/Issue has a material operational impact that is widespread and/or impairs the ability to meet critical deadlines.
High	The Incident/Issue has a significant operational impact that is or will quickly become widespread and/or impacts the ability to meet critical deadlines.
Normal	The Incident/Issue is manageable for a short period of time but will become significant or material if not resolved.
Low	The Incident/Issue does not have a significant operational impact.



**CCN No. 8, Appendix B**  
**Attachment 3 (Payment Schedule)**

Summary Price Table: Software License, Maintenance, Hosting and Managed Services (including Flex Team Allotment)

	CGI Advantage® Software License Fees	Bundled Software Products Fees	CGI Advantage® Annual Maintenance Fees (7 Year Total)	Other Proposed Application Software Annual Maintenance Fees (7 Year Total)	Hosting and Managed Services	CN Sub-Total	Total Estimated Contract Value	
Original Contract	\$9,627,744	\$1,073,058	\$5,587,969	\$2,085,008	\$32,253,618		<b>\$50,627,397</b>	
CN1								
Network, BIRT		(\$110,342)		(\$1841)	\$125,715	\$13,532	<b>\$50,640,929</b>	
Procurement	\$1,283,694	\$23,400	\$638,765	\$97,897	\$266,309	\$2,310,065	<b>\$52,950,994</b>	
MIDB/infoADV		\$807,269		1,151,401	\$1,846,997	\$3,805,667	<b>\$56,756,661</b>	
CB2 – MiDEAL	No financial impact							<b>\$56,756,661</b>
CN3 – 12 month extension					\$2,865,416	\$2,865,416	<b>\$59,622,077</b>	
CN4 – Network Move				\$12,250		\$12,250	<b>\$59,634,327</b>	
CN5 – Transparency Portal Support					\$102,000	\$102,000	<b>\$59,736,327</b>	
CN6 – PatternStream					\$103,189	\$103,189	<b>\$59,839,516</b>	
CN7 – Supplemental Services					\$6,517,200	\$6,517,200	<b>\$66,356,717</b>	
CN8								
Proc/VSS Opt yrs to 9/30/2021			\$1,308,752	\$81,405	\$269,933	\$1,660,090	<b>\$68,016,807</b>	
Storage/hardware					\$1,673,633	\$1,673,633	<b>\$69,690,440</b>	
5 <sup>th</sup> Environment					\$999,000	\$999,000	<b>\$70,689,440</b>	
Adjust for Proc maint to 9/30/2021			\$993,140	\$380,425		\$1,373,564	<b>\$72,063,004</b>	
Admin Adjust for CN1a math error				(\$55)		(\$55)	<b>\$72,062,949</b>	
Adjust CN1b 3 <sup>rd</sup> party to 9/30/2021				\$226,561		\$226,561	<b>\$72,289,510</b>	
Admin Adjust CN4 svc categories				(\$12,250)	\$12,250	\$0	<b>\$72,289,510</b>	
Admin Adjust CN6 svc cat & opt yr maintenance exclusion	\$66,426			\$14,366	(\$89,149)	(\$8,357)	<b>\$72,281,153</b>	
Admin Adjust CN6 rounding error					(\$1)	(\$1)	<b>\$72,281,152</b>	
<b>Total Estimated Contract Value</b>	<b>\$10,911,438</b>	<b>\$1,859,811</b>	<b>\$8,528,626</b>	<b>\$4,035,166</b>	<b>\$46,946,111</b>		<b>\$72,281,152</b>	



Price Table 1: Hosting and Managed Services (including Flex Team Allotment)

Line No.	Service Category	Initial Year through 09/30/15	Year 2 10/01/15 through 09/30/16	Year 3 10/01/16 through 09/30/17	Year 4 10/01/17 through 09/30/18	Year 5 10/01/18 through 09/30/19	Year 6 10/01/19 through 09/30/20	Year 7 10/01/20 through 09/30/21	Seven Year Total
1	Fully Equipped Primary Processing Site (including installation of ERP and any other application software to be licensed by the State)	\$254,306	\$386,165	\$306,643	\$334,118	\$432,725	\$412,074	\$453,956	\$2,579,989
2	Hardware, System Software, and Infrastructure Maintenance and Support	\$790,065	\$352,256	\$357,101	\$356,431	\$356,082	\$356,008	\$355,778	\$2,923,722
3	Hardware, System Software, and Infrastructure Maintenance Timeliness, Tracking, Scheduling	\$3,017	\$4,206	\$4,179	\$4,604	\$4,660	\$5,088	\$5,450	\$31,203
4	Capacity, Availability, and Performance Management	\$27,151	\$39,240	\$40,159	\$40,739	\$41,898	\$42,092	\$42,822	\$274,102
5	SLA Documentation and Reporting	\$79,065	\$195,869	\$129,511	\$126,512	\$138,287	\$141,083	\$149,474	\$959,799
6	Change Management and Tracking	\$116,621	\$250,411	\$140,472	\$137,630	\$138,239	\$141,194	\$144,642	\$1,069,209
7	Operations and Production Support	\$212,418	\$535,194	\$282,777	\$273,333	\$271,924	\$279,613	\$287,240	\$2,142,499
8	Database Support	\$91,046	\$253,442	\$140,310	\$136,340	\$135,318	\$138,238	\$140,920	\$1,035,614
9	Job Set-Up and Scheduling	\$78,262	\$208,234	\$104,256	\$98,023	\$97,240	\$99,602	\$102,317	\$787,933
10	Security	\$302,265	\$700,800	\$554,395	\$547,698	\$545,723	\$549,733	\$554,052	\$3,754,666
11	EDI Responsibilities	\$40,171	\$96,237	\$43,926	\$45,804	\$42,303	\$44,585	\$46,251	\$359,277
12	Establish, Maintain, and Operate a Hosting Services Desk	\$126,677	\$310,125	\$151,230	\$145,618	\$144,211	\$148,414	\$152,298	\$1,178,572
13	Disaster Recovery Site and Services	\$140,006	\$256,061	\$295,116	\$334,759	\$376,276	\$420,291	\$465,434	\$2,287,942
14	Sub-Total Hosting Services (sum of lines 1-13)	\$2,261,070	\$3,588,240	\$2,550,073	\$2,581,609	\$2,724,887	\$2,778,014	\$2,900,634	\$19,384,527
15	<b>Managed or SaaS Services</b>								
16	Break Fix Support				\$749,271	\$749,271	\$749,271	\$749,271	\$2,997,086
17	Help Desk Support				\$214,405	\$214,405	\$214,405	\$214,405	\$857,618
18	Managed Services Operations and Production Support (Incremental Difference between Managed Services Job Setup and Scheduling as described in Section 23 of Attachment F and Hosting Job Setup and Scheduling as described in Section 10 of Attachment F.	\$88,286	\$310,453	\$414,622	\$401,288	\$401,288	\$401,288	\$401,288	\$2,418,513
19	Major and Minor Upgrades				\$169,315	\$363,172	\$1,572,213	\$363,172	\$2,467,872
20a	Discretionary Services (based on 4000 hours of Service, per full year)				\$1,032,000	\$516,000	\$516,000	\$516,000	\$2,580,000
20b	Named Personnel					\$329,000	\$329,000	\$329,000	\$987,000



Line No.	Service Category	Initial Year through 09/30/15	Year 2 10/01/15 through 09/30/16	Year 3 10/01/16 through 09/30/17	Year 4 10/01/17 through 09/30/18	Year 5 10/01/18 through 09/30/19	Year 6 10/01/19 through 09/30/20	Year 7 10/01/20 through 09/30/21	Seven Year Total
21	Sub-Total Managed or SaaS Services (Not Including Hosting) (sum of lines 16-20)	\$88,286	\$310,453	\$414,622	\$2,566,279	\$2,573,136	\$3,782,177	\$2,573,136	\$12,308,089
22	Sub-Total Hosting, Managed or SaaS Services (sum of lines 14 and 21)	\$2,349,356	\$3,898,693	\$2,964,695	\$5,147,888	\$5,298,023	\$6,560,191	\$5,473,770	\$31,692,616
23	Additional network connection to Comerica Bank	\$26,427 (\$9,879 setup fee due at start of year)	\$16,548	\$16,548	\$16,548	\$16,548	\$16,548	\$16,548	\$125,715
24	Revised Sub-Total Hosting, Managed or SaaS Services (sum of lines 14, 21 and 23)	\$2,375,783	\$3,915,241	\$2,981,243	\$5,164,436	\$5,314,571	\$6,576,739	\$5,490,318	\$31,818,331
25	Hosted Business Objects Enterprise / infoAdvantage Environment to support a Business Intelligence infrastructure using the databases on the Phoenix data center network.	\$649,571	\$199,571	\$199,571	\$199,571	\$199,571	\$199,571	\$199,571	\$1,847,000
26	Hosting and Managed Services for CGI Advantage Procurement and VSS	\$70,136	\$59,828	\$69,052	\$67,293				\$266,309
27	Revised Sub-Total Hosting, Managed or SaaS Services (sum of lines 14, 21, 23, and 25-26)	\$3,095,490	\$4,174,640	\$3,249,866	\$5,431,300	\$5,514,142	\$6,776,310	\$5,689,889	\$33,931,640
28	12 month Extension			\$1,000,000			(\$1,000,000)		\$0
29	Baseline Fee (estimated date; payable fully upon installation of the Advantage 3.11 Software and Source Code)			\$1,500,000					\$1,500,000
30	MiLogin (estimated dates; payable in 3 parts as follows: \$500,000 upon initiation (plan), \$432,708 upon system test completion, and \$432,708 upon UAT completion)		\$500,000	\$865,416					\$1,365,416
31	Revised Sub-Total Hosting, Managed SaaS Services (sum of lines 14, 21, 23, 25-26, and 28-30)	\$3,095,490	\$4,674,640	\$6,615,283	\$5,431,300	\$5,514,142	\$5,776,310	\$5,689,889	\$36,797,054
32	Flex Team Allotment for Additional Services FY2019-21						\$7,078,200		\$7,078,200
33	Revised Sub-Total Hosting, Managed or SaaS Services (sum of lines 14, 21, 23, 25-26, 28-30 and 32)								\$43,875,254
34a	Network Move				\$12,250				\$12,250
34b	Transparency Portal Services				\$25,500	\$25,500	\$25,500	\$25,500	\$102,000



Line No.	Service Category	Initial Year through 09/30/15	Year 2 10/01/15 through 09/30/16	Year 3 10/01/16 through 09/30/17	Year 4 10/01/17 through 09/30/18	Year 5 10/01/18 through 09/30/19	Year 6 10/01/19 through 09/30/20	Year 7 10/01/20 through 09/30/21	Seven Year Total
34c	PatternStream Services				\$14,040				\$14,040
35	Increased storage and hardware				\$623,926	\$254,460	\$349,622	\$445,625	\$1,673,633
36	"5 <sup>th</sup> Environment" (MA2)					\$999,000			\$999,000
37	Optional Years for Hosting and Managed Services for CGI Advantage Procurement and VSS					\$86,540	\$101,473	\$81,920	\$269,933
38	Revised Sub-Total Hosting, Managed or SaaS Services (sum of lines 14, 21, 23, 25-26, 28-30, 32, and 34-39)	\$3,095,490	\$4,674,640	\$6,615,283	\$6,107,016	\$6,879,642	\$6,252,906	\$6,242,934	\$39,867,911
39	Revised Total Hosting, Managed or SaaS Services (sum of lines 32 and 40)								\$46,946,111
CAP	At Risk Cap (14% of annual invoice excluding Flex Team Allotment and not to exceed \$800,000 annually)					\$800,000	\$800,000	\$800,000	

Note: Additional storage for up to 100GB for 10 years associated with MI Localities use of Procurement and VSS is \$39,557. Optional storage including additional backup requirements is available at \$25.32 Gb/year.

**Hosting and managed services will be invoiced and paid on a quarterly basis in advance and all invoices will be in aggregate for the Total Hosting and Managed Services fees and not include the allocation of fees to the State's categories represented above.**

Price Table 2: Fixed Price Options for Three Additional Years

Line No.	Service Category	<u>Optional Year 1</u> October 1, 2021 to September 30, 2022	<u>Optional Year 2</u> October 1, 2022 to September 30, 2023	<u>Optional Year 3</u> October 1, 2023 to September 30, 2024	Total
1	Hosting including Procurement and VSS	\$3,069,882	\$3,187,286	\$3,299,066	\$9,556,234
2	Managed or SaaS Services (if applicable) including Procurement and VSS	\$2,440,694	\$2,448,788	\$2,471,097	\$7,360,579
3	Flex Team Allowance (Optional)	\$2,430,182	\$2,503,087	\$2,578,180	\$7,360,579
4	Total (sum of lines 1-3)	\$7,940,758	\$8,139,161	\$8,348,343	\$24,428,262

*Contractor will perform additional technical Minor Release Upgrades as defined in Section 20.B of this Agreement during the original term or optional years immediately above for the added price of \$2.5M per technical Minor Release Upgrade. State recognizes that Contractor implementation services of new features available from the release are not included. Includes code merge of Michigan extensions into the new release, delivery of system tested software of the CGI Advantage Software (not including Michigan interfaces, reports,*



forms), and software delivery of merged code to State.

Note: Line 3 of Price Table 2 includes Named Personnel, Flex Team services and the agreed upon reduction in Discretionary Hours.

**Option for Major Upgrade**

As the sole integrator of the CGI Advantage suite of products, an optional Major Upgrade(s) may be requested by the State. The option will be executed through a Change Order to this MSA that is mutually agreed to and approved by the parties. At the request of the State and in a timeframe mutually agreed to by the parties, Contractor and State will collaborate to document a Change Order covering strategy, approach, roles and responsibilities, assumptions, constraints, timeline and fees to cover license updates, maintenance changes, environment changes, and services required to complete the upgrade.

Price Table 3: Option for Hot Site

Line No.	Service Category	Initial Year through 09/30/15	Year 2 10/01/15 through 09/30/16	Year 3 10/01/16 through 09/30/17	Year 4 10/01/17 through 09/30/18	Year 5 10/01/18 through 09/30/19	Year 6 10/01/19 through 09/30/20	Year 7 10/01/20 through 09/30/21	Seven Year Total
1	Warm Site Disaster Recovery Site and Services (Must match line 13 of Table 5)	\$140,006	\$256,061	\$295,116	\$334,759	\$376,276	\$420,291	\$465,434	<b>\$2,287,942</b>
2	Optional Hot Site Disaster Recovery Site and Services	\$1,613,981	\$556,946	\$541,451	\$580,183	\$622,235	\$669,423	\$717,433	<b>\$5,301,652</b>
3	Incremental Difference Between Hot Site and Warm Site Price	<b>\$1,473,976</b>	<b>\$300,885</b>	<b>\$246,336</b>	<b>\$245,424</b>	<b>\$245,959</b>	<b>\$249,132</b>	<b>\$251,999</b>	<b>\$3,013,710</b>

Difference in the Disaster Recovery Site and Services

For Contractor's Hot DR services, the Contractor's primary production site is located in Phoenix, AZ and our secondary site, located in ~~Andover, MA~~ Philadelphia, PA will be used for Disaster Recovery. Data and servers will be replicated across these two geographically diverse locations, thereby mitigating the risk of a regional disaster impacting both data centers.

The disaster facility will have a full replication of physical and virtual servers, network (LAN, WAN and Internet), security and storage infrastructure to accommodate a full production workload and have the ability to continue to meet SLA's during a disaster scenario.

The disaster Oracle database cluster will be kept up to date with the production Oracle database cluster utilizing Active Dataguard to provide a continuous asynchronous feed of data as changes occur in real-time across an inter-data center replication circuit. This will provide a disaster recovery database with near zero data loss.

The virtual web and application servers are deployed on a VMware cluster and will utilize Site Recovery Manager as the method replicating production virtual servers to the disaster recovery facility. In the event of a disaster, the database and supporting application servers will be available and will meet the State's stated



RTO/RPO objectives.

Price Table 4: Rates for Additional Services and Larger Projects\*

The work shall be completed on-site unless the State provides prior approval. The State does not compensate Contractors for premium overtime or holiday pay. The rates shall be firm, fixed for the duration of the Agreement. The rates are inclusive of any travel or other expenses as described in Section 1.600. The State reserves the right to negotiate lower rates and to seek a fixed price for any larger efforts it may wish to undertake using Contractor staff. For option years, Annual price increases for such services shall not exceed the lesser of 3% or the percentage increase in the Consumer Price Index published by the US Bureau of Labor Statistics for the preceding year once the initial Maintenance Period explicitly listed has passed.

Professional Service Category (e.g. Programmer/Analyst)	Hourly Rate
Project Manager	\$260
Deputy Project Manager	\$235
Subject Matter Expert	\$245
Security Lead	\$300
Security Specialist	\$220
Technical Architect	\$245
Technical Lead	\$195
Team Lead	\$195
Senior BA	\$175
BA	\$135
Senior PA	\$175
PA	\$135
Change Management/Communications	\$175
Tester	\$120
Trainer	\$135
System Administrator	\$135
Operations Support	\$135
Technical Writer	\$95
Project Assistant	\$70

**Allotment for Additional Services (Flex Team)**

Prior to the start of each fiscal year, the State and Contractor will assess additional support needs above and beyond the fixed price scope of services of the Agreement for the upcoming year and create a resource plan (Resource Plan) to address those needs and create a Flex Team of agreed upon resources to provide the mutually agreed additional support. Each month during the course of the fiscal year the State and Contractor will jointly review the Resource Plan and adjust it as may be required and mutually agreed to. Flex team resourcing shall be subject to the following provisions:

- (1) Once agreement is reached on the Resource Plan, Contractor shall have six (6) weeks to identify and staff required resources.
- (2) During the course of the fiscal year, the State and Contractor may agree to revise the Resource Plan to add resources. Once the Resource Plan is so revised, Contractor shall have six (6) weeks to identify and staff the additional resources.



- (3) During the course of the fiscal year, the State may terminate the services of one or more Flex Team resources prior to the dates specified in the Resource Plan by giving four (4) weeks advance written notice.

The Contractor will provide a monthly status report identifying activities performed by Flex Team resources, including items completed and items planned for the upcoming month. Monthly status reports will be provided within 10 business days following the end of the month. The monthly status reports will confirm that the services performed by the Flex Team during the applicable period do not include services otherwise required to be performed by Contractor as part of the fixed price scope of the Agreement.

Flex Team services will be provided on a fiscal year basis, starting on October 1 and ending on September 30. Contractor will submit an invoice quarterly for these services, based on resource labor category and hours worked by each assigned resource. Contractor will not invoice the State for Flex Team services, if any, that are otherwise included in the fixed price scope of the Agreement.

Flex Team resources will be limited to a 3 year allowance of \$7,078,200.00 for the period FY2019-21. The three year allowance is the equivalent of the following resources at 1880 hours per year for 3 years, per the Contract approved rate schedule – 1 Subject Matter Expert, 2 Technical or Team Leads, 2 Senior Programmer Analysts or Senior Business Analysts, and 2 Programmer Analysts or Business Analysts; however, the State may use any labor category mix, provided the 3 year allowance is not exceeded.

Additional option years may be added by mutual agreement subject to the terms of the Contract and this proposal. Contractor will submit an invoice quarterly for these services, based on resource labor category and hours worked by each assigned resource. The fee schedule for Flex Services for FY2019 through FY2021, plus three option years is specified in the table below.

Fiscal Year	Flex Team Allowance*
FY2019	
FY2020	\$7,078,200.00
FY2021	
<b><u>Optional Year 1 –</u></b> October 1, 2021 to September 30, 2022	\$2,430,182.00
<b><u>Optional Year 2 –</u></b> October 1, 2022 to September 30, 2023	\$2,503,087.00
<b><u>Optional Year 3 –</u></b> October 1, 2023 to September 30, 2024	\$2,578,180.00

\*Note – The Flex Team Allowance is not to be included in the calculation of the limits on annual Service Level Credits provided in Sections 2.243 and 2.221 of the Contract.

**Pricing for Additional Storage**



If additional storage capacity is required beyond the limits and expected growth rate specified in Attachment 5, the State may purchase additional storage in 500 GB increments. Contractor has included the price for adding storage capacity in the Storage Fee Schedule below. This pricing has been provided for two options, adding storage for the production environment and adding storage for non-production environments.

- (1) The 500 GB production storage option includes Contractor costs for the following storage elements required to support 500 GB of additional production storage capacity for the production and disaster recovery databases, storage for associated database backups, and service management and maintenance.
- (2) The 500 GB non-production storage option includes Contractor costs for the following storage elements required to support 500 GB of additional non-production storage capacity for one non-production database, storage for associated database backups, and service management and maintenance.

<u>Environment</u>	<u>Amount per 500 Gb Increment</u>
<u>Production</u>	<u>\$ 350/month</u>
<u>Non-Production</u>	<u>\$ 275/month</u>

**Option for Additional Environments**

Prior to the start of each fiscal year, the State and Contractor will assess additional application environment needs above and beyond the fixed price scope of the Agreement for the upcoming year and create a plan (Technical Environment Plan) to address those needs. Additional technical environments may be added as agreed to, with compensation and payment as provided for in this Attachment 3. Quarterly, during the course of the fiscal year, the State and Contractor will jointly review the Technical Environment Plan and adjust it as may be required and mutually agreed to. Adding technical environments shall be subject to the following provisions:

- (1) Once agreement is reached on the Technical Environment Plan, or during the course of the fiscal year, the State and Contractor may agree to revise the Technical Environment Plan to add additional environments. Once the Technical Environment is so revised, Contractor shall have 8 weeks to deliver the additional environment (up to 2 environments simultaneously). In the event Contractor does not make the environment available for use by the State within 8 weeks, the monthly fee for the month(s) that the environment has not yet been made available will be reduced by a corresponding daily rate for the number of additional days Contractor requires to make the environment available for use. The corresponding daily rate will be calculated as the monthly fee divided by the number of business days in that month. The minimum duration of each additional technical environment will be 12 months.
- (2) Once an additional environment is provided, it will be subject to the non-production related Service Metrics documented in the Service Level Agreement. Adjustment of the non-production environment weighting of Standard 4 will be at the mutual agreement of the Parties and must remain a total of no more than 100% across all applicable non-production environments.
- (3) During the course of the fiscal year, the State may terminate the use of an additional environment prior to the date specified in the Technical Environment Plan by giving two (2) weeks advance written notice, but the State will still be subject to all applicable fees attributable to the minimum 12 month duration should it terminate the use of an additional environment before the minimum



duration has concluded. Following the completion of the minimum duration period, the monthly fees associated with the additional environment will be charged up to the end of the calendar month in which the use of the environment is terminated, inclusive of the two (2) week notice period.

- (4) The Small environment below, since it is a portion of production size, will not hold a full copy of production data. It will need to house client-manufactured and maintained data. One option is for it to hold a copy of the 'gold' or 'training' data typically held in the SH1 environment. Alternatively, through service request leveraging staff augmentation resources and/or discretionary services, the State may request the environment be populated with a subset of data from another environment. The Mid-sized environment is less than 100% of production but can house a copy of production data, absent the historical batch job processing data, since it will not have an associated disaster recovery storage requirement.
- (5) Customizations to the specifications below, including changing an environment from one size to another once available, will be addressed separately. Requirement definition, re-design, and rebuild/reconfigurations will be required and thus must be documented and priced accordingly. Contractor and the State will work together to optimize any such changes, leveraging the specifications and pricing below where possible. It is expected that changing from one environment size to another will be at a discounted rate from the initial 12 month price since that should not require a full rebuild in most cases.
- (6) Three sizing options are available for selecting an additional technical environment each with the specifications as defined below. Variations to these parameters may be requested and will be priced as exceptions in addition to the agreed upon fee schedule for small, mid-size and large environments.

A. Small Environment

- a. Small environments will include the following modules
  - (1) FIN
  - (2) HRM
  - (3) PB
- b. Does not include MILogin or any other Integration, Self Service modules (VSS, ESS, MSS), InfoAdvantage, Transparency Portal, Punchout, BIRT, ETL/PDI or Business Objects. Does not include the batch scheduling tool and any batch processing must be conducted via the online job managers in the application by State or CGI Flex resources.
- c. User capacity up to 10% of the current production concurrent users capacity
- d. Storage capacity up to 10% of production for the production equivalents of the inclusions/exclusions noted in a-c above
- e. Processing capacity up to 25% of production for the production equivalents of the inclusions/exclusions noted in a-d above

B. Mid-sized Environment (e.g., MA2 today)

- a. Mid-sized environments will include the following modules
  - (1) FIN / VSS



- (2) HRM / ESS / MSS
- (3) PB
- (4) InfoAdvantage
- b. Includes batch and Self Service capabilities (Internal non-web access only)
- c. Does not include MILogin or any other Integration, Transparency Portal or Punchout
- d. User capacity up to 25% of the current production concurrent users capacity
- e. Storage capacity up to 50% of production for the production equivalents of the inclusions/exclusions noted in a-d above (i.e., an environment of this size will house the operational database absent historical batch processing tables, but will not house the disaster recovery, transparency portal databases or interim backup copies thereof)
- f. Processing capacity up to 33% of production for the production equivalents of the inclusions/exclusions noted in a-e above

C. Large (Production Equivalent) Environment

- a. Large environments will include the following modules
  - (1) FIN / VSS
  - (2) HRM / ESS / MSS
  - (3) PB
  - (4) InfoAdvantage
  - (5) Transparency Portal
- b. Includes batch and Self Service capabilities (Internal non-web access only)
- c. Does not include MILogin, any other integration or Punchout
- d. User capacity up to 100% of the current production concurrent users capacity
- e. Storage capacity up to 100% of production for the production equivalents of the inclusions/exclusions noted in a-d above
- f. Processing capacity up to 100% of production for the production equivalents of the inclusions/exclusions noted in a-e above

**Pricing for Additional Environments**

The pricing table below indicates the initial twelve month monthly fees followed by the subsequent months an environment remains available to the State, if any. The increase year over year covers a 3% increase as well as expected production growth as stated in Attachment 5 Table A. If an environment’s initial twelve months spans Fiscal Years, each monthly fee will be based on the respective Fiscal Year columns and the “Months 1-12” row for that environment size in the table below. Similarly, for each month beyond twelve, the monthly fee will be based on the associated Fiscal Year column and the “Months 13+” row for that environment size in the table below.

Price Table 5: Additional Environments Monthly Fee Rate Card



	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
<u>SMALL Environment</u>						
<u>Months 1-12</u>	<u>\$67,750</u>	<u>\$75,350</u>	<u>\$81,350</u>	<u>\$87,850</u>	<u>\$94,900</u>	<u>\$102,500</u>
<u>Months 13+</u>		<u>\$49,700</u>	<u>\$53,650</u>	<u>\$57,950</u>	<u>\$62,600</u>	<u>\$67,600</u>
<u>MID-SIZED Environment</u>						
<u>Months 1-12</u>	<u>\$124,600</u>	<u>\$134,550</u>	<u>\$145,300</u>	<u>\$156,950</u>	<u>\$169,500</u>	<u>\$183,050</u>
<u>Months 13+</u>	<u>\$83,250</u>	<u>\$90,200</u>	<u>\$97,400</u>	<u>\$105,200</u>	<u>\$113,600</u>	<u>\$122,700</u>
<u>LARGE Environment</u>						
<u>Months 1-12</u>	<u>\$196,350</u>	<u>\$212,050</u>	<u>\$229,000</u>	<u>\$247,300</u>	<u>\$267,100</u>	<u>\$288,500</u>
<u>Months 13+</u>		<u>\$122,000</u>	<u>\$131,750</u>	<u>\$142,300</u>	<u>\$153,700</u>	<u>\$166,000</u>



**CCN No. 8, Appendix C**

**Attachment 5 (Capacity, Processing and Other Standards)**

A. General

Number of non-production environments (excluding infoAdvantage) required	3
Number of production environments (including infoAdvantage) required	1
Number of production-sized databases for these non-production environments	3
Number of non-production infoAdvantage environments	2
Years of data maintained in each of the production and production QA environments without archiving, inclusive of inception-to-date detail for all active projects and grants regardless of age	10
Estimated annual growth rate of documents or transactions for each module	<= 5%

B. Batch / Throughput Processing Requirements

Up to 700,000 Time and Leave batch transactions within a nightly batch window of <=3 hours bi-weekly	
Up to 1.5 million Labor Distribution records and 250,000 other transactions within a 7 hour batch window	
Additionally, once per year process an additional 2 million transactions for longevity and lump sum payments with an associated 1.5 million Labor Distribution records within a 16 hour batch window	
Number of active employees expected to use SIGMA ESS	47,000
Number of active vendors working with the organization	625,000
Attachment size per document	6Mb or less
Batch Peak Processing Cycle per approved Deliverables: T21 Completed Phase 2 Performance Testing and System Tuning T22 Performance Testing and System Tuning Procedures	
Interface Input – CR9R/CR9D	3,000
Interface Input – Free Format Remittance Advice Accompanying GAX9R and GAX9N	20,000
Interface Input – GAX9N/GAX9R (5 acct lines)	70,000
Interface Input – SKU (CR9R)	10,000
Interface Input – VCM9	10,000
Interface Input – Check Writer Payroll	78,000
Interface Input – Check Writer Retirement	285,050
Interface Input – Check Writer Treasury (Tax Refunds)	95,000
Interface Input – Check Writer DHHS	53,000
SIGMA Financial Thursday Night Cycle (peak volume) – batch jobs	Per Deliverable
SIGMA TELL HRM Day 3 State – batch jobs	Per Deliverable
Interface Input – HRMN Paychecks	49,618
Interface Input – HRMN Deductions	1,224,890
Interface Input – HRMN Pay Details	2,344,890



C. User Capacity Requirements

For all functions other than time and leave management – support 1,500 concurrent users across the FIN, VSS and PB application modules.
For the time and leave management functions – support 3230 concurrent users across the HRM, MSS and ESS application modules.

D. Storage Capacity Information

This section addresses storage requirements. Advantage FIN storage is based on accounting journal entries and Advantage HRM is based on entries in the payroll pay detail, pay detail extension, and leave detail tables. These FIN and HRM entries are the result of transaction processing described in Section B.

For Advantage FIN, storage calculations are based on kilobytes per transaction accounting journal line with recognition (factoring) for the expected additional storage needed for additional journals and tables populated as a result of integrated ERP functions (for example, the budget, cost, procurement, and other types of journals in the baseline software). For Advantage HRM, storage calculations are based on the number of employees and the related expected data volumes based on application usage for timesheets, expenses, and leave overtime requests. This is also translated into kilobytes per transaction journal line. These storage requirements are then converted to accommodate raw storage (full database including journals and tables) and associated backup requirements.

PRD storage requirements are baselined to accommodate the following applications per accounting journal line volumes defined in the table below:

- Advantage FIN
- Advantage HRM
- Advantage Performance Budgeting
- infoAdvantage
- Employee Self Service
- Manager Self Service
- Vendor Self Service
- Transparency Portal

Disbursements – Automated Disbursements and EFT (annual accounting journal lines with Document Types of AD and MD)	5,100,000
Accounting Based Spending Transactions (annual accounting journal lines with Document Types of ABS)	4,125,000
Travel & Expense Transactions (annual accounting journal lines with a Document Type of TRVL)	605,000
Payroll transactions (annual accounting journal lines with a Document Type of PYRL)	15,345,000
General Transactions	31,412,000



(annual accounting journal lines with FIN Document Types not listed above)	
Timesheets - individual/group and OT requests (entries in the payroll detail and payroll detail extension tables lines with Document Types of TIMEG and TIMEI)	1,657,000
Leave Transactions (requests and accruals – entries in the leave detail table with Document Types of LEAV and LREQ )	2,671,000
Other Time and Leave Transactions (entries in the payroll detail, payroll detail extension, and leave detail tables with HRM Document Types not listed above)	1,392,000
Percentage of documents that will contain attachments (Attachment size limited to 6MB)	<=5%

E. CGI Advantage® Financial Management Customizations

The CGI services provided for Managed Applications includes support for the customizations documented in the table below. Support includes all support services that are provided for the baseline Advantage applications under the Contract.

Identifier	Description
CSTFN00054212	Mod 5 – Budget Structures (Budget Structure 90)
CSTFN00054213	Work Breakdown Structure (COA Combination Validation Pages)
CSTFN00054216	CS138 Processing
CSTFN00054215	New Funding Profile Inference
CSTFN00054205	Warrants Printing for Check Writer PFOS (299) (Check Writer/Check Print Process)
CSTFN00054208	508 – Web Service to call Debts relevant to current disbursements awaiting the Offset process in SIGMA (Treasure Offset)
CSTFN00054206	Standard Format Check Description (RA1) (Vendor Check Printing)
CSTFN00054207	Free Form Check Stub (RA2) (Vendor Check Printing)



**CCN No. 8, Appendix D**

**Attachment 9, Exhibit A**

**CGI Technologies and Solutions Inc.**

**Proprietary Software License Agreement**

1. **Licensed Software.** CGI is licensing to Client the following computer software components, comprising the Software:  
CGI Advantage® Financial Management Base System 3.11<sup>10</sup> (Redhat/Oracle) including but not limited to:

- Advantage Asset Management
- Advantage Grant Lifecycle Management
- Advantage Cash Management
- Advantage Procurement/VSS
- Advantage Performance Budgeting & Formulation (includes Salary and Benefits Forecasting)
- Advantage Labor Distribution
- Advantage Travel and Expense Management
- Advantage infoAdvantage
- Advantage infoAdvantage Dashboard
- Advantage FileNet Integration Adapter
- Advantage Documentum Adapter
- Advantage Transparency Portal
- Advantage HRM Base System (restricted use)
- Advantage HR Self-Service (restricted use – functions beyond time and labor and expense reimbursement are not in scope)
- Advantage Inventory
- Advantage VSS Mobile
- Advantage Procurement/VSS – Locality License

CGI will provide one (1) electronic copy of the Software to the Client.

Optional CGI Advantage® software components available to the State are specified in Attachment 2 to this Agreement.

1. **Licensed Documentation.** The Specifications for the Software are as set forth in the documentation, which is available for download on the CGI website and which is collectively referred to in this Agreement as the “Documentation”:

- Documentation for Advantage Financial
- Documentation for Advantage Human Resource Management
- Documentation for Advantage Performance Budgeting
- Document for Advantage Administration

CGI will provide Client access to its Documentation on the CGI website,



<https://sc.cgi.com/advantage/>

Documentation for Bundled Software or Additional Third Party Software is available on the applicable third party website.

2. **License Type.** The Software is licensed to Client on the following basis:
  - The Advantage Software described in Paragraph 1 above is licensed to the Client as an enterprise license.
  - Site License.** Client is permitted to use the Software at the computer facility or facilities listed below with the exception of CGI infoAdvantage which is a named user license (or server license if Server Bundle). In the event of the failure of the computers at the listed location(s), Client may use the Software at a back-up computer facility in the same country until operations at the primary facility have been restored.
    - CGI Phoenix Data Center
  - Should the Client elect to discontinue Hosting and Managed Services, the Software may be used in accordance with Section 1.B of Attachment 9: Software License Agreement.
  - Should Client desire to use the Software for additional named users or at additional facilities, as the case may be, Client may purchase additional licenses at CGI's then-current prices.
  - Locality License.** Each participating Locality, as defined in the Statement of Work, will be given two Advantage Procurement/VSS system users.
3. **Work That May Be Processed.** Client may only use the Software for its own business purposes.
4. **License Fee.** The license specified in Section 1 of this Exhibit is granted to Client for a License Fee specified in Attachment 6, Contractor Licensed Software, Section 1, License Fees.
5. **Bundled Software Products.** Included in the license fees set forth in Section 5 of this Exhibit A are the license fees for certain bundled software products (the "Bundled Software Products") required to be used in connection with Advantage Software, unless otherwise noted. CGI is providing the following Bundled Software Products to Client:
  - Adobe RoboHelp – 1 Authorized User
  - Eclipse BIRT Engine – Production – 4 Core
  - Eclipse BIRT Engine – Non-Production – 4 Core
  - \*\* *Unlimited copies of BIRT Designer come with BIRT modules\*\**
  - Pervasive Data Integrator Universal Edition Engine – 1 License – 4-cores



Pervasive Data Integrator Universal Edition Engine (non-prod) – 1 License – 4-cores

Pervasive Data Integrator Universal Edition Developer – 5 Authorized Licenses Stream

Finite Matters, Pattern Stream – 5 Named User Licenses

Adobe FrameMaker® – 5 Named User Licenses for use with Pattern Stream

Adobe Acrobat Pro – 5 Named User Licenses

Versata Logic Server – 1 Site license

Versata Designer Studio – 3 Named User License

IBM WebSphere Application Server Network Deployment –10,000 IBM Processor Value Units (PVU) - Sub-Capacity

IBM WebSphere Application Server Processor – 400 IBM Processor Value Units

[IBM Process Server – 100 IBM Processor Value Units \(Maintenance cancelled in Change Notice 1\)](#)

Monsell EDM DeltaXML – 1 Site License

BA&T SAP BusinessObjects Business Intelligence Platform – 175 concurrent sessions

BA&T SAP BusinessObjects Web Intelligence – 175 concurrent sessions

BA&T SAP BusinessObjects Dashboard – 175 concurrent sessions

BA&T SAP BusinessObjects Explorer - 175 concurrent sessions

BA&T SAP BusinessObjects Crystal Reports – 25 concurrent sessions

BA&T SAP BusinessObjects Business Int. Platform Mobile add-on - 150 concurrent sessions

BA&T SAP BusinessObjects Analysis Edition for OLAP - 25 concurrent sessions

BA&T SAP BusinessObjects Analysis Edition for Office - 25 concurrent sessions

SAP Application Standalone Business Analytics Professional User & BI Platform – 20 Named Users

SAP Application Standalone BI Limited User & BI Platform – 380 Named Users

### **Annual Subscription Products**

Convey Taxport- unlimited users based on 25,000 of documents created [*Annual service, governed by Shrink-wrap License*]

Liaison punch-out – up to 5 vendors

### **Additional Third Party Software Products**

Pitney Bowes Group 1 – 1 Prod & 1 Non Prod – Enterprise



Perforce – 20 Named User Licenses  
 Jira – 100 Named User Licenses  
 jMeter [www.jmeter.apache.org]  
[MapQuest Enterprise Edition](#)

With regard to the Third Party Software Products specified in this Section 6, applicable product-specific license terms of the Third Party Suppliers are attached to Exhibit A to the Agreement as indicated below:

- Attachment 1.a – Adobe License Terms
- Attachment 1.b – IBM Sub-Capacity License Terms
- Attachment 1.c – Perforce License Terms (requires State signature)
- Attachment 1.d – Pervasive License Terms
- Attachment 1.e – Pitney Bowes License Terms
- [Attachment 1.f – SAP Business Object Software Use Rights](#)
- [Attachment 1.g – MapQuest Enterprise Edition Terms of Use](#)

All rights of Client in and to the Bundled or Additional Third Party Software Products will be governed by the terms and conditions of this Agreement, the Managed Services Agreement, the Maintenance Agreement, and the Implementation Services Agreement, unless otherwise specified above. CGI does not itself give or make any warranty of any kind with respect to the Bundled Software Products. Changes in the Software which CGI may make from time to time may make it necessary for Client to acquire, at its own expense, updated versions of the Bundled Software Products or Additional Third Party Software.

Agreed to and initialed for identification by:

\_\_\_\_\_

(Client)

\_\_\_\_\_

(CGI)



## ATTACHMENT 1.f TO EXHIBIT A

### SAP Software Use Rights

#### PREAMBLE

The terms set forth in this SAP Software Use Rights document (“Use Terms”) apply to any Named Users and Packages (both as defined in Section 1.1.1 hereof) licensed pursuant to the Agreement (including orders placed directly with SAP or through an authorized reseller, distributor, original equipment manufacturer (“OEM”) or other authorized partner of SAP) referencing these Use Terms (including without limitation references to “Product Use Rights” or similar naming conventions). Except as otherwise set forth herein, each capitalized term referenced in these Use Terms shall have the meaning given it in the GTC. Unless otherwise indicated, terms/restrictions applicable to a component also apply when that component is included/embedded with another Package.

#### 1. LICENSING PRINCIPLES / RULES OF USE

##### 1.1 Definitions

1.1.1 As used in these Use Terms: 1) each Software and/or Third Party Software (as defined in the GTC) product licensed pursuant to the Agreement referencing these Use Terms may be referred to as a “Software Package” (when referencing only Software) or “Third Party Software Package” (when referencing only Third Party Software) or “Package” (when referencing both Software and Third Party Software); 2) “Named User” shall mean any individual authorized by Licensee to Use (in accordance with the terms of the Agreement) a Package, including without limitation employees of its Affiliates or its Business Partners; 3) “Named User License” shall mean the Metric and Licensed Level applicable to each Named User; 4) “Package License” shall mean the Metric and Licensed Level applicable to each Package; 5) “Metric” shall mean a) when referenced in the context of a Named User, the individual Named User category and type (and corresponding Named User definition setting for such Named User’s Use rights) as further described in Section 2.1 hereof -and- b) when referenced in the context of a Package, the individual business metric corresponding with each Package as further described in Section 2.2 hereof; 6) “Licensed Level” shall mean a) when referenced in the context of a Named User, the quantity of Metric for which each individual Named User category and type is licensed -and- b) when referenced in the context of a Package, the quantity of Metric for which each individual Package is licensed ; 7) “Use” means to activate the processing capabilities of the Software, load, execute, access, employ the Software, or display information resulting from such capabilities. Use may occur by way of an interface delivered with or as a part of the Software, a Licensee or third-party interface, or another intermediary system; and 8) “Order Form” shall mean the order document for the Named Users and Packages licensed under the Agreement, including order documents placed directly with SAP or through an authorized reseller, distributor, OEM or other authorized partner of SAP.

##### 1.2 Standard License Principles / Rules of Use

1.2.1 *Named User License & Package License Required.* Except as otherwise specifically provided in Sections 1.3.2, 2.4.1 and 3 hereof with respect to applicability of Named User Licenses, 1) the Use of any Package requires both a Named User License and a Package License; 2) Licensee needs to hold a Named User License for any individual accessing any Package, and such Named User License shall define the extent to which such individual may Use the Package, such Use of the Package in all cases being further subject to the Package License and otherwise in accordance with the terms of the Agreement, unless otherwise set forth in Exhibit 3. Named User Licenses cannot be assigned to more than one individual.

1.2.2 *Additional Named User Rules for SBOP and Legacy SBOP Software Not Licensed For Standalone Use.* “SBOP” and “Legacy SBOP” shall mean any Software identified as SBOP or Legacy SBOP, respectively in these Use Terms. Unless otherwise specifically set forth herein, all references to “SBOP” shall be deemed to include any licensed Software identified under any Order Form as “Legacy SBOP”; however, references to “Legacy SBOP” shall only mean any licensed Software specifically identified as “Legacy SBOP” on Exhibit 1 Any licensed Legacy SBOP may only be Used by individuals licensed as an Expert User, Business Analytics Professional User, BI Limited User, or Business Information User, and such Use shall be in accordance with each individual’s respective Named User type (and subject to the applicable Licensed Level(s) for such Software).

1.2.3 *Runtime Software.* Licensed Package(s) may utilize limited functionality of other Packages for which Licensee does not hold a license (“Runtime Software”). Until Licensee has expressly licensed the Runtime Software, Licensee’s Use of such Runtime Software is limited to access by and through the licensed Package(s), and any permitted Modifications thereto for the sole purpose of enabling performance of the licensed Package(s) and integrating data from licensed SAP Software as specified in the Documentation. In the event Licensee Uses a Package to build and/or operate a custom developed or third party application, additional licenses may be required.

1.2.4 *Country / Language Versions and Availability Restrictions.* There are no applicable country/language specific versions licensed by Licensee from SAP unless otherwise specifically stated in an Order Form. Packages may be subject to availability restrictions. Information about such restrictions including country availability, supported languages, supported operating systems and databases may be provided through the Product Availability Matrix (PAM) published at [www.service.sap.com/pam](http://www.service.sap.com/pam) or otherwise included in the Documentation.



1.2.5 *Internet Connectivity*. Some Packages require connection to the internet in order to properly function. Licensee is responsible for obtaining internet connectivity and SAP will not be responsible for loss of functionality due to failure of internet connectivity.

1.2.6 *Third Party Web Services*. Some Packages enable connection to Third Party Web Services. Terms related to those Third Party Web Services are contained in Exhibit 8 of these Use Terms. For the purposes of these Use Terms, "Third Party Web Services" means (i) any and all web services made available by third parties (other than SAP, SAP SE and/or any of their affiliated companies) that are accessible through or enabled by the Software or SAP Materials, and (ii) any and all application programming interfaces, web service definition files, and other materials made available by or on behalf of such third party web service providers to facilitate the access to and use of such web services.

### 1.3. Exceptional License Principles / Rules of Use for Special License Scenarios

1.3.1 This Section 1.3 sets forth the exceptional license principles / rules of Use for the following special license scenarios ("Special License Scenarios"), and, to the extent the exceptional license principles / rules of Use for any Special License Scenario identified in this Section 1.3 contradict the standard license principles / rules of Use set forth in the Agreement and Section 1.2 hereof, then the terms of this Section 1.3 shall control over those contradicting terms in Section 1.2 hereof.

1.3.2 *Standalone Use*. Software is licensed for Standalone Use if identified as such in the applicable Order Form. "Standalone Use" means the Software (and any corresponding Third Party Software) identified as "Standalone Use" that may only be Used with other Software and/or Third Party Software with the same "Standalone Use" designation in the applicable Order Form from SAP or an authorized reseller, distributor, or other authorized partner of SAP and/or or non-SAP branded software licensed from third parties.

For avoidance of doubt, all Software licensed under a Restricted License (as defined in Section 1.3.3) or by an SAP acquired entity prior to its legal integration with a successive SAP entity is deemed licensed for Standalone Use only.

1.3.2.1 *Standalone Use of Legacy SBOP Software*. Use of Legacy SBOP licensed for Standalone Use does require a Named User License in addition to the Package License for the actual Legacy SBOP. SBOP Software licensed from any resellers, distributors, OEMs or other third parties may be Used solely for Standalone Use, unless otherwise agreed by SAP in writing in the applicable Order Form. The only Named User types authorized to use Legacy SBOP licensed for Standalone Use are SAP Application Standalone Business Analytics Professional User, SAP Application Standalone BI Limited User, or SAP Application Business Information Viewer User, and such Use shall be in accordance with each individual's respective Named User type (and subject to the applicable Licensed Level(s) for such Software).

1.3.3 *Restricted License*. If Licensee acquired the Software bundled or otherwise provided in combination with or for use with a third party product ("OEM Application") from a third party, Licensee has acquired a Restricted License. Licensee may use each licensed copy of the Software only in conjunction with the OEM Application with which it was provided. Accessing data that is not specifically created or necessary to enable the functionalities of the OEM Application is in violation of this license. If the OEM Application requires the use of a data mart or data warehouse, the OEM Application may be used with the data mart or data warehouse only to access data created or necessary to enable the functionalities of the OEM Application. Restricted Licenses may not be combined or used with unrestricted licenses.

1.3.4 *Subscription License*. Unless otherwise agreed in writing between the parties, if the Software is licensed on a subscription basis, Licensee is granted a non-exclusive and non-transferable license to use the Software for a twelve-month term, renewable annually at Licensor's then current rate or such other term as mutually agreed in writing by the parties.

1.3.5 *Development License*. Unless otherwise agreed in writing between the parties, if Licensee receives a development license, you may use the number and type of licenses acquired only to develop or test such developments. A development license cannot be used in or transferred to a production environment.

1.3.6 *Update License*. Unless otherwise agreed in writing between the parties, if you receive the Software as an update to a previously licensed product, your license to use the Software is limited to the aggregate number of licenses you have acquired for the previous product. If you choose to use the Software and the previous product simultaneously, the aggregate number of licenses used to access the Software and the previous product may not exceed the aggregate number of licenses you acquired for the previous product.

1.3.7 *Promotional License*. Unless otherwise agreed in writing between the parties, if you received the Software as a special offer or promotional license ("Promotional License"), you may only use the Promotional Licenses with a new Deployment. Promotional Licenses may not be added to or used with an existing Deployment or Project.

1.3.8 *Evaluation/Not for Resale License*. Unless otherwise agreed in writing between the parties, an Evaluation or Not for Resale License may be used only for the number and type of licenses specified and for the period specified on the Software packaging, ordering or shipping documentation. Upon expiration of such specified period, the Software associated with an Evaluation or Not For Resale license will not function unless Licensee has obtained applicable permanent license keys. If the ordering or shipping documentation specifies a particular project, the Software may be used only with that project. An Evaluation License may only be used for evaluation purposes and may not be used for production purposes. Notwithstanding any other provision



of this Agreement, Software provided under an Evaluation or Not for Resale License are provided “AS-IS” without warranty of any kind, express or implied. An Evaluation License or Not for Resale License may be terminated by SAP upon written notice at any time.

1.3.9 *SAP Business One Software*. Additional terms and conditions related to the licensing of SAP Business One Software, including applicable Metrics and Package restrictions, are stated in Exhibit 6. Use of third party database products with SAP Business One may be subject to additional terms and conditions required by SAP’s suppliers. Such additional terms and conditions are set forth in Exhibit 4, “Pass-Through Terms for Third Party Databases.”

## 2. METRICS

### 2.1 Named User Principles and Metrics

2.1.1 *Named User Principles*. Except as otherwise specifically provided in Sections 1.3.2 , 2.4.1 and 3 hereof with respect to applicability of Named User Licenses, only appropriately licensed Named Users may Use a Package, and such Use shall be subject to the “Named User License” and the “Package License”, and be otherwise in accordance with the terms of the Agreement, unless otherwise set forth in Exhibit 3 hereto. The transfer of a Named User License from one individual to another may only be done in if the individual to which the Named User License is assigned (i) is on vacation, (ii) is absent due to sickness, (iii) has his/her employment terminated, (iv) is moved into a new job function which no longer requires him/her to Use any Packages or (v) is subject to a condition that is otherwise agreed by SAP.

2.1.2 *Important Note for Licensees with Contracts from June 2014 and earlier*. Such Licensees may have licensed one of the following previous user types: mySAP.com Users, SAP Business Suite Users, SAP ERP Users, Individual SAP solutions Users, SAP Application Users, SAP BA&T Users.

Licensees that have already licensed one or several of the above user types are permitted to license additional quantities of the same user types. Such Licensees are not permitted to license SAP Named Users within their existing license contract.

2.1.3 *Named User Metric – Categories, Types and Corresponding Definitions*.

Named User Metrics, including categories, types and corresponding definitions, are stated in Exhibit 2, which is incorporated herein by reference.

2.1.4 *Named User Exceptions*:

2.1.4.1 Suppliers

When accessing the following SAP Software Packages, suppliers do not require Named User licenses: SAP Extended Sourcing, SAP Extended Procurement, SAP Supplier Self Services, SAP Supplier Lifecycle Management, SAP SRM Rapid Deployment Edition, SAP Supplier Collaboration, SAP Customer Collaboration, SAP Outsourced Manufacturing, SAP Trade Promotion Planning for Consumer Products, SAP Trade Promotion Execution for Consumer Products, SAP Trade Funds and Claims Management for Consumer Products, SAP Subcontractor Management for Consumer Products, SAP Procurement for Public Sector, SAP Supplier Relationship Management & Logistics for Health Care.

2.1.4.2 Business Partners:

When accessing the following SAP Software Packages, Business Partners do not require Named User Licenses: SAP Contract Lifecycle Management.

2.1.4.3 Customers:

When accessing the following SAP Software Packages, customers do not require Named User Licenses: SAP Bill-To-Cash Management for Energy Utilities, SAP Bill-To-Cash Management for Water Utilities, SAP Bill-To-Cash Management for Waste and Recycling.

2.1.4.4 Employees:

When accessing the following SAP Software Packages, Employees do not require Named User Licenses: SAP IT Service Desk Operation, SAP Workforce Management for Retail.

2.1.4.5 Appraisers:

When accessing the following SAP Software Package(s) appraisers do not require Named User Licenses: SAP Supplier Lifecycle Management.

2.1.4.6 Consumers/Constituents:

Individuals who are not employees of Licensee or Licensee’s Business Partners and who purchase or receive goods and/or services from Licensee do not require Named User licenses unless otherwise set forth herein.

### 2.2 Package Principles and Metrics

2.2.1 *Package Principles*. Each Package is licensed based upon the Metric applicable to it, and in no case may Use of a Package exceed the License Level for which the Package is licensed.

2.2.2 *Package Metrics – Types and Corresponding Definitions*.



Package Metrics, including types and corresponding definitions, are stated in Exhibit 2, which is incorporated herein by reference.

### 3. PACKAGE SPECIFIC TERMS / USE RULES

3.1 **Package Licenses.** A Package License for any Package referenced in Exhibit 3 shall include, and be subject to, the specific terms / Use rules applicable to such Package as outlined in Exhibit 3, which is incorporated herein by reference.

3.2 **Applicability.** This Section 3.2 applies to any Package (including, without limitation, databases) licensed pursuant to an Order Form and identified as a Third Party Software (including databases) in such Order Form (as used herein, "Third Party Software Package") and control over any conflicting terms set forth in the Agreement. All Third Party Software Packages are restricted for Use solely in conjunction with the particular Package intended by SAP to be used therewith or with which SAP provides the Third Party Software Package, and Third Party Software Packages may not be used with any other Package, or on an individual basis. Unless otherwise specifically provided in Section 3 of the Use Terms, any Use of the Third Party Software Packages (whether productive or non-productive) shall count against the Licensed Level for any applicable Metric.

#### 3.2.1 Exceptions from GTC for Third Party Software Packages.

3.2.1.1 Section 6.3 (Modification / Add-on) of the GTC shall not apply to any Third Party Software Packages unless otherwise set forth herein. Licensee shall not make Modifications or Add-ons to Third Party Software Packages, or otherwise modify Third Party Software Packages unless expressly authorized by SAP in writing.

3.2.1.2 *Limitation of Liability.* ANYTHING TO THE CONTRARY HEREIN NOTWITHSTANDING, WITH RESPECT TO ANY AND ALL CLAIMS AND DAMAGES OF ANY KIND OR NATURE IN ANY WAY ARISING FROM OR RELATED TO THE THIRD PARTY SOFTWARE LICENSED PURSUANT TO AN ORDER FORM REFERENCING THESE USE TERMS, UNDER NO CIRCUMSTANCES SHALL SAP OR ITS LICENSORS BE LIABLE TO EACH OTHER OR ANY OTHER PERSON OR ENTITY FOR AN AMOUNT OF DAMAGES IN EXCESS OF THE PAID LICENSE FEES FOR THE APPLICABLE THIRD PARTY SOFTWARE DIRECTLY CAUSING THE DAMAGES OR BE LIABLE IN ANY AMOUNT FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR INDIRECT DAMAGES, LOSS OF GOOD WILL OR BUSINESS PROFITS, WORK STOPPAGE, DATA LOSS, COMPUTER FAILURE OR MALFUNCTION, OR EXEMPLARY OR PUNITIVE DAMAGES.

### 3.3 Databases

3.3.1 If a runtime database is licensed and the Order Form does not exclude any Packages licensed thereunder from such runtime database license, then the following terms shall govern Licensee's Use of such runtime database:

3.3.1.1 Licensee may only Use the runtime database licensed pursuant an Order Form referencing these Use Terms in conjunction with its Use of the Packages licensed pursuant to such Order Form. In the event Licensee Uses the licensed runtime database other than as specified in this paragraph, a full use license, including programming tools, must be licensed directly from an authorized vendor.

3.3.2 If a runtime database is licensed and the Order Form excludes certain Software Packages licensed thereunder from such runtime database license ("Excluded Components"), then the following terms shall govern Licensee's Use of such runtime database:

3.3.2.1 Licensee may only Use the runtime database licensed pursuant an Order Form referencing these Use Terms in conjunction with its Use of the Packages licensed pursuant to such Order Form that are not Excluded Components. In the event Licensee Uses the licensed runtime database other than as specified in this paragraph, a full use license, including programming tools, must be licensed directly from an authorized vendor.

3.3.2.2 The Excluded Components may require a database product. Respective to the Excluded Components: (i) neither the Order Form nor the Agreement contain a license to use any database product, even where integrated or pre-installed as part of the Excluded Components; (ii) each database product is subject to its respective vendor license agreement; (iii) SAP makes no representations or warranties as to the terms of any license or the operation of any database product obtained directly from a third party vendor; and (iv) Licensee is responsible for support and maintenance of any database product obtained from a third party vendor, and SAP has no responsibility in this regard.

3.3.3 If a runtime database is not licensed, then the following terms shall apply:

3.3.3.1 The Packages licensed pursuant to an Order Form referencing these Use Terms may require a database product. Respective to such Packages: (i) neither the Order Form nor the Agreement contain a license to use any database product, even where integrated or pre-installed as part of such Software and/or third party software; (ii) each database product is subject to its respective vendor license agreement; (iii) SAP makes no representations or warranties as to the terms of any license or the operation of any database product obtained directly from a third party vendor; and (iv) Licensee is responsible for support and maintenance of any database product obtained from a third party vendor, and SAP has no responsibility in this regard.

#### 3.3.4 DATABASE DEPLOYMENT AND COMMUNICATION RIGHTS AND RESTRICTIONS (SEGREGATED DATABASE LANDSCAPE):

The following shall apply where Licensee: (a) licenses a TPD (as defined below) for Use with some, but not all, SAP Software Packages(s) and/or Named User(s) that are SAV relevant for such TPD; and/or (b) licenses a TPD and any Package(s) having "S/4 HANA" in the Package name or otherwise identified in the Agreement as an "S/4 HANA" Package.



1. Notwithstanding anything to the contrary in the Agreement, where some of the Software and third party software (excluding “TPD” as later defined) licensed under the Agreement (“SW”) is licensed for Use with a third party runtime database also licensed under the Agreement (“TPD”), and some SW is not licensed for Use with such TPD, then the following deployment and communication rights and restrictions shall apply:

1. **Deployment Rights & Restrictions.** As referenced herein, “Technical Installation” means a deployment of SW running on a unique database instance. Subject to any applicable SAP database license fees and Section 1.5 (S/4HANA Packages) of this SUR, SW licensed for Use with such TPD can be deployed in any of the following “Installation Types”:

(A) **“Type 1 Installation”** means any Technical Installation upon which all SW deployed is licensed for Use with, and is running on, such TPD;

(B) **“Type 2 Installation”** means any Technical Installation upon which all SW deployed is licensed for Use with, but is not running on, such TPD; and,

(C) **“Type 3 Installation”** means any Technical Installation upon which none of the SW, or only a portion of the SW, deployed is licensed for Use with such TPD, and therefore a TPD is not deployed and/or running.

SW not licensed for Use with a TPD can only be deployed in Type 3 Installations and is subject to any applicable SAP database license fees. The Technical Installation(s) for each Installation Type must be separate from the Technical Installation(s) used for other Installation Types.

## 2. Installation Communication Rights and Restrictions between Installation Types.

1. **Between Type 1 Installation and Type 2 Installation.** Bi-directional communication (including data transfers) shall be permitted between SW and/or TPD in Type 1 Installations and SW in Type 2 Installations.

### 2. Between Type 1 Installation and Type 3 Installation.

1. **Database Level Communication.** Communication (including data transfers) at the database level shall be limited to a *one-time productive* transfer of data (“Initial Data Load”) directly from TPD in Type 1 Installation to SAP HANA Software in Type 3 Installation. For purposes of clarification, unlimited transfers of data directly from TPD in Type 1 Installation to SAP HANA Software in a separate, non-productive Type 3 Installation shall be permitted prior to conclusion of the Initial Data Load.

2. **Application Level API Communication.** Bi-directional communication (including data transfers) occurring via “Application Level APIs” is permitted. “Application Level APIs” are those application programming interfaces/technologies delivered as part of the licensed SW, excluding all application programming interfaces/technologies when such interfaces/technologies are used to communicate with and/or replicate data at a database level.

### 3. Between Type 2 Installation and Type 3 Installation.

1. **SAP HANA Level Communication.** Communication (including data transfers) at the SAP HANA Software level shall be limited to *one-way* transfers of data directly from SW in Type 3 Installations to SAP HANA Software in Type 2 Installations.

2. **Application Level API Communication.** Bi-directional communication (including data transfers) occurring via Application Level APIs is permitted.

## 3.4 Standalone Use for Third Party Databases

If an Order Form referencing these Use Terms includes a Standalone Use restriction, then the following terms shall apply:

3.4.1 The Packages licensed pursuant to an Order Form referencing these Use Terms may require a database product.

Respective to Packages: (i) neither the Order Form nor the Agreement contain a license to use any database product, even where integrated or pre-installed as part of such Software and/or third party software; (ii) each database product is subject to its respective vendor license agreement; (iii) SAP makes no representations or warranties as to the terms of any license or the operation of any database product obtained directly from a third party vendor; and (iv) Licensee is responsible for support and maintenance of any database product obtained from a third party vendor, and SAP has no responsibility in this regard.

## 3.5 Pass-Through Terms

Use of third party database products and directories may be subject to additional terms and conditions required by SAP’s suppliers. Such additional terms and conditions are set forth in Exhibit 4, “Pass-Through Terms for Third Party Databases” and Exhibit 5 “Pass-Through Terms for Directories,” respectively.

## 3.6 Open Source Software

Applicable specific conditions related to certain open source products made available by SAP are part of the applicable product documentation and/or delivered with the Software as a “README” file and apply to Licensee’s use of any such open source products. The definition of open source can be found under [www.opensource.org/](http://www.opensource.org/).

## 3.7 SAP Best Practices

Software Packages may be delivered with settings and master data that have been pre-configured to address generalized requirements of a specific industry sector or country (SAP Best Practices).



It is Licensee's responsibility to determine the feasibility of using SAP Best Practices as a basis for its own customizations and parametrizations of the SAP Software in a productive environment.

### 3.8 SAP Tools

The Software, particularly the ABAP Workbench and SAP NetWeaver, contains software tools. Licensee may only use these tools to program Modifications or to create Add-ons to the SAP software in accordance with the Agreement. The tools may not be transferred, either in whole or in part, into modified or created software.

### 3.9 Function Modules

The Software may contain function modules, which are stored in a function library. Some of these function modules carry a release indicator for transfer into modified or newly created software. Only these function modules may be transferred by the Licensee into Modifications or Add-ons to the software. The function modules may not be modified or decompiled unless otherwise permitted under the Agreement.

#### Exhibit 1 - Legacy SBOP Software

##### Legacy SBOP

##### Business Intelligence

SAP BusinessObjects BI Starter Package

SAP BusinessObjects BI Package (CPU)

SAP BusinessObjects BI Package (user)

#### Exhibit 2 - Named User Metrics and Package Metrics

##### SAP Named User – Cross Line Of Business

**SAP Developer User** is a Named User authorized to access the development tools provided with the licensed Software for the purpose of making Modifications and/or Add-ons to the licensed Software. The SAP Developer User also includes the rights granted under the SAP Employee User.

**SAP Learning User** is a Named User solely authorized to access the specified learning solutions on SAP's price list, provided that those learning solutions are licensed.

**SAP Professional User** is a Named User authorized to perform operational related and system administration / management roles supported by the licensed Software (excluding SBOP) and also includes the rights granted under the the SAP Project User, SAP Logistics User, SAP Industry Portfolio User, SAP Retail User, SAP Worker User, SAP Healthcare User and SAP Business Partner User.

**SAP Project User** is a Named User authorized to perform one or more of the following roles supported by the licensed Software (excluding SBOP): (i) project management, including project-related resource management, project-related creation, change and display of quotation, order and billing in SAP ERP, accounting on individual projects, creation of project-related purchase requests, purchase orders and service entry sheets, (ii) product and project related reporting, (iii) managing project-related revenues and expenses (iv) viewing Accounts Receivable (A/R) General Ledger (G/L) postings, (v) controlling access and releasing product data and recipes in collaborative product development scenarios, (vi) viewing and approving changes through engineering records, (vii) managing change through engineering records, (viii) collaborating in cFolders and , (ix) interfaces to 3rd party authorized authoring tools. The SAP Project User also includes the rights granted under the SAP Manager Self-Service User.

##### SAP Named User – Line Of Business

**SAP Employee User** is a Named User authorized to perform the following roles supported by the licensed Software (excluding SBOP), all solely for such individual's own purpose and not for or on behalf of other individuals: (i) Use (excluding the right to modify and/or customize) standard and interactive reports related to those SAP Employee User's tasks listed in this definition only, and delivered with the licensed Software, (ii) travel planning / expense reporting self-services, (iii) perform procurement self-services, and (iv) room reservation self-services. The SAP Employee User also includes the rights granted under the SAP Learning User and the SAP Employee Self-Service User.

**SAP Employee Self-Service User** is a Named User authorized to perform the HR self-services role of (i) employee time and attendance entry, (ii) employee appraisals, (iii) talent and skill profiles, and (iv) profile match up supported by the licensed Software (excluding SBOP), all solely for such individual's own purpose and not for or on behalf of other individuals. The SAP ESS User also includes the rights granted under the SAP Employee Self-Service Core User.

**SAP Employee Self-Service Core User** is a Named User authorized to perform the following HR self-services roles supported by the licensed Software (excluding SBOP), all solely for such individual's own purpose and not for or on behalf of other individuals: (i) employee records maintenance, (ii) employee directory, (iii) benefits and payment, (iv) leave management and (v) E-Recruiting. Further, an SAP Employee Self-Service (ESS) Core User is also authorized to access "Non-SAP Content" that resides on Licensee's "SAP Portal", so long as accessing such Non-SAP Content does not require or result in any Use of the



licensed Software (beyond access to such Non-SAP Content as it resides on Licensee's SAP Portal). As used in this ESS Core User definition, (i) "Non-SAP Content" means information created through no Use of the licensed Software and (ii) "SAP Portal" means any portal created by Licensee Using SAP Enterprise Portal Software (as provided with the licensed SAP NetWeaver Software) which provides appropriately licensed Named Users a common access point by which to Use licensed SAP Software.

**SAP Logistics User** is a Named User solely authorized to perform following tasks for the applicable licensed Software (excluding SBOP):

- ☑ Transportation Management: To look up a freight contract, tracking a certain shipment and similar activities, update master data (rates, lanes, locations), manage transportation request entries, transportation planning, responding to RFP (request for proposal) for viewing and confirmation of events, charge calculation verification and similar activities.
- ☑ Warehousing: To confirm goods receipts and put away, deconsolidate goods upon receipt, pick at pick points, manage stock movements including replenishment, perform production staging and enter physical inventory counts, packing, or confirming VAS (value added services) and perform scheduling activities for dock door appointments. The SAP Logistics Users may access the Software through radio frequency mobile devices.
- ☑ Track and Trace: To view a serialized and/or any tracked object, such as querying its current or past location or ascertaining product genealogy; to access product traceability solutions, to report goods movement or view traceability reports, To view the status of defined supply chain events, expected or unexpected, e.g. delayed shipment of a sales order, change to a purchase order confirmation and to perform confirmation of or changes to supply chain events, e.g. update a change to a production order date or quantity.

For Licensee employees, the SAP Logistics User also includes the rights granted under the SAP Employee User

**SAP Worker User** is a Named User working in Licensee's production facilities or as a maintenance worker who is solely authorized to perform one or more of the following roles supported by the licensed Software (excluding SBOP): (i) display work instructions, and document activities and operations, (ii) confirm goods receipts, goods issues, stock movements and completion confirmations into maintenance work orders, (iii) enter production order confirmations, (iv) record product or production information, e.g. quality inspection results or plant/process/equipment data, (v) enter production issues and related service requests, (vi) submit purchase requisitions for tools, spare parts for production equipment, etc. (vii) confirm maintenance notifications, (viii) enter service requests and service entry sheet, (ix) any maintenance activities, reporting or dash-boarding related to the items set forth above. The SAP Worker User also includes the rights granted under the SAP Employee User.

**SAP Business Partner User** is a Named User who is an employee of a Business Partner accessing the licensed Software (excluding SBOP) solely to perform operational related tasks within standard business-to-business scenarios.

**SAP Manager Self-Service User** is a Named User authorized to perform one or more of the following manager self-services roles: (i) request administrative changes using processes and forms contained within Human Capital Management, (ii) create requisition requests and candidate assessments, (iii) perform talent assessments and appraisals, (iv) plan and approve compensation, (v) view budget overviews, (vi) organize project management tasks, (vii) perform planning tasks, (viii) approve travel requests and expenses, and (ix) perform HR and procurement workflow tasks related to the manager's direct report or business unit/department.

These roles must be directly related to the employees and business unit/department for which the manager is responsible, supported by the licensed Software (excluding SBOP), and related to Human Capital Management only. The SAP Manager Self-Service User also includes the rights granted under the SAP Employee User.

#### **SAP Named User - Industry**

**SAP Health Care User** is a Named User who is an employee of Licensee in hospital wards or outpatient clinics who is solely authorized to perform patient care related roles (excluding patient administration, billing, coding and call center roles) supported by the licensed Software and is solely authorized to access directly and indirectly the specified industry packages for Healthcare on SAP's price list, provided that those packages are licensed by Licensee. The SAP Healthcare User is not entitled to access other SAP solutions or solution components.

**SAP Industry Portfolio User** is a Named User solely authorized to access the specified industry packages on SAP's price list, provided that those packages are licensed. The SAP Industry Portfolio User is not entitled to access other SAP solutions or solution components. The SAP Industry Portfolio User also includes the rights granted under the SAP Employee User.

External business partners in the industries Insurance, Media and Automotive collaborating with the Licensee need to be licensed as SAP Industry Portfolio Users. Those business partners are not entitled to access other SAP solutions or solution components besides the specified industry packages.

**Cerner i.s.h.med User** is a named user who solely has access to Cerner i.s.h.med from SAP functionality and is given access to Cerner i.s.h.med from SAP through appropriate authorizations. Cerner i.s.h.med Users are not entitled to access any other SAP solution or solution component in particular they are not authorized to access any functionality of the SAP Patient Management industry package.



**SAP Retail User** is a Named User working in Licensee's retail store as an associate who is solely authorized to perform non-managerial retail store / point-of-sale related roles supported by the licensed Software (excluding SBOP) and also includes the rights granted under the SAP Employee User.

**SAP Named User - Platform User**

**SAP Platform User** is a Named User authorized to Use licensed Software through a separate SAP, Partner, or customer application that connects to and/or communicates with SAP Software through published SAP application programming interfaces.

**SAP Platform User for Productivity Apps** is a Named User authorized to Use licensed Software solely through one or more Productivity App(s).

**Remaining Metrics**

**REMAINING METRICS - A**

**Accounts**

**Accounts** are accounts (i.e. checking, savings and trading accounts) and/or transactions (securities transactions as spot plus forward deals and money marked / foreign exchange transactions).

**20-digit accounts** are accounts (i.e. but not limited to checking, savings and trading accounts), consisting of 20 digits.

**Assets**

**Assets** are master records defined for pieces of equipment that the customer has identified in their system, as being critical to their operations that will be modelled and monitored by the software. An equipment master record can be configured as a single item (e.g. a crane), or as a "multi-part equipment" (which could have, e.g., 100 drilling machines in inventory), in both cases only one equipment master record is counted for pricing.

**Funded assets** are all contracts (leasing, loans etc.) managed by SAP Funding Management which are currently refinanced. In this context, the effective amount is the sum of all refinancing transactions in status "fixed" or "funded".

**Assets under management** of the insurance company which uses the product is the sum of all relevant financial assets as disclosed in the latest annual statement of the legal entity in a fiscal year.

If the customer does not disclose a comprehensive annual statement, the customer will report on an annual basis the respective information to SAP.

If the product shall be licensed only for a subdivision of the insurance company the respective license contract requires an explicit definition.

*For SAP Leasing for Banking:*

**Assets under management** represent (i) the book value / amount financed of capital or financed leases including residuals whether owned or managed for others (ii) the book value of assets on operating lease contracts owned or managed for others (iii) the book value of loans and other receivables (iv) the book value of assets intended for leasing business (v) the value of related services over a prior consecutive 12 months period.

**REMAINING METRICS - B**

**Barrel of Oil Equivalent per Day (BOEPD)** Barrel of Oil Equivalent per Day (BOEPD) is a unit of measure used in the oil and gas industry that allows aggregating the produced, scheduled or sold quantities of hydrocarbons from both conventional and unconventional sources over the prior 12 month consecutive months or, where historical data is not available, over the planned or estimated future 12 months. For example, while gas production is generally measured as a volume per time period such as cubic meter per day, it needs to be converted into its equivalent in barrels of oil in order to determine the total quantity of oil & gas produced in consistent measurements. The conversion to BOEPD can be accomplished by using one of the calculators at:

<http://www.rigzone.com/calculator/default.asp> <http://www.bp.com/en/global/corporate/about-bp/energy-economics/statistical-review-of-world-energy/using-the-review/Conversionfactors.html>

*For SAP Upstream Contracts Management for O&G and for SAP Upstream Operations Management for O&G:*

BOEPD represents hydrocarbons produced. If pricing cannot be based on BOEPD produced (new ventures with no crude or gas production), the planned or estimated production of the venture shall apply.

*For SAP Upstream Production Management for O&G, US Production:*

BOEPD represents produced only the hydrocarbons produced in the USA.

*For SAP Hydrocarbon Supply & Primary Distribution for O&G and SAP Bulk Fuel Management:*

BOEPD represents only the scheduled/planned hydrocarbons.

*For SAP Secondary Distribution Management for O&G* BOEPD represents only the sold/transported hydrocarbons.



For LPG bottled gas the conversion from tons of LPG to barrels is described on the BP calculator <http://www.bp.com/en/global/corporate/about-bp/energy-economics/statistical-review-of-world-energy/using-the-review/Conversionfactors.html> and 1 ton of LPG = 11,6 barrels.

*For SAP Retail Fuel Network Operations for O&G* BOEPD represents only the sold hydrocarbons.

*For SAP Hydrocarbon Management for O&G:*

BOEPD represents only the sold hydrocarbons

### **Budgets**

**Public sector spend budgets** are the annual budgets as published records of budget year procurement obligations.

**Total annual budgets** are the total annual public sector budgets of the SAP customer (i.e. agency, institution, program or department) based on current budget period.

### **Business Partners**

**Business Partners** are natural persons, a group of persons, or a legal entity that has any kind of a business relationship with a company or a public sector agency. The number of Business Partners counted for pricing the solution is limited to the context of the Software being licensed.

*For SAP Demand Side Management for Energy Utilities*, Business partners stored in the system that have applied for or enrolled in a Demand Side Management (DSM) program are counted.

*For online application submission management*

Business partners is defined as:

- **For Public Sector customers** as citizens
- **For banking customers** as the number of customers with financial transactional data within the last 2 years.
- **For insurance customers** as the number of insureds

### **REMAINING METRICS - C**

#### **Calls**

**Calls** are the number of incoming messages per year.

**External service calls** are HTTP requests per calendar year which are processed by SAP NetWeaver Gateway Server. Metadata requests and requests from SAP Software that contains SAP NetWeaver Gateway runtime software are not counted.

#### **Capacities**

**Installed capacities** are the designed production capacities of a power plant. For a power plant both the electrical power as well the thermal power has to be considered. The installed capacity is measured in units of 1 GW (Gigawatt).

#### **Capitals**

**Risk-provisioning relevant capitals** are balance sheet positions of:

- loans and advances to customers and banks; and
- Financial investments at amortized cost

#### **Cases**

**Inpatient cases** are the number of inpatient cases that are communicated to private insurers in the period of one year.

#### **Cash Flows**

**Cash flows** are the total number of cash flow transactions (payment or receipt) processed by the application per day. (Note that for receipts there would usually be two cash flow transactions, i.e. expected receipt and actual receipt).

**P/C/S cash flows** are loans except retail loans defined as:

- Private Banking / Complex Individual / SME Banking / Mortgages include products with a certain level of personalization on customer level for individuals and small/medium enterprises.
- Corporate loans are highly individualized loans products for the corporate market and can also have a complex structure.
- Securities positions

**Retail cash flows** are standardized cash flow based loan products for the mass market segment of individuals. The product spectrum covers loans with simple structures and small values for financing consumer products, auto/cars and voyages.

#### **Chips**

**Chips** are individual electronic circuitries containing one or more Cores, usually on a silicon wafer.

#### **Citizens**



**Citizens** are defined as a native or naturalized members of a political community. **Contacts**

**Contacts** are number of unique records of customers, prospects, employees, business partners, constituents and/or commission recipients within the context of the Software.

#### **Contracts**

**Contracts** are the contracts (used in all functions including procurement, sales, legal, partner management, HR, real estate, and all other functions of the organization.) the company plans to address within the application.

#### **For Utility Industry:**

**Contracts** are agreements between a utility company and a business partner to provide services to the business partner. Thereby a separate contract has to be set up for each service provided, for which the utility company has a legal contract with its customer (e. g. a utility company provides a business partner with electricity, area lighting, gas, and district heating, thus four separate contracts have to be set-up). All contracts stored in the system with an ending date later or equal to the system date are taken into consideration.

For the sectors below the following division categories of the SAP Utilities system need to be considered:

- Energy:
- Electricity
- Gas
- District heating
- Mutual help
- For all sectors
- Water:
- Water
- Waste Water
- Waste & Recycling:
- Waste Management

*For SAP Reserve for Bad Debts for Banking, SAP Accounting for Financial Instruments for Banking, and SAP Leasing for Banking:*

**Contracts** are made by a bank with natural persons (retail) or legal persons (commercial). A contract can be e.g. an account, a term deposit, a loan, an OTC-derivative, an FX forward, a money market transaction or a position in exchange-traded instruments. Accounts and loans managed in external systems, included in a master contract, part of a collateral agreement or set-up for tax calculation are to be taken into account.

- Loans are loans or mortgage products
- Accounts are deposits, savings or current accounts (internal accounts to be included)
- Derivatives are financial instruments whose value is based on another security
- Securities transactions are e.g. spot plus forward deals, money marked/foreign exchange transactions, etc.
- Contracts for leasing are operational, finance, capital leases, hire purchases, loans and/or other contracts which are processed in the solution

*For Funding Management for Banking*

**Contracts** are all managed contracts (accounts) resulting from either the retail or the commercial business which are available assets in SAP Funding Management.

Retail: examples are consumer loans, lease items, car loans, credit cards, mortgage loans, or trade receivables.

Commercial: examples are commercial mortgage loans, drawings in a syndicated loan, or other big ticket contracts.

*SAP Hybris Billing, subscription order management:*

**Contracts** are an agreement between the customer and the provider for the access to or use of a service provided under certain terms and conditions. One customer could have one or several contracts for different or similar services. In a bundle, every included main service counts as 1 contract. Example in a B2C use case: for a telecoms triple play bundle with mobile, internet broadband and IPTV services, 3 contracts would be counted separately. Example in a B2B use case: with a Master Business Agreement every subscription of a related sub-contract with an employee would be counted separately.

#### **Consumer Data Object**

**Consumer Data Object** is defined as an object or record that represents information about Consumers i.e. a person or group of related people (e.g. Household) that has any kind of business relationship with the licensee where such information is stored



and managed in the Master Data Services repository. *For purposes of illustration including but not limited to, such an object or record can represent Contacts, Citizen, Patient data or a customer defined object.*

#### **Cores**

**Cores** are the number of cores in CPUs that are available for use by the licensed software. The number of Core licenses must be an integer. When counting physical Cores, each Core of a physical CPU that runs at least parts of the licensed software, including those that are temporarily assigned or scheduled to cover peak processing, is considered and counted.

When counting virtual Core's, each virtual Core that runs at least parts of the licensed software, including those that are temporarily assigned or scheduled to cover peak processing, is counted.

If the licensed Software will run in a pure virtual environment, physical Cores will not be counted. For purposes of clarification, "Core" as defined in this metric definition is different from "core" as referenced in the metric definition for any Software licensed on a CPU basis (if any), and therefore is not applicable in that context.

#### **Costs**

**Asset retirement obligation cost estimations** are the volume of the cost estimations which are handled in the solution.

The cost estimation volume is equal to the total of the settlement values (expected costs at the estimated retirement date) of all cost estimation items of the cost estimation plans of all asset retirement obligations, which are handled by SAP Asset Retirement Obligation Management. If the customer is using more than one accounting principle, the cost estimation volume is calculated separately for every accounting principle. The maximum of these values will be used for pricing. The cost estimation volume is determined based on the volume, which is valid at the fiscal year end date. Only asset retirement obligations, which are active at this date, will be considered.

**Costs of goods sold** are all expenses directly associated with the production of goods or services the company sells (such as material, labor, overhead, and depreciation) annually. It does not include selling, general and administrative expenses or research & development. If cost of goods sold is unknown then it shall be equal to 70% of total company revenue.

For Service Parts Planning:

**Costs of goods sold** refers to the inventory value for the service parts business.

**CPUs** are the central processing units ("CPU") that runs at least parts of the licensed Software.

When the Software or Third Party Software is licensed on a CPU basis, any server or computer on which the Software or Third Party Software is installed may not exceed the aggregate number of CPU licensed. A multi-core chip CPU with N processor cores shall be counted as follows: the first processor core in each processor shall be counted as 1 CPU, and each incremental processor core in such processor shall be counted as 0.5 CPU, and then the total CPU count will be rounded to the next whole number (the "CPU Calculation"). See Example 1 below for an illustration of the application of this licensing requirement.

Software based on a CPU license metric basis licensed by Licensee on or after July 1, 2009 (the "Qualified Software") will contain Virtualization Rights (defined below). Virtualization Rights are not applied to Software licensed prior to July 1, 2009 or upgrades and updates thereto subsequently made available to Licensee pursuant to Support Services. Licensee may not combine licenses having express Virtualization Rights with licenses not having express Virtualization Right in a single Deployment.

In the event that Licensee employs industry standard tools and methodologies enabling Licensee to logically partition or pool its processing power, Licensee may install the Qualified Software on servers or computers consisting of a number of physical CPUs greater than the number of CPUs licensed hereunder provided that Licensee shall configure such servers or computers in a manner such that the total number of CPUs (or total number of virtual processor cores if virtualization software is implemented), or any portion thereof, made available to run the Qualified Software, or any portion thereof, does not exceed the number of CPUs licensed ("Virtualization Rights"). For the purposes hereof, a CPU (or virtual processor core) shall be deemed available to run the Qualified Software if such CPU (or virtual processor core) or any portion thereof is available to run the Qualified Software at any time for any purpose, including but not limited to permanent, temporary, scheduled, and on-demand availability. Under the Virtualization Rights, where virtualization software is implemented, only virtual processor cores made available to run the Qualified Software will be counted in accordance with the CPU Calculation. See Example 2 below for an illustration of the application of this licensing requirement.

Notwithstanding the foregoing, for Third Party Software licensed on a CPU basis, each processor core shall count as 1 CPU, and every CPU (whether used productively or non-productively) shall count against the CPU license level for such Third Party Software. Virtualization Rights do not apply to Third Party Software.

**EXAMPLE 1:** One quad core processor will count as 2.5 CPUs (or 1 CPU for the first core, plus 0.5 multiplied by 3 for the subsequent 3 cores) rounding up to 3 CPUs. Therefore, Licensee will be required to license 3 CPUs if the Software is installed on a quad core server. Another example may involve a server with three quad core processors. As illustrated above, each quad core processor will represent 2.5 CPUs. Three quad core processors will total 7.5 CPUs (or 2.5 CPUs multiplied by 3) rounding up



to 8 CPUs. Therefore, Licensee will be required to license 8 CPUs if the Software is installed on a server with 3 quad core processors.

EXAMPLE 2 (Virtualization Rights): A server has 16 physical dual core CPUs in a configuration where up to 4 virtual dual core processors are made available to run the Qualified Software. In this case, each virtual dual core processor will count as 1.5 CPUs (or 1 CPU for the first core, plus 0.5 for the second core). Four virtual dual core processors will total 6 CPUs (or 1.5 CPUs multiplied by 4). Therefore, Licensee will be required to license 6 CPUs under this virtualization configuration.

## REMAINING METRICS - D

### Database Sizes

**Gigabyte database sizes** are database sizes of the productive systems and are calculated individually for each system (i.e., each ERP, BI and CRM system).

**1.5 Terabyte accumulated database sizes** are the database sizes of all productive SAP systems where the customer uses SAP Landscape Transformation.

### Data Streams

**Data Streams** are tags or modules that are created and exist in PI System landscape, and used to setup, configure or store data points or data structures.

*For SAP Predictive Maintenance and Service on-premise edition,*

A data stream is defined as a measuring point /sensor tag defined in the metric store of the PdMS application. Virtual data streams (calculated health scores) are also considered data streams. Data streams without any measurement data are defined as inactive and are not considered as data streams. For each device working with error codes, one additional data stream per device will be added.

### Deployments

**Deployments** are single installations of the system repository component within the SAP BusinessObjects BI Platform Software (for which Licensee must obtain a license), or the Crystal Reports Runtime Engine (for which Licensee must obtain a license). When the multi-tenancy feature of the BI Platform is enabled, each individual tenant is considered a separate deployment for licensing purposes.

### Derivatives

**Derivatives** are financial instruments whose value is based on another security.

### Devices

**Devices** are any piece of equipment or hardware and include but are not limited to: a workstation, terminal, point of sale terminal, notebook, handheld, tablet, PDA, smartphone, internet connected television, scale devices, devices installed in a vehicle (on-board units) or other networked devices. The application itself defines the type of devices that are used and therefore counted for the price list item (e.g., Sybase SQL Anywhere Database for Use with SAP POS for Retail devices are defined as those devices accessing data from SQL Anywhere Database or e. g. SAP Mobile Order Management devices are all devices installed as on-board units in a vehicle).

*For SAP Customer Checkout, Devices* are devices, or mobile devices for mobile point of sales applications or mobile devices for merchandise applications or scale devices for scale applications.

**IoT-Device** refers to a uniquely identifiable object and their virtual representation in the IoT-Core and has a device ID allocated.

**IT devices** are elements that are actively recognized by the SAP IT Infrastructure Management Software in the network or entered into the SAP IT Infrastructure Management configuration database.

**Hybris devices** are equipment or hardware in use by the Named Users to access data from the Hybris Commerce platform. A Hybris device can be defined as any piece of equipment or hardware; and includes, but is not limited to: a workstation, terminal, point of sale terminal, notebook, handheld, tablet, internet connected television or other networked device (for example store employees using a device – tablet, phone, workstation – to access web content to answer customer question ). Hybris devices would not include equipment or hardware used by End Customer to access Hybris commerce platform with limited access (for example customer placing online orders / accessing payment gateway and accessing catalogues on Hybris commerce platform).

## REMAINING METRICS - E

### Electronic Ledger Master Records

**E-Ledger Master Records** are the ledger line items included on a journal ledger page that are transmitted to Turkish government authority.

### Employees



**Employees** are individuals, working for a company or legal entity that is licensing the functionality of the package, regardless of employment status (e.g. part time, full time, leave of absence or contract worker).

*For SAP Pension Administration (VADM) Germany Only*

Employees are individuals who get their pension payment as pension recipients, who are surviving dependents, or who are entitled to a pension equalization payment by the component Pension Administration.

**Payroll employees** are defined as employees who run through SAP Payroll and need to be notified by APG for their pension.

#### **Employee files**

**Employee files** are employee (employees and former employees) folders containing their electronic files.

#### **Enterprise Foundation**

**SAP ERP Foundation Starter** comprises SAP ERP and five (5) SAP Professional Users.

#### **Full-Time Equivalents**

**Full-time equivalents (FTE)** are employees who are employed by the licensed organization and non-employees who may be engaged on emergency related activities, either on a temporary or permanent basis and who are tasked, deployed or managed by the licensed organization for the purposes of disaster or emergency management.

*For DHPS HR and Logistics, FTE* is the numbers of full time equivalents employed in the organization – including military and civilian personnel & reserve are calculated as

☑ For SAP Force Generation for Defense & Security:

Weighted Size = Military Personnel x 1.0 + Reserve x 0.5 + Civilian x 0.5

☑ For SAP Force Deployment for Defense & Security:

Weighted Size = Military Personnel x 1.0 + Reserve x 1.0 (civilians are not considered)

#### **External Community Members**

external community members are either non-employees of organizations such as schools, universities, charities or governmental entities or business third parties including, but not limited to, customers, employees of distributors and suppliers who are licensed to access solely the sap enterprise portal software. external community members are not allowed to access other sap software and their respective components. business third party employees participating in collaborative business scenarios that require access beyond sap enterprise portal software need to be licensed as named users for the respective sap software.

#### **REMAINING METRICS - F**

##### **Filings**

**Filings** are the activities when one Legal Entity Uses the Software to submit an unlimited number of applications, filings, statements, returns, notices, reports, exemption or such other documents to a single Governmental Entity in each calendar year. Submission of any filing by more than one Legal Entity to the same Governmental Entity or by one Legal Entity to multiple Governmental Entities shall require additional Filing licenses.

☑ "Government Entity" means any federal, state, foreign governmental entity, securities authorities, agency, commission, other regulatory, self-regulatory or enforcement authorities or any courts, administrative agencies or commissions or other governmental authorities or instrumentalities.

☑ "Legal Entity" means any individual, person, partnership, joint venture, corporation, company or other form of enterprise, domestic or foreign.

##### **Flat Fee**

**Flat fee** is the fixed package license fee for the software.

**Annual Fundraising Income** means the annual amount of gross revenue raised by Licensee through fundraising efforts.

#### **REMAINING METRICS - G**

##### **Gigabytes**

Gigabytes (GB) refer to the storage capacity equivalent to 10243 bytes.

##### **GWh per year**

**GWh per year** is defined as energy consumption in GWh per year. 1 GWh is the equivalent of 1,000,000 kWh. The kilowatt hour is most commonly known as a billing unit for energy delivered to consumers by electric utility or electric utilities. In gas industry kWh is used to describe the thermal energy being delivered to consumers. Physically, kWh describes a source of heat or power or as a raw material input to a manufacturing process.

Consumption of electric energy is measured by Wh (Watt x Hour). 1 kWh = 1000 Wh.



**REMAINING METRICS - H**

None listed.

**REMAINING METRICS - I**

**Installations**

**Installations** are instances of the software installed at a designated device.

For SAP Fortify by HP, Installations is defined as a single deployable unit of software code consisting of a collection of source code, byte code or object code that delivers some or all of the functionality of a business application.

**Installed Capacities**

**Installed Capacities** is defined as the total theoretical annual production capacity of all plants of an SAP Customer.

**Instances**

**Instances** are unique connections to a single specified application or technology type.

**LVM instances** are the primary application servers used for central application services of the managed SAP application, including the enqueue and message services (e.g. the central instance), any SAP Web AS instances associated with the managed SAP application that is not the central instance (e.g. dialog instances), the primary database of the managed SAP application (e.g. database instance), or any occurrences of TREX or LiveCache associated with the managed SAP application. In cases where multi-node databases (e.g. RAC, DPS, HANA, etc.) are managed by LVM, all nodes are counted, however shadow databases are not counted toward the licensing.

☑ For the copy/clone/refresh option, only the primary system database of the source systems is counted. In cases where multiple databases are configured for the managed systems (e.g. shadow DB, DB cluster, LiveCache, etc.), then only one database is counted, regardless of which ones or how many are configured.

☑ For third-party (e.g. non-SAP applications) and custom developed applications the entire application is defined as a single LVM instance in SAP NetWeaver Landscape Virtualization Management, regardless of the software architecture for that application.

**Invoices**

**Invoices** are items that flow through the cockpit for reconciliation per year.

**Items**

**Items** represent entities tracked in the Software.

*For Extended Warehouse Management, Shipper Scenario* - Items are delivery line items. A delivery is the documentation for a shipment sent from a warehouse location to a destination (customer or other plant/location). The items of the delivery are the unique material codes irrespective of quantity shipped under that delivery. The average per day is based on the active days over the period of one year.

*Transit Warehousing scenario* - In transit warehousing delivery line items are not used. For the transit warehousing scenario, ITEMS are the packaging items (Handling Units) moved through the system from origin to destination. The packaging items are counted only once in this process. The average per day is based on the active days over the period of one year.

*For Track and Trace*, Items represent entities being configured, shipped-and-received, or tracked in the system on a yearly basis.

*For SAP CRM Solutions Sales Configuration solutions*, Items represent number of SAP CRM quotation that have been generated using the solution.

**REMAINING METRICS - J**

None listed.

**REMAINING METRICS - K**

None listed.

**REMAINING METRICS - L**

**Languages**

**Languages** designate any language used for creating and displaying product content, web content and customer facing data. Back-office cockpits available in multiple languages do not constitute the need for an additional language.

**Learners**

**Learners** are individuals accessing the application and engaging in any learning services being processed by the application.

**External learners** are learners (non-customer employees) booking at least one course in a year.

**Licenses**



**Concurrent access licenses** are the aggregated numbers of end users accessing the licensed Software at any one time. The number of users accessing the licensing Software may not exceed the number of Concurrent Access Licenses (CALs) the customer has obtained. CAL(s) are assigned to a particular Deployment, and may not be shared among different Deployments. When using Concurrent Access licenses, customer may not utilize a program or system to cache or queue report requests.

**Important note:** This pricing metric is only available through BusinessObjects Value Added Resellers.

#### **Limit Sets**

**Limit sets** are the total number of limits set in the system.

#### **Loadrunner**

**Loadrunner, controllers** are the central point for load test designs and load test executions.

#### **Locations**

**Location** is to be defined as a single Foreign Trade Zone or sub-zone set up in the GTS system with a unique Zone ID.

**Base & remote locations** are central warehouses or distribution centers from which the remote locations are supplied with spare parts and materials. Offshore facilities (e.g. platforms) or remote on-shore facilities are examples for remote locations in the Oil & Gas industry. Mines or processing centres are examples for remote locations in the mining industry.

#### **REMAINING METRICS - M**

##### **Mainframe**

**Mainframe Bases** are physical mainframe machines where each machine is referred to and identified as a unique serial number.

##### **Memory**

**Blade memory** is the memory size of the blade.

**Gigabytes of memory** are the total amount of memory that may be used by the HANA Software, as measured in gigabytes.

##### **Message Volumes**

**Message volumes (MB) / month / installation** are the data volumes in megabyte of conversions performed per month and per installation.

#### **REMAINING METRICS - N**

##### **Net Property Plant & Equipment's**

**Net property plant & equipment's** are the values of the total properties, plants and equipment's as disclosed in the balance sheet insofar as processed by the SAP solution on a yearly base.

##### **Nodes**

**Nodes** are servers or virtual machines running the SAP Vora or Hortonworks Data Platform.

☐ A server is a single piece of hardware that runs the software. A hardware partition or blade is considered a separate hardware system.

☐ A virtual machine is a software container that can run its own operating system and execute applications like a single physical machine.

#### **REMAINING METRICS - O**

##### **Objects**

**Database objects** are collections of intrinsic and/or customer-defined properties that are defined by a Palantir dynamic ontology and stored in or accessible by the Palantir system. "Objects represent entities (people, places, and things), events, and documents".

☐ Properties represent features or characteristics of objects. Different types of objects have different types of properties. For example, a person object might have an eye colour property and an event object might have a date property.

☐ Intrinsic properties are attributes that are inherent in objects and, unlike other object properties; you cannot add or remove them. For example, entities contain the intrinsic property Title, and events and documents contain the intrinsic properties Title, Date Begin, and Date End. You can see and change an object's intrinsic properties, and correlate them to data sources by using the Basic Info panel in the Browser's Properties view in Palantir Workspace.

**Master data objects** are master data objects stored in the SAP NetWeaver Master Data Management system and/or SAP Master Data Governance System.

☐ *For SAP Enterprise Master Data Management:* Master data objects are all master data objects stored in the SAP NetWeaver Master Data Management system, plus the total number of all master data objects stored in the SAP Master Data Governance system.



☒ *For SAP Master Data Governance, Financials:* Master data objects are the sum of financial objects (including, but not limited to, group accounts, operational accounts, cost elements, companies, profit centers and, cost centers with hierarchy nodes, consolidation groups and units, financial statement items) stored in the SAP Master Data Governance system. For avoidance of doubt, the financial accounts are only counted once, even if the accounts are used in multiple charts of accounts or financial statement versions. For example, if the company is reporting externally in US GAAP as well as IAS, each account is only counted once, not twice.

☒ *For SAP Master Data Governance, Supplier:* Master data objects are active supplier objects (vendors) stored in the SAP Master Data Governance system.

☒ *For SAP Master Data Governance, Customers:* Master data objects are active B2B customer objects stored in the SAP Master Data Governance system. Licensee may Use SAP Master Data Governance, Customers to store additional business partners if the partners represent B2B customers. Licensee may not Use SAP Master Data Governance, Customers to store additional business partners if the partners represent B2C customers.

☒ *For SAP Master Data Governance, Consumers:* Master data objects are active consumer type customer objects stored in the SAP Master Data Governance system. A consumer is a natural person or a group of persons (e.g. household) that has any kind of business relationship with a company, including, but not limited to, B2C customers, B2C contacts, and citizens. Licensee may Use SAP Master Data Governance, Consumers to store additional business partners if the partners represent B2C consumers. Licensee may not Use SAP Master Data Governance, Consumers to store additional business partners if the partners represent B2B customers.

☒ *For SAP Master Data Governance, Product:* Master data objects are active material objects (materials, products) stored in the SAP Master Data Governance system. Licensee may not Use SAP Master Data Governance, Product to store articles.

☒ *For SAP Master Data Governance, Custom:* Master data objects are master data objects stored in custom-build "Master Data Governance" systems that are not of type financials, suppliers, customers or materials. This is the sum of all user defined object of type things (articles, contract, location, asset, equipment, contract, etc.). A user defined object is created using the Master Data Governance framework.

☒ *For SAP Master Data Governance, enterprise asset management ext by Utopia:* Master data objects are master data objects stored in SAP EAM. This is the sum of all equipment and functional locations and MRO bill-of-materials.

☒ *For SAP Master Data Governance, retail and fashion management ext by Utopia:* Master data objects are the sum of all single articles, generic articles (excluding variants) as well as sets, lots and displays, which get put under the governance of the solution.

☒ *For SAP NetWeaver Master Data Management, business partner data:* Master data objects are business partner type objects stored in the SAP NetWeaver Master Data Management system. This is the sum of all supplier objects, as well as any user defined object of type business partner (vendor, B2B customer, B2B contact, employee, business partner, etc.). User defined objects are created using the MDM tool for management within the MDM repository. A Business Partner is a natural person within an organization, a group of persons within an organization, or an organization itself that has any kind of a business relationship with a company.

☒ *For SAP NetWeaver Master Data Management, consumer data:* Master data objects are consumer type objects stored in the SAP NetWeaver Master Data Management system. This is the sum of all B2C customer, B2C contact, citizen objects, plus the total number of any additional consumer type user defined object. User defined objects are created using the MDM tool for management within the MDM repository. A consumer is a natural person or a group of persons (e.g. household) that has any kind of business relationship with a company.

☒ *For SAP NetWeaver Master Data Management, product and other data:* Master data objects are master data objects stored in the SAP NetWeaver Master Data Management system that are not of type financials, or business partner. This is the sum of all material objects, as well as any user defined object of type things (product, article, contract, location, asset, etc.). User defined objects are created using the MDM tool for management within the MDM repository.

☒ *For SAP NetWeaver Master Data Management, printing and PCM:* Master data objects are products stored in the product data cache.

☒ *For SAP NetWeaver Master Data Management, global data synchronization:* Master data objects are products stored in the product data cache.

## **Orders**

**Orders** are externally created sales and service or purchase orders processed on a yearly base.

Externally created orders are those orders that are not entered by an Employee of the Licensee.

**Fleet planning orders** for Waste and Recycling are the number of orders processed by a service planner. The number of fleet planning orders per year is calculated as the sum of all Utilities contracts (Waste and Recycling) plus every block of 10 Waste orders in that year.



**Waste orders** are the sum of all orders in Waste and Recycling per year that are not invoiced by the Bill-To-Cash Management solution (they are processed in another billing solution such as Sales & Distribution) plus the number of direct delivery weighing notes per year.

#### **Outpatient Days**

**Outpatient days** is the sum of the days in which patients have been treated as outpatients in a one year period. One outpatient day is counted when one patient is treated as an outpatient in one calendar day, independently of the quantity of work done on that day and on how the work was documented in the SAP system (in one or more outpatient cases, and, within cases, as one or more visit movements).

#### **REMAINING METRICS - P**

##### **Packages**

**Decision service asset packages** are collections of 25 rules and expressions (excluding constants as an expression).

##### **Page Views**

**Page Views** are the total cumulative number of: (1) single views of a mobile or browser application, or web page of an internet site, via screen views, screen states, mobile web pages, web stores, the Software In-Store module, or Contact Center module, for which the Hybris Commerce Suite provides data over a 12 month period and (2) JSP page requests, Ajax requests, REST service requests, SOAP service requests, or other application server requests through the Software.

##### **Parcels**

**Parcels of land** are units of land managed by the Software.

##### **Patients**

**Patient care days** are the relevant number of patient care days reached by the Licensee in a calendar year is the corresponding statistic according to the annual H+ member directory "H+ Die Spitäler der Schweiz".

**Patients treated** are those treated in one calendar year in the institutions supported by the SAP system. Patients are only counted once, no matter how many times they are treated in the hospital within the year.

##### **Payments**

**Payment items** are single payment transaction within a payment order. A payment order can have one ordering party item and multiple recipient party items.

##### **Plants**

**Plants** are physical sites owned by or operated by an enterprise supported by the Software.

For the purpose of determining the size and usage scenario of plants the following definitions apply:

☑ **Small plants** are plants with up to 500 employees. Employees per plant are all employees and contractors working in the plant.

☑ **Midsize plants** are plants with 501 up to 5.000 employees. Employees per plant are all employees and contractors working in the plant.

☑ **Large plants** are plants with more than 5.000 employees. Employees per plant are all employees and contractors working in the plant.

☑ *For SAP Operations Management for Mining:* Plants are mines, concentrators, processing plants, smelters, refineries, distribution centres (stockpiles) and ports. Employees include own employees in the operations, contractors, administration and maintenance staff.

☑ *For SAP Product Structure Synchronization:* Every outsourced manufacturing plant will be considered as small plant. An outsourced manufacturing plant is a physical site owned or operated by a supplier or partner who is part of the engineering to manufacturing scenario supported by Product Structure Synchronization.

##### **Points of Delivery**

**Points of delivery** are the points of delivery (PoDs) at which a utility service is supplied or determined. When a utility installation is created in SAP's Utilities system, a unique PoD is automatically generated. All PoDs in the system are counted where a device or device info record is assigned to SAP's Utilities installation with an ending date later or equal to the system date; technical and virtual PoDs are not considered.

For the sectors below the following division categories of the SAP Utilities system need to be considered:

☑ Energy:

☑ Electricity

☑ Gas

☑ District heating



- Mutual help
- For all sectors
- Electricity:
- Electricity
- Gas:
- Gas
- Water:
- Water
- Waste Water
- Utilities or no division named:
- Electricity
- Gas
- District heating
- Water
- Waste Water
- Waste Management
- Mutual help
- For all sectors

*For SAP Advanced Metering Infrastructure for Energy and for SAP Advanced Metering Infrastructure for Energy Water Utilities:*

**Points of delivery, advanced meter** are the points of delivery (PoDs) at which a utility service is supplied or determined. When a utility installation is created in SAP’s Utilities system, a unique PoD is automatically generated. All PoDs in the system are counted where an active, advanced meter is assigned to SAP’s Utilities installation with an ending date later or equal to the system date; technical and virtual PoDs are not considered.

For the sectors below the following Division Categories of the SAP Utilities system need to be considered:

- Energy:
- Electricity
- Gas
- District heating
- Mutual help
- For all sectors
- Water:
- Water
- Waste Water

**Portfolios**

**Sales portfolios** are the annual energy sales and procurement portfolios of a utility company. The sales portfolio is measured in units of 1 TWh (Terawatt hour).

**Premiums**

**Premiums** of the insurance company, which uses the product, is the total gross premiums as disclosed in the latest annual statement of the legal entity in a fiscal year. If the customer does not disclose a comprehensive annual statement, the customer will report on an annual basis the respective information to SAP.

If the customer does not disclose the information publicly, he has to deliver and explain it to SAP

If the product shall be licensed only for a subdivision of the insurance company the respective license contract requires an explicit definition.

*For Reinsurance Management Solutions (SAP ReIns Management Foundation for Insurance and SAP ReIns Risk Manager);*

Premiums reflect the “Ceded Premiums” in case of passive and “Assumed Premiums” in case of active Re-Insurance Business. In case the licensee uses the solution for Ceded AND Assumed business the sum of both shall apply.

**Premiums and Disbursements**



**Premiums and disbursements** is defined as the total sum of all premiums and/or all disbursements processed annually via the licensed service. For disbursements, positive values equal to the actual amount of disbursements are considered for this calculation. If required, currency conversions are done based on the PL valid at the point in time of the contract.

#### **Prepayment contracts**

**Prepayment contracts** contain all utility contracts which are operated via prepayment.

#### **Prices**

**Contract price** is the net value of the license contract. Contract price for partners refers to partner buy price depending on the support delivery model.

**BSI U.S. payroll tax processing contract price** is the net value of the BSI U.S. payroll tax processing software license.

#### **Products**

**Products** are the annual total of number of vehicles and finished goods (for VMS/DBM) or Vehicles and Parts (for sequenced manufacturing) in the context of Automotive Solutions.

#### **Public Documents**

A **Public Document** is defined as any object that can execute fully on the SAP BusinessObjects BI Platform. This includes: Web Intelligence document, Crystal Report, Explorer information space, Analysis for OLAP workspace, Dashboard, Design Studio template, Lumira document.

#### **REMAINING METRICS - Q**

None listed.

#### **REMAINING METRICS - R**

#### **Recipients**

**Recipients** are individuals receiving reports from the licensed Software.

#### **Records**

**Records** are the average number of items managed by the application over the prior 12 months.

**SAP NetWeaver records** are leading SAP business objects and/or cases in SAP NetWeaver Folders Management. Archived Records (records attached to archived business objects) are not counted. A leading object is the object the record refers to.

When SAP NetWeaver Folders Management is used to manage employee files, employees managed in the SAP HCM system are the leading object to be counted. When it is used for billing, creditors and debtors are the leading objects to be counted. When it is used in SAP Real Estate Management, real estate objects (including but not limited to real estate contracts, business entities, buildings, pieces of land, rental objects architectural objects, and parcels of land) are the leading objects to be counted. When it is used to manage changes of equipment by utilizing cases, the number of change requests is counted.

**Master records** are one contractual relationship between the company and an employee whose payroll is being calculated.

*For SAP Financial Database for Banking, SAP Credit Risk Portfolio Management for Banking, Regulatory Reporting by iBS, and SAP Performance Management for Banking:*

Records represent the number of financial products (such as loans or deposits) including over the counter products, and standardized exchange traded securities (e.g. shares, listed options, bonds). This is also true when processing takes place on aggregated level.

*For SAP Hybris Billing, pricing simulation:*

Records are the number of transactions stored in HANA and accessible to the application for the purpose of usage in simulations, as averaged over the prior 12 months. A transaction represents any digital document capturing a service consumption event that can potentially be priced or monetized during a typical pricing process.

#### **Resources**

**Resources** are unique individuals or non-human resources (system, equipment, tool, instrument, machine, vehicle, room, regulatory or government agency/body, industry standard, framework, and/or corporate policy, etc.) that are managed by or within the Software.

#### **Revenues**

**Revenues** are the annual incomes that a company receives from its normal business activities and other revenues from interests, dividends, royalties or other sources. Revenues exclude indirect taxes such as VAT, Excise Duty or any similar sales related taxes.

☑ *For Public Sector*, Revenues are the same as "Total Annual Budgets"

☑ *For Insurance*, Revenue are the same as "Premiums"



☒ For SAP Account & Trade Promotion Management, SAP Trade Promotion Optimization, and SAP Dairy Solution by msg, Only the revenues need to be considered associated with the business or division which the capabilities of this package will be applied against.

☒ For SAP Electronic Invoicing for Brazil (NFE), Only the revenues generated by the company or legal entity located in Brazil need to be considered.

☒ For SAP Tax Declaration Framework

only the revenues generated in Brazil are relevant.

☒ For SAP Hybris branded products

**Revenue** is the calculation of Licensee's and its Affiliates total annual sales revenue for products or services that are purchased through the Hybris platforms (including Hybris powered websites and other Hybris powered channels such as web stores, mobile, In-Store module, Contact Center module, etc.) by customers (B2B and B2C) in each trailing 12 month period, less VAT, delivery and any returns.

☒ For SAP Configure, Price, and Quote (SAP CPQ)

Revenues are the calculation of Licensee's and its Affiliates total annual sales revenues for products or services, which were generated using the SAP CPQ software less VAT, delivery and any returns.

☒ For SAP Product Lifecycle Costing,

Only the revenues need to be considered associated with the business or division which the capabilities of SAP Product Lifecycle Costing will be applied against.

### Revenues and Expenses

**Revenues and Expenses** are the sum of annual revenues received and annual expenses paid (commissions, royalties, revenue shares etc.) in the context of the Software.

**Revenues** are the sum of annual monetary amounts invoiced by Customer and its Affiliates to third parties for services provided (or to be provided) by Customer and/or its Affiliates to such third parties and processed through the SAP solution. "Expenses" are the sum of budgeted annual expenses (commissions, royalties, revenue shares etc.) for services performed (or to be performed) by Customer or its Affiliates for Customer's and/or its Affiliates own organization(s) that are processed through the SAP solution.

*For SAP Intellectual Property Management (SAP IPM):*

Revenues and Expenses is the sum of the annual revenues received and annual expenses paid (license fees, royalties, revenue share, etc.) in the context of the software. Revenues and expenses include financial validation for deals which is implemented in SAP IPM but does not result in an incoming payment e.g. barter deal.

*For CPM and PPM:* Revenue and Expenses is related to the projects managed within the software and is defined as:

☒ Revenues: the sum of annual revenues received for revenue-generating external projects

☒ Expenses: the sum of budgeted annual expenses for internal projects

### REMAINING METRICS - S

#### Scenarios

**Scenarios** are used in SAP Process Performance Management by Software AG based on SAP Solution Maps. Details on SAP Solution Maps can be found in sap.com: <http://www.sap.com/solutions/businessmaps/index.epx>

#### Servers

**Process servers** are defined as each server (real or virtual) where automated tasks are to be managed. A process server is required for every single connected application, server or operating system (OS) instance (virtual or physical) with a unique identification on which processes are executed that need to be monitored, managed and controlled. For each process server purchased the customer is provided with 1 production and 3 non-production environments (i.e. 1 for fail-over for the production instance, 1 for development and 1 for test).

**Servers** are physical computers, cases, boxes or blades that house the CPUs running the software product. Multiple virtual machines on the same physical box are allowed and do not require additional licenses.

**Service Units** are published mainframe capacity ratings (MSU ratings). For up-to-date MSU ratings please refer to the relevant vendor websites.

#### Service Order

**Service Order** is defined as one discrete order that is mapped in the software in a given calendar year. A service order can be among others a workshop order, a repair order, or a maintenance order.



The number of service orders applied in determining usage volume is the total number of discrete orders mapped with Software for which order master records are created in Software in a given calendar year. Where, for example, an up-stream system bundles multiple orders, the number of orders to be counted is the number before bundling.

Where an order master record is created in Software, the service order, as defined above, is within the ambit of this present agreement for Software. It matters not how an order master record is generated in Software (for example, by directly creating orders in MRS or by importing order master records from upstream systems such as DBM) or whether an order is in fact the object of any further planning using Software.

The measurement as described above will measure the number of service orders created as data records in the calendar year.

*For SAP Enhanced Maintenance and Service Planning*

Service Order means Representation of a reservation for a service area, so called: Slot Order. Check Orders are excluded.

#### **Sessions**

**Concurrent sessions** are the aggregated numbers of sessions accessing the licensed Software at any one time. A session refers to the time between logon and logoff or time out where a unique user, application or platform accesses the licensed Software either directly or indirectly via a custom application. The number of sessions accessing each Deployment must be limited by corresponding license key mechanisms. The maximum number of sessions enabled on a Deployment by such limitations may not exceed the Licensed Level for the number of Concurrent Sessions assigned to that Deployment for such licensed Software product. The aggregate number of sessions enabled on all Deployments may not exceed the Licensed Level of Concurrent Sessions. Users in deployments with an unlimited number of sessions require a Named User License for the licensed Software product. There is no license limit on number of processors or servers used. Licensee may not utilize any program or system to cache or queue report requests. SAP BusinessObjects BI users accessing any Deployment using a Concurrent Session license may be entered into the SAP NetWeaver BW system for the purposes of maintaining security.

#### **SOAR Sales Orders**

**SOAR Sales Orders** are defined as the annual number of sales orders the customer will process through the RCS Sales Order Allocation and Rescheduling (SOAR) on HANA. The figure is taken as the number of discrete sales orders processed annually by the SOAR Allocation run (Arun) process.

#### **Spends**

**Spend volumes** are the company's annual expenditures for the procurement of all direct and indirect goods and services.

*For Public Sector entities*, Public Sector Spend Budgets may be used instead. Public sector spend budget is the figure, published annually, that documents an organization's procurement budget for all direct and indirect goods and services.

*For SAP Hybris Marketing, planning option*, Spend volumes is the marketing spend amount that is processed in the SAP Hybris Marketing, planning option.

*For SAP Electronic Invoicing for Brazil (NFE-Inbound)*, only Spend Volumes in Brazil are to be considered.

**Freight Spend** is the annual freight costs incurred in transporting products. ; i.e., all the transportation costs, including labour, involved in moving goods to and from a plant/distribution center/warehouse, including payments to logistics companies for their services and any cost incurred by a company for the use and maintenance of its own fleet of vehicles.

#### **Stores**

**Stores** are individual operational units of a customer (typically operated by retailers).

#### **Students**

**Students** are defined as:

☑ full-time registered students e.g. students who are registered for a full course load for the current academic year at the institution; and/or.

☑ equivalents of full-time registered students (for example, a part-time student could represent a fraction of a full-time student).

#### **Subscriptions**

**Annual subscriptions** are periodic recurring fees that are payable every calendar or fiscal year for the right to use software or services during that calendar or fiscal year. This fee is payable each calendar or fiscal year whether or not the software or service has been used during that year.

#### **Systems**

**Connected systems** are productive SAP Solution Manager systems connected to the productive systems of SAP Quality Center by HP, Central Process Scheduling by Redwood, or SAP Productivity Pak by ANCILE.

**Decommissioned systems** are systems that are retired using SAP NetWeaver Information Lifecycle Management.



## REMAINING METRICS - T

### Terabytes

**Terabytes** are the amount of data stored in terabytes in the main database of Sybase IQ Server in whole numbers (fractions must be rounded up). If the Very Large Database Management option is licensed, it must be licensed to match the size of the entire main database of the Sybase IQ Server.

### Testers

*For SAP Test Acceleration and Optimization (SAP TAO):*

Testers are employees using SAP TAO and testing SAP applications enterprise-wide.

### Tickets

**Event tickets** are entrance tickets to an event sold for a price > 0 using the SAP Event Ticketing software and stored in the SAP Event Ticketing database, independent of whether the ticket is printed or dispatched to the customer differently (e.g. electronically), and independent of whether the ticket is being used or not. This does specifically exclude tickets that are given away for free, e.g. complimentary tickets.

### Tonnage

**Tonnage produced** are tonnage produced on one day.

### Transactions

*For SAP Hybris Billing, charging,*

Transactions are defined as pricing outputs where one input can generate one or several pricing outputs. Transactions are counted as those on the peak load day as measured within the prior 12 months.

*For SAP Hybris Billing, mediation by DigitalRoute and SAP Hybris Billing, service control by DigitalRoute:*

Transactions are the smallest individual events processed by the application. Examples: When processing data sets each datum is counted. When managing sessions each start/interim/stop event is counted. Transactions are counted as those on the peak load day as measured within the prior 12 months.

*For SAP Accounting for Financial Instruments:*

Transactions represent the number of transactions related to exchange-traded securities (e.g. shares, bonds, futures, options, warrants) and sub-ledger postings (imported sub-ledger documents) over a period of prior 12 consecutive months.

*For SAP Fraud Management for Banking:*

Transactions represent the movement of money/funds between a Bank and another Financial Institution or between a Bank and a Customer. Transactions considered are the number of transactions stored in a SAP system in a timeframe of 12 consecutive months. Transactions are e.g. Payment transactions, Credit/debit card transactions, Loans disbursements and payments, Securities (bonds, shares etc.), sell and/or buy transactions.

*For SAP Document Presentment by OpenText and SAP Document Presentment by OpenText, add-on for business correspond:*

Transactions are single instances of a business document that is created, processed, printed or manipulated in some way by the products (e.g. letter, email, PDF, fax, SMS).

*For SAP Digital Content Processing by OpenText*

Transactions are single instances of a content process/workflow that is captured and/or processed by the Software.

*For SAP Payment Engine* Transactions are single payment transaction within a payment order. A payment order can have one ordering party item and multiple recipient party items. The number of transactions is counted per year.

## REMAINING METRICS - U

### Units

**Rental units** are rental objects that are managed with SAP Real Estate Management.

### Users

**Users** are individuals who Use the Software. A "User" included in the Metric count cannot be assigned to more than one individual.

☐ *For Collaborative Product Development:* Users represent the number of individuals that are creating / updating engineering records, utilizing functions like recipe development, business context viewer, and status and action management functionality

☐ *For SAP Contact Center, e-Channel:* Users represent agents and/or supervisors who work in a contact center environment and handle incoming contacts through multiple communication e-channels (like email, chat, SMS and fax) and/or use supervisor tools to supervise contact center agents with e-channel user capability.



☒ *For SAP Contact Center, voice channel:* Users represent agents who work in a contact center environment and handle incoming contacts through voice channel and office telephony only or handle outbound campaign calls only. In addition, each port in Interactive Voice Recognition system is also considered a user and should be counted as additional users.

☒ *For SAP Real Estate Management:* Users are individuals who manage office, retail and industrial properties and similar portfolios. It is applied for both, owned and operated space, and includes commercial as well as corporate real estate management.

☒ *For SAP Business Intelligence (BI):* There is no license limit on number of processors or servers used. Users are identified at logon and do not consume a Concurrent Session license. Concurrent Session licenses and Users can be purchased in combination for a Deployment. Licensee may not utilize any program or system to cache or queue report requests. SAP BI users may be entered into the SAP NetWeaver BW system for the purposes of maintaining security. This metric does not replace the overall SAP Named User licensing requirement.

☒ *For SAP Identity Management and SAP Single Sign-On:* Users are individuals whose credentials and/or user information is managed by the functionality of the licensed Software.

☒ *For SAP Application Visualization by iRise* Users are authors who can create/edit a visualization using SAP Application Visualization by iRise and the add-on for general SAP solutions (if applicable).

☒ *For SAP Digital Asset Management by OpenText, limited access option* Users are limited to search, browse, view and download assets.

☒ *For Capital Markets Treasury by Calypso and SAP Capital Markets Trading by Calypso,*

Users are defined as employees who engage in capital markets trades and activities and use functionality provided by the item.

**Active users** are individuals that perform transactions Using the Software in a given calendar quarter. If the active user is a consumer (i.e. an individual performing transactions solely on his or her own behalf as an individual, and not in conjunction with his or her employment and/or on behalf of any other individual(s) and/or entity(ies)), the additional requirement of an SAP Named User license is waived.

**Application Users** are licensed SAP Mobile Platform Users accessing a single Application, where "Application" is a set of related functionality developed by an SAP Mobile Platform Developer User using SAP Mobile Platform.

**Licensed users** are individuals licensed as one of the SAP Named User types defined in the price list.

☒ *For ERP, localization Extensions for Republic of Belarus by EPAM package:* Licensed Users - are all individuals licensed as one of the following SAP Named User: SAP Professional User, SAP Employee User, SAP Project User, SAP Worker User, SAP Logistics User.

☒ *SAP ERP HCM, localization extension for Republic of Belarus by IBA:* Licensed Users - are all individuals licensed as one of the following SAP Named User: SAP Professional User, SAP Employee User, SAP Employee Self-Service User, SAP Employee Self-Service Core User, SAP Manager Self-Service User.

**Users, monitored** are employees, contract workers or other individuals whose credentials, permissions, privileges and/or other user information will be monitored, protected or evaluated by the Software, or are authorized to use the reporting console.

**Portal users** are licensed users with access to a particular deployment of the SAP Portal, including SAP Professional Users, Employee Self-Service/Manager Self-Service Users, and External Community Members.

**Virtual users** are users simulated in the software to test the load on the SAP system.

## REMAINING METRICS - V

### Values

**SAP Application Value (SAV)** is the sum of list prices for Named Users, External Community Members, Software Engines and Supplementary Products, excluding those items identified in the list of prices and conditions that do not contribute to the SAP Application Value.

**HANA SAP Application Value (HSAV)** is the sum of prices for licensed Software, excluding those items identified in the list of prices and conditions that do not contribute to the HANA SAP Application Value.

## REMAINING METRICS - W

### Web or Internet Presences

**Web or Internet Presences** designate a target group specific reproduction of content on the internet that is distinct in terms of product range, graphical layout or domains from other internet presences in the SAP Hybris system. Content that has been personalized for individual users (e.g. prices and recommendations) does not constitute a separate internet presence.

### Weights

**Weights** are defined as tons per year.

*For SAP Commodity Sales & Procurement for oil, oil equivalent and gas,*



Weights are Barrels of Oil-Equivalent per Day (BOEPD).

*For SAP Commodity Sales & Procurement for silver and SAP Commodity Sales & Procurement for precious metals except silver,*  
Weights are ounces per year.

The following commodities are comprised by:

☑ SAP Agricultural Contract Management for wheat, corn, rice and sugar cane:

Wheat, corn, rice and sugar cane

☑ SAP Agricultural Contract Management for oats, barley, rye, potatoes, cassava and soybean:

Oats, barley, rye, potatoes, cassava and soybean

☑ SAP Agricultural Contract Management for canola, cotton and juices:

Canola (= commercial rapeseeds), live cattle, feeder cattle, lean hogs, pork bellies, CME milk, butter, fruits and vegetables, cotton, jute, orange and apple juice, sugar, lumber, tobacco, rubber

☑ SAP Agricultural Contract Management for coffee, tea and cocoa:

Coffee, tea and cocoa

☑ SAP Agricultural Contract Management for production seeds of soybean and rice:

Soybean and rice

☑ SAP Agricultural Contract Management for production seeds of sugar beet, corn and cotton:

Sugar beet, corn and cotton

☑ SAP Agricultural Contract Management for production seeds of canola:

Canola

☑ SAP Commodity Sales & Procurement for iron ore, steel and coal:

Iron Ore, steel, coal

☑ SAP Commodity Sales & Procurement for oil, oil equivalent and gas:

Crude oil, natural gas, natural gas liquids (NGL), ethanol, gasoline, jet fuel/kerosene and heating oil

☑ SAP Commodity Sales & Procurement for base metals, cereals and sugar:

Tungsten, molybdenum, tantalum, magnesium, cobalt, bismuth, cadmium, titanium, zirconium, antimony, manganese, beryllium, chromium, germanium, vanadium, gallium, hafnium, indium, niobium, rhenium, thallium, uranium, pulp, paper, wheat, corn, rice and sugarcane

☑ SAP Commodity Sales & Procurement for alu, grains and other major crop:

Aluminum, oats, barley, rye, potatoes, cassava and soybeans

☑ SAP Commodity Sales & Procurement for non-ferrous base metals:

Copper, lead and zinc

☑ SAP Commodity Sales & Procurement for oilseeds, meat and dairy

Rapeseed, canola, sunflower seed, peanuts, oils & fats, oil meal, live cattle, feeder cattle, lean hogs, pork bellies, CME milk, butter, fruits & vegetables, cotton, jute, orange juice, apple juice concentrate, sugar, lumber, tobacco and rubber

☑ SAP Commodity Sales & Procurement for tin, nickel, coffee, cocoa and tea:

Tin, nickel, cocoa, coffee and tea

☑ SAP Commodity Sales & Procurement for silver:

Silver

☑ SAP Commodity Sales & Procurement for precious metals except silver:

Gold, platinum, palladium, ruthenium, rhodium, osmium and iridium

**REMAINING METRICS - X**

None listed.

**REMAINING METRICS - Y**

None listed.

**REMAINING METRICS - Z**

None listed.

**Exhibit 3 - Package Restrictions**



## **1. SAP Business Suite and Enterprise Foundation**

### **1.1 Embedded Analytics**

Where Licensee holds a valid Package License for any of the below Package(s), such Package License shall include the right for individuals licensed as SAP Professional or Limited Professional Users under the Agreement to (i) view, interact and refresh Crystal Reports, Dashboards content and Lumira storyboards embedded with such licensed Package(s) and (ii) Use the SAP BI Platform and/or SAP BusinessObjects Lumira, server version for the SAP BusinessObjects BI Platform, as delivered with such licensed Package(s), solely to enable the viewing, interacting and refreshing of the Crystal Reports, Dashboards content and Lumira storyboards embedded with such licensed Package(s) (collectively "Embedded Analytics Limited Use Right"). For avoidance of doubt, any other Use of the licensed Package(s) shall require an SAP Named User license, and any other Use of the Crystal Reports, Dashboards, BI Platform or Lumira server for the SAP BusinessObjects BI Platform BI Platform shall require a full use license for such Software.

Packages That Include Embedded Analytics Limited Use Right:

- SAP ERP
- SAP SCM
- SAP Transportation Management
- SAP Extended Warehouse Management
- SAP SRM
- SAP CRM
- SAP Environment, Health and Safety
- SAP Manufacturing Integration and Intelligence
- SAP hybris Marketing

Licensee may additionally download, install and use the Crystal Reports Viewer for SAP Business Suite Applications to display lists from ABAP List Viewer ("ALV") as SAP Crystal Reports at no added cost under the terms and conditions applicable to SAP Business Suite applications.

#### **1.1.1 Embedded SAP BusinessObjects Design Studio**

Where Licensee holds a valid Package License for any of the below Package(s), such Package License shall include the right for individuals to view, interact and refresh SAP BusinessObjects Design Studio content embedded with such licensed Package(s). For avoidance of doubt, any other Use of SAP Business Objects Design Studio shall require a full use license for such Software.

Packages That Include Embedded SAP BusinessObjects Design Studio:

- SAP Cash Management powered by SAP HANA

#### **1.1.2 Embedded SAP BusinessObjects Enterprise, professional edition**

Where Licensee holds a valid Package License for any of the below Package(s), such Package License shall include the right for individuals to view, interact, refresh and modify the content embedded with such licensed Package(s). For avoidance of doubt, any other Use of SAP BusinessObjects Enterprise, professional edition shall require a full use license for such Software.

Packages That Include Embedded SAP BusinessObjects Enterprise, professional edition:

- SAP Contact Center

#### **1.1.3 Embedded SAP BusinessObjects Lumira, desktop edition**

Where Licensee holds a valid Package License for any of the below Package(s), such Package License shall include the right for individuals to download, install and use SAP BusinessObjects Lumira desktop edition with such licensed Package(s). For avoidance of doubt, any other Use of SAP BusinessObjects Lumira desktop edition shall require a full use license for such Software.

Packages That Include SAP BusinessObjects Lumira, desktop edition:

- SAP Fraud Management
- SAP Fraud Management for Public Sector
- SAP Fraud Management for Insurance
- SAP Fraud Management for Banking
- SAP Audit Management
- SAP Identity Management

### **1.2 Enterprise Foundation.**



Unlike other Package licenses the SAP ERP Foundation Starter comes with 5 (five) SAP Professional Users in addition to the use rights for the scope of Enterprise Foundation capabilities. Any additionally required Named Users need to be licensed separately. The license for data destruction in Human Capital Management is included in the ERP license. During implementation of ERP Foundation, Licensee may configure such Software to prepare for interfaces with other SAP Packages.

**1.3 SAP Human Capital Management.**

Usage of any integration software and content provided with the SAP HCM software and applicable to an integration between SAP HCM and SuccessFactors' Business Execution Software ("BizX") is permitted only with SAP HCM and a valid, current contract for SuccessFactors BizX.

**1.4 Enhancement Packages for Certain SAP Software.**

The enhancement packages for certain SAP Software may provide new and improved software functionality. Each SAP enhancement package contains business functions that Licensee can activate separately and independently from each other. The standard licensing model for SAP also applies to business functions shipped as part of SAP enhancement packages. To activate business functions, additional licenses may be required. In each of these cases, the respective license needs to be in place prior to activating and Using the business function. Upon request, SAP account executives can provide additional information about the required licenses.

**1.5 S/4HANA Packages.**

S/4HANA Packages shall only be deployed on a SAP HANA database installation (collectively "S/4HANA Installation"). Only S/4 HANA Packages (and no other Software) shall be deployed on a S/4HANA Installation. For clarity, the preceding sentence only applies to software licensed from SAP, its affiliates and or its authorized distributors and resellers. Notwithstanding anything to the contrary in this SUR, S/4HANA Packages are not licensed for Use with any third party runtime database. For the avoidance of doubt, the "Deployment and Communication Rights and Restrictions" set forth in this SUR apply to S/4HANA Packages.

Licensee can only Use S/4HANA Packages if Licensee's total expenditure on license fees for SAP HANA Enterprise Edition or SAP HANA Platform Edition exceed(s) or is equal to fifteen percent (15%) of Licensee's total applicable maintenance base. Licensee agrees to maintain such threshold by licensing additional license metrics of such HANA licenses.

1.5.1 Named User and Metric Requirements for S/4HANA Enterprise Management. The following S/4 Packages do not require Named User Licenses:

- SAP Sales and Service Order Processing for SAP S/4HANA
- SAP Purchase Order Processing for SAP S/4HANA
- SAP S/4HANA Asset Management for EHS incident management
- SAP S/4HANA Asset Management for EHS health and safety management
- SAP S/4HANA Supply Chain for extended warehouse management
- SAP S/4HANA Finance for treasury and risk management
- SAP S/4HANA Finance for in-house cash
- SAP Real Estate Management for SAP S/4HANA, office, retail, and industrial property management option
- SAP Real Estate Management for SAP S/4HANA, residential property management option
- SAP S/4HANA Automotive for vehicle sales management
- SAP Master Data Governance for SAP S4/HANA, financials option
- SAP Master Data Governance for SAP S4/HANA, suppliers option
- SAP Master Data Governance for SAP S4/HANA, customers option
- SAP Master Data Governance for SAP S4/HANA, products option
- SAP Master Data Governance for SAP S4/HANA, custom option
- SAP Enterprise Master Data Governance for SAP S/4HANA
- SAP S/4HANA Sales for incentive and commission management
- SAP S/4HANA for subscription invoicing
- SAP S/4HANA for subscription customer financials
- SAP S/4HANA for subscription billing
- SAP S/4HANA for commercial project management, workspaces option
- SAP S/4HANA for commercial project management, cost and revenue planning option
- SAP S/4HANA for commercial project management, issue and change management option
- SAP S/4HANA Finance for cash management



SAP S/4HANA Finance for central finance foundation  
 SAP Process Control for SAP S/4HANA  
 SAP Risk Management for SAP S/4HANA  
 SAP Access Control for SAP S/4HANA  
 SAP Document Access by OpenText for SAP S/4HANA  
 SAP Document Access by OpenText, limited access option for SAP S/4HANA  
 SAP Archiving by OpenText for SAP S/4HANA  
 SAP Archiving by OpenText, limited access option for SAP S/4HANA  
 SAP Extended Enterprise Content Management by OpenText for SAP S/4HANA  
 SAP Extended ECM by OpenText, limited access option for SAP S/4HANA  
 SAP Invoice Management by OpenText for SAP S/4HANA  
 SAP Digital Content Processing by OpenText for SAP S/4HANA

**1.5.2 SAP S/4HANA Compatibility Packs** - "S/4HANA Compatibility Pack" shall mean an S/4HANA compatible copy of the Software shown in the "Classical Solution" column of the Matrix (the list of applicable Software located at the following link: [https://uacp.hana.ondemand.com/http.svc/rc/PRODUCTION/pdfac0fa9551dd88809f10000000b441570/1511%20000/en-US/MATRIX\\_OP1511.pdf](https://uacp.hana.ondemand.com/http.svc/rc/PRODUCTION/pdfac0fa9551dd88809f10000000b441570/1511%20000/en-US/MATRIX_OP1511.pdf)). The S/4HANA Compatibility Pack may be Used by Licensee as, and in accordance with the terms of, an S/4HANA Package. Such Use is further subject to the following:

- Licensee must have a license to Use i) such Software in the Classical Solution column of the Matrix and ii) the prerequisite shown on the Matrix.
- S/4HANA Compatibility Packs may only be Used until the applicable expiration date shown on the Matrix.

**1.5.3 S/4HANA Enterprise Management.** Licensee shall be deemed to have licensed SAP ERP Package solely for the purpose of meeting the requirement to have a license for SAP ERP Package in order to have the right to Use the ERP Package Compatibility Pack.

*S/4HANA Enterprise Management for Professional use.*

Use is allowed by the number of individuals included in the Licensed Level who perform all of such individual's operational, system administration and management roles supported by the Software for Licensee's internal business purposes.

*S/4HANA Enterprise Management for Productivity use.*

Use is allowed by the number of individuals included in the Licensed Level who perform one or more of the following self-service transactions supported by the Software: procurement or time reporting.

*S/4HANA Enterprise Management for Functional use.*

Use is allowed by the number of individuals included in the Licensed Level:

(A) Who are employees of Licensee's Business Partners to perform any role supported by the Software in accordance with the license grant set forth in the GTC or Software License Agreement, or

(B) Who are employees of Licensee to perform any one of the following roles supported by the Software

- (1) Management of projects; or
- (2) Management of inventory, logistics and warehousing or
- (3) Manufacturing operations and maintenance of production facilities

And, any of the following transactions supported by the Software:

- (1) procurement self-service and
- (2) time reporting

**1.5.4 S/4HANA Developer access.**

Use is allowed by the number of individuals included in the Licensed Level who access the development tools provided with the licensed S/4HANA Enterprise Management Software for the purpose of making ABAP Modifications and/or Add-ons to any S/4HANA Packages.

**1.5.5 S/4HANA Central Finance, central finance foundation ("S/4HANA Central Finance")**

S/4HANA Central Finance includes the following Runtime Software: SAP Application Interface Framework.

**1.5.6 SAP S/4 HANA Incentive and Commission Management**

SAP Incentive and Commission Management does not include agent portfolio assignment, liability management, actual commissioning and cancellation reserves, portfolio and liability transfer processes.



### **1.5.7 SAP S/4 HANA Hybris Billing**

If SAP S/4 HANA Hybris Billing, charging and Billing Software included in the referenced products is Used for, or in support of, billing or revenue share calculation for pre-paid telecommunications products, services or systems in the Restricted Countries or to remotely support prepaid telecommunication systems in the Restricted Countries then Licensee shall be obliged to obtain a license from Freedom Wireless permitting such Use. The Restricted Countries are Australia, Brazil, Canada, China, Israel, Japan, South Korea, Mexico and the United States. Failure to obtain a license from Freedom Wireless permitting such use shall void and release SAP from all related warranties, including without limitation any warranties and/or indemnities with respect to non-infringement of intellectual property rights to the fullest extent provided by applicable law.

### **1.5.8 SAP S/4HANA Governance, Risk and Compliance Solutions**

The following SAP S/4HANA Governance, Risk and Compliance (S/4HANA GRC) solutions include the following Runtime Software: (i) SAP BusinessObjects BI Platform, (ii) SAP Crystal Reports, (iii) SAP BusinessObjects Dashboards, (iv) SAP BusinessObjects Web Intelligence and (v) SAP BusinessObjects Lumira desktop edition. Use of such Runtime Software is limited solely with S/4HANA GRC application data.

- a) SAP S/4HANA Process Control
- b) SAP S/4HANA Risk Management

When licensing SAP S/4HANA Process Control or SAP S/4HANA Risk Management, Licensee's employees and/or third parties who only receive policy distributions and respond to policy surveys, quizzes, and/or acknowledgements do not require licenses for the Software provided that such responses do not activate processing capabilities of the Software. For avoidance of doubt, such access does not include creating, reviewing, approving, or issuing these policies or related policy surveys, nor does it allow review of responses.

The following SAP S/4HANA Governance, Risk and Compliance (S/4HANA GRC) solutions include the following Runtime Software: (i) SAP Crystal Reports, (ii) SAP BusinessObjects Dashboards, (iii) SAP BusinessObjects Lumira desktop edition. Use of such Runtime Software is limited solely with S/4HANA GRC application data.

- a) SAP S/4HANA Access Control

### **1.5.9 SAP Document Access by OpenText for SAP S/4HANA, SAP Archiving by OpenText for SAP S/4HANA.**

Use is defined as access by employees and contractors who directly use the SAP Software components e.g. enterprise scan, business process views, full text search, etc. and/or store or retrieve documents on the OpenText Archive Server. Support for Data archiving and access of archived data as well as support for SAP Information Lifecycle Management is included for the licensed entity as long as the customer has licensed the minimum number of Archiving or Document Access users.

### **1.5.10 SAP Document Access by OpenText, limited access option for SAP S/4HANA, SAP Archiving by OpenText, limited access option for SAP S/4HANA, SAP Extended ECM by OpenText, limited access option for SAP S/4HANA.**

Each of Licensee's Users are limited to 52 Login Days per year. A "Login Day" means a day with one or more logins to the software by such user.

## **2. ERP**

### **2.1 SAP Payroll Processing.**

Payroll Processing for the USA requires partner software that is subject to additional license fees.

### **2.2 BSI U.S. Payroll Tax Processing.**

BSI requires licensing of SAP Payroll Processing. Special maintenance agreement required.

### **2.3 SAP Enterprise Risk and Compliance Management, risk management and SAP Treasury and Risk Management, treasury operations.**

**2.3.1** The SAP Enterprise Integration for GRC Policy Survey mobile app included in SAP Enterprise Risk and Compliance Management, risk management Software is Runtime Software that may require an additional component downloaded from a third party mobile application store. Each additional component is subject to its respective license agreement. The licensed SAP Enterprise Integration for GRC Policy Survey Mobile app includes SAP Mobile Platform ("Mobile Platform") and/or SAP Sybase 365 Mobiliser Platform ("Mobiliser Platform") as Runtime Software. The Mobile Platform and Mobiliser Platform are licensed for use with the licensed SAP Enterprise Risk and Compliance Management, risk management Software only. Any additional use of the Mobile Platform or Mobiliser Platform requires an additional license.

**2.3.2** The SAP Enterprise Integration for Payment Approval Mobile App Software ("Payment Approval App") included in SAP Treasury and Risk Management, treasury operations Software is Runtime Software that may require an additional component downloaded from a third party mobile application store. Each additional component is subject to its respective license agreement. The licensed Payment Approval App includes SAP Mobile Platform ("Mobile Platform") and/or SAP Sybase 365 Mobiliser Platform ("Mobiliser Platform") as Runtime Software. The Mobile Platform and Mobiliser Platform are licensed for



use with the licensed SAP Treasury and Risk Management, treasury operations Software only. Any additional use of the Mobile Platform or Mobiliser Platform requires an additional license

#### **2.4 SAP Treasury and Risk Management**

Use of SAP Treasury and Risk Management is limited to a maximum of a hundred (100) active, investment-related security classes in the securities area\*. In case a larger number of security classes are required, the Industry Package SAP Financial Asset Management for Insurance have to be licensed.

\* In the SAP system each security (e.g. stocks) is a class. The class data includes all the structure characteristics of a security. Since the creation of transactions and the management of positions in the transaction manager are based on product types, each class needs to be assigned to a product type.

#### **2.5 SAP (EHS Management, Environment, Health and Safety; SAP EHS Management, Product Safety; SAP EHS Management, Product and REACH compliance.)**

SAP only warrants the functional scope of the aforementioned products. However, SAP does not warrant or guarantee regulatory compliance of these products. Implementation of these products in accordance with regulatory compliance requirements is within the responsibility of Licensee.

SAP provides publicly available information to support business processes of calculations and reporting, herein called content, within the EHS Management, Environment, Health, and Safety software product. SAP does not warrant the accuracy of this content or that licensee will obtain any specific results from the use of the content. SAP only warrants that SAP has used reasonable business care in collecting and compiling the content.

#### **2.6 SAP EHS Management, Environment, Health and Safety.**

Individuals who utilize the incident management functionality of SAP EHS Management, Environment, Health and Safety solely to enter data for initial incident reporting and to provide data for incident investigations do not require a Named User license. Such data entry may occur asynchronously (off-line) via the Adobe Interactive Form tool, synchronously (on-line) by direct interaction with the SAP system, or via mobile devices. This exception applies only to incident management data entry use, and does not apply to any other uses of the incident management functionality or any other functionality of SAP EHS Management including incident processing, investigation, and performance and regulatory reporting. SAP EHS Management, , environment, health, and safety does not include rights to SAP EHS Management, Product Safety and SAP EHS Management, Product REACH and Compliance.

The SAP Enterprise Integration EHS Safety Issue Mobile App Software is Runtime Software that may require an additional component downloaded from a third party mobile application store. Each additional component is subject to its respective license agreement. The licensed SAP Enterprise Integration EHS Safety Issue Mobile Apps includes SAP Mobile Platform ("Mobile Platform") and/or SAP Sybase 365 Mobiliser Platform ("Mobiliser Platform") as Runtime Software. The Mobile Platform and Mobiliser Platform are licensed for use with the licensed SAP Enterprise Integration for Mobile Apps only. Any additional use of the Mobile Platform or Mobiliser Platform requires an additional license.

#### **2.7 SAP EHS Regulatory Content.**

2.7.1 Use of SAP EHS Regulatory Content is limited solely to Licensee's own business processes. This license does not permit Licensee to use the SAP EHS Regulatory Content to provide services to third parties.

2.7.2 SAP EHS Regulatory Content is SAP Material within the meaning of the governing terms.

2.7.3 The license granted for SAP EHS Regulatory Content is subject to Licensee obtaining a valid license for applicable SAP EHS Management, SAP Transportation Management or other applicable software ("On Premise Software"). For the avoidance of doubt, no prior licensing of On Premise Software is required in order to utilize the Online Viewer.

2.7.4 The SAP EHS Regulatory Content consists of phrases, rules, substance lists, reference data, and document templates for geographic regions (depending on the package licensed in the Order Form) that may be downloaded by Licensee for use in connection with the On Premise Software or viewed online via an internet URL.

2.7.5 Data provided under this Order Form from certain publications by public authorities is passed through to the Licensee on a free of charge basis.

2.7.6 SAP may, in its sole discretion upon written or electronic notification to Licensee, change or modify the URL address, in any manner that SAP deems necessary or desirable from time to time.

2.7.7 The SAP EHS Regulatory Content may not be modified or altered in any way by the Licensee except that the Licensee may modify or alter SAP EHS Regulatory Content solely to record its own phrases, rules and data. Licensee may not create its own databases from the SAP EHS Regulatory Content for use other than in connection with Licensee's own internal use. Licensee may not sell or license the SAP EHS Regulatory Content to third parties.

2.7.8 The SAP EHS Regulatory Content may only be loaded on servers owned and controlled by Licensee or servers owned and controlled by third parties which are approved in writing by SAP. Licensee is solely responsible for the security of the SAP EHS



Regulatory Content once downloaded and is responsible for maintaining adequate back-up and security measures, including firewalls, to prevent unauthorized access to or loss of the downloaded SAP EHS Regulatory Content.

2.7.9 SAP EHS Regulatory Content may be updated from time to time: only the current version of SAP EHS Regulatory Content should be used. Content updates may add new content, replace content or delete previously available content.

2.7.10 Licensee acknowledges that failure to use the most current version of the SAP EHS Regulatory Content may result in the Service rendering inaccurate or incomplete results and will void the warranty provided by SAP under the governing terms. Licensee is solely responsible for any damages suffered as a result of: (i) its alteration or modification of the SAP EHS Regulatory Content; or (ii) its use of outdated SAP EHS Regulatory Content where SAP has made an updated version available.

2.7.11 Upon termination of the applicable Order Form, Licensee will not receive any updates to the SAP EHS Regulatory Content, but has a perpetual license to use SAP EHS Regulatory Content that it has already downloaded prior to termination.

2.7.12 Use by Subsidiaries shall be in accordance with the governing terms.

## **2.8 SAP Incentive and Commission Management**

SAP Incentive and Commission Management does not include agent portfolio assignment, liability management, actual commissioning and cancellation reserves, portfolio and liability transfer processes.

## **2.9 SAP Quality Issue Management**

Individuals who Use SAP Quality Issue Management solely to enter data for initial incident reporting and to provide data for incident investigations do not require Named User licenses. Such data entry may occur asynchronously (off-line) via the Adobe Interactive Form tool, synchronously (on-line) by direct interaction with the SAP system, or via mobile devices. This exception applies only to incident management data entry use, and does not apply to any other uses of the incident management functionality or any other functionality of SAP Quality Issue Management.

## **2.10 SAP Management of Change**

A named user license is not required for employees, contractors, and business partner users that interact with SAP Management of Change solely to create a change request. This exception applies only change request creation, and does not apply to the use of any other functionality of SAP Management of Change including approvals.

## **2.11 Line Of Business**

### **2.11.1 Track & Trace and Extended Warehouse Management**

Business Partners of Licensee accessing Track & Trace and Extended Warehouse Management solutions solely to view the tracking status and report event messages do not require a SAP Named User license.

### **2.11.2 SAP Transportation Management/SAP Transportation Management for T&L**

External users accessing SAP Transportation Management/SAP Transportation Management for T&L for the explicit and restricted set of tasks of viewing freight contracts, viewing and updating rate sheets, viewing invoice status and dispute management, viewing shipment order status, viewing carrier booking status, viewing of route maps, viewing and responding to shipment tenders (request for quotations) do not require a SAP Named User license. This includes any user necessary for SAP Gateway access. External users are customers and/or employees of a business partner of the company licensing SAP Software.

### **2.11.3 SAP Extended Warehouse Management**

This license includes the following Runtime Software: SAP HANA App SAP Labor Demand Planning.

### **2.11.4 SAP Manufacturing Execution (ME)**

SAP Manufacturing Execution (ME) includes SAP Manufacturing Integration and Intelligence (MII) as Runtime Software solely for use in integrating ME to Licensee's SAP system.

### **2.11.5 SAP Manufacturing Integration and Intelligence (MII) For Midsized**

Use is limited to small plants defined as manufacturing plants with no more than 250 plant employees at such plant.

### **2.11.6 SAP Customer Engagement and Commerce (CEC)**

Use of the following CEC Packages does not require a Named User license:

- SAP CRM Sales
- SAP CRM Service
- SAP CRM Marketing
- SAP CRM Loyalty Management
- SAP Real-Time Offer Management
- SAP Sales and Service Order Processing
- SAP Contact Center



- SAP Incentive and Commissions Management
- SAP Trade Promotion Optimization
- SAP Customer Business Planning
- SAP Configure, Price and Quote for product configuration
- SAP Configure, Price and Quote for solution sales configuration
- Desktop Connection for SAP CRM – enterprise edition
- SAP Intellectual Property Management

Use of the following SAP Hybris Billing related Packages does not require a Named User license:

- SAP Hybris Billing
- SAP Hybris Billing, subscription order management
- SAP Hybris Billing, charging
- SAP Hybris Billing, pricing simulation
- SAP Hybris Billing, invoicing
- SAP Hybris Billing, customer financials
- SAP Hybris Billing, flexible solution billing
- SAP Hybris Billing, mediation by DigitalRoute
- SAP Hybris Billing, service control by DigitalRoute

Use of the following SAP Hybris Packages does not require a Named User license:

- SAP Hybris Commerce Suite
- SAP Hybris advanced personalization module
- SAP Hybris order management services
- SAP Hybris Web content management module
- SAP Hybris telco accelerator
- SAP Hybris subscriptions module
- SAP Hybris subscriptions billing gateway
- SAP Hybris bundling module
- SAP Hybris Product Content Management
- SAP Hybris Entitlements & Metering
- SAP Hybris financial services accelerator
- SAP Hybris B2B Commerce Suite, Edge edition
- SAP Hybris B2C Commerce Suite, Edge edition
- SAP Hybris Marketing, data management
- SAP Hybris Marketing, segmentation option
- SAP Hybris Marketing, acquisition option
- SAP Hybris Marketing, recommendation option
- SAP Hybris Marketing, insight option
- SAP Hybris Marketing, planning option

#### 2.11.6.1 SAP CRM Sales; SAP CRM Service; SAP CRM Marketing

Use of SAP CRM Sales, SAP CRM Service and SAP CRM Marketing packages is limited to Licensee and its affiliates/subsidiaries.

#### 2.11.6.2 SAP CRM Sales, Limited Access; SAP CRM Service, Limited Access; SAP CRM Marketing, Limited Access

Licensing of SAP CRM Sales, Limited Access; SAP CRM Service, Limited Access; or SAP CRM Marketing, Limited Access allows Licensee's Business Partners to access the SAP CRM Sales; SAP CRM Service; or SAP CRM Marketing package respectively, in accordance with the terms of the Agreement.

2.11.7 SAP Hybris Commerce Suite. The SAP Hybris Product Content Management (PCM) included in the SAP Hybris Commerce Suite is Runtime Software and use of PCM is limited to online channels used within the SAP Hybris Commerce Suite . Any other Use of PCM will require additional licenses.

#### 2.11.8.1 SAP Enterprise Product Engineering Package



SAP Product Engineering Package includes the following Runtime Software: Visual Enterprise Generator and Collaborative Product Development and Product Structure Synchronization. Use of Collaborative Product Development and Product Structure Synchronization is limited to product development functionality. Use of Visual Enterprise Generator is limited to 1 core of usage. Any Use in excess of the foregoing will require licensing of the full use version of Visual Enterprise Generator

#### 2.11.8.2 SAP Enterprise Product Formulation Package

SAP Product Formulation Package includes the following Runtime Software: Collaborative Product Development and Product Structure Synchronization. Use of Collaborative Product Development and Product Structure Synchronization is limited to recipe development functionality

#### 2.11.9 SAP Yard Logistics

SAP Yard Logistics includes Runtime Software of SAP's Extended Warehouse Management (EWM). Use of SAP Extended Warehouse Management excludes Use of processes based on inbound or outbound deliveries, as well as stock-keeping processes (other than Transportation Unit and Yard related processes).

### 3 Industry Portfolio

#### 3.1 SAP Upstream Contracts Management for Oil & Gas.

Functional support for any local or legal requirements for any of these solution components is not covered by the standard maintenance agreement. A separate service agreement must be concluded for this purpose.

#### 3.2 SAP Upstream Operations Management for Oil & Gas.

The use of SAP Manufacturing Integration and Intelligence is Runtime Software that is restricted to upstream production, scheduling, allocation, and maintenance only.

#### 3.3 SAP Secondary Distribution Management for Oil & Gas.

The license for "SAP Secondary Distribution Management for Oil & Gas" includes a license of the industry package "SAP Hydrocarbon Management for Oil & Gas" for up to 50,000 BOEPD sold.

#### 3.4 SAP Fashion Management Solution

SAP Fashion Management licensee may not use SAP Retail Merchandizing processes (other than Fashion Article and Variant / Fashion Master Data) without licensing SAP Retail Merchandising.

#### 3.5 SAP Military Data Exchange.

SAP Military Data Exchange is not available for all countries, for details please see contact information at [www.sap.com/defense-security](http://www.sap.com/defense-security)

#### 3.6 SAP Tax, Benefits, and Payment Processing for Public Sector

The SAP Tax, Benefits, and Payment Processing for Public Sector includes a restricted SAP NetWeaver Gateway for Consumer Access license that can solely be used

(1) to access processes which are included in the SAP Tax, Benefits, and Payment Processing for Public Sector

(2) for customers' extensions and enhancements within SAP Tax, Benefits, and Payment Processing for Public Sector

A Named User License for Tax, Benefits, and Payment Processing for Public Sector is not needed for external users representing the contact (e. g. taxpayer or tax accountants on behalf of the taxpayer accessing the system for online filing and payments), unless they are working on behalf of the licensee (e. g. a job assessor...)

#### 3.7 SAP Realtime Situational Awareness for Public Sector

Use of this package does not require an SAP Named User. This package includes the following components, subject to the restrictions set forth herein: (i) SAP BusinessObjects Predictive Analytics Modeler – limited to five (5) Users per Licensee; (ii) SAP Replication Server, Premium Edition –

limited to four (4) Cores per Licensee; (iii) SAP Data Service – limited to eight (8) Cores per Licensee; (iv) SAP BusinessObjects Enterprise, professional edition; and (v) SAP Mobile Platform.

#### 3.8 SAP hybris Billing, charging; SAP hybris Billing

If SAP hybris Billing, charging and Billing Software included in the referenced products is Used for, or in support of, billing or revenue share calculation for pre-paid telecommunications products, services or systems in the Restricted Countries or to remotely support prepaid telecommunication systems in the Restricted Countries then Licensee shall be obliged to obtain a license from Freedom Wireless permitting such Use. The Restricted Countries are Australia, Brazil, Canada, China, Israel, Japan, South Korea, Mexico and the United States. Failure to obtain a license from Freedom Wireless permitting such use shall void and release SAP from all related warranties, including without limitation any warranties and/or indemnities with respect to non-infringement of intellectual property rights to the fullest extent provided by applicable law.

#### 3.9 SAP Multichannel Foundation for Utilities



The SAP Multichannel Foundation for Utilities includes a restricted SAP NetWeaver Gateway for Consumer Access license and SAP Mobile Platform, consumer edition that can solely be used.

- (1) as a runtime for SAP Multichannel Foundation for Utilities, and
- (2) for customers' extensions and enhancements to SAP Multichannel Foundation for Utilities

It is mandatory to have all online users represented in the Multichannel user management module. If the customer is using or plans to use a third party user management application, the customer needs to interface/replicate the online users to the Multichannel user management module.

### **3.10 SAP Event Ticketing**

Exception from Standard Named User requirement:

If Event Ticketing is used stand-alone (i.e. customer has not licensed any other SAP Software), no SAP Named Users are required.

If Event Ticketing is deployed in an environment with other SAP products, Named Users must be licensed according to the following rules:

- (1) For employees of Licensee exclusively using the system in ticket-selling roles (e.g. box-office sales, call center agent, web shop user), a SAP Professional User must be licensed.
- (2) For users who are not employees of the customer, and who access the system exclusively in ticket-selling roles, no Named User needs to be licensed.
- (3) For any users not covered under (1) or (2), a SAP Professional User needs to be licensed.

### **3.11 SAP Regulatory Report by iBS, Accounts; SAP Regulatory Report by iBS, Derivatives; SAP Regulatory Report by iBS, P/C/S Cashflow; SAP Regulatory Report by iBS, Retail Cashflow.**

Licensed iBS software may only be Used to support Licensee's German, Austrian and/or Swiss business operations.

### **3.12 SAP Fraud Management, SAP Fraud Management for Public Sector, SAP Fraud Management for Insurance**

Licensee is allowed to create new tables and new views (database views, analytical views, projection views, attribute views, calculation views, etc.) on the database as long as they are used in the context of the SAP Fraud Management solution (e.g. to setup rules which access these tables/views). For SAP Fraud Management and SAP Fraud Management for Insurance, Licensee is also allowed to use 1 User of Predictive Analytics Modeler within the Fraud solution context. For SAP Fraud Management for Public Sector, Licensee is also allowed to use 3 Users of Predictive Analytics Modeler within the Fraud solution context.

### **3.13 SAP Medical Research Insights**

The software gives instant access to information from multiple sources and allows visualizing and analyzing complex data sets in real-time.

The software is not intended to be used for diagnostic or therapeutic purposes. In particular and without limitation, the software is not intended to be used for (i) final selection of patients for a clinical study, or (ii) the detection, prevention, surveillance, treatment or relief of diseases, (iii) the detection, surveillance, treatment, relief or compensation of injuries and handicaps, or (iv) the examination, substitution or change of the anatomical structure or a physiological process of a human being.

### **3.14 SAP BusinessObjects Budgeting for Public Sector**

SAP BusinessObjects Budgeting for Public Sector includes the following Runtime Software: SAP BusinessObjects Planning and Consolidation, license for business planning only version for SAP NetWeaver Platform.

### **3.15 SAP Investigation Management for Public Sector**

SAP provides as part of the SAP Investigation Management for Public Sector the following components, subject to the restrictions set forth herein: (i) SAP BusinessObjects Enterprise, professional edition – to be used solely in conjunction with SAP Investigation Management for Public Sector data. Any use of SAP BusinessObjects Enterprise, professional edition outside of the context of the SAP Investigation Management for Public Sector application requires a full-use licence of such software.

## **4. Third Party Reselling**

**4.1 SAP Interactive Forms by Adobe, Enable the Enterprise (includes 40 Interactive Forms) ("Adobe EE").** The total number of SAP Named Users licensed to Use SAP Software may never exceed the License Level for Adobe EE, i.e. all licensed SAP Named Users must contribute to the calculation of the license fee for Adobe EE.

**4.2 Additional Interactive Forms Bundle(s) for Adobe EE or Adobe, Individual User ("Adobe EE and IU") (40 Forms per Additional Interactive Forms Bundle).** Only individuals licensed to Use Adobe EE or IU are permitted to Use the licensed Additional Interactive Forms Bundles for Adobe EE or IU (if any).

**4.3 SAP Interactive Forms by Adobe, External Users ("Adobe EU").** Only those individuals who are licensed to Use specific SAP Software without the requirement of an SAP Named User license may Use licensed Adobe EU, and such Use (of Adobe EU) shall



be solely in conjunction with, and to the extent of, such individual's license to Use such specific SAP Software without the requirement of an SAP Named User license. For avoidance of doubt, no one licensed as an SAP Named User may Use Adobe EU. External users get access to 40 forms or the number of forms licensed for Adobe EE/ Adobe IU if greater than 40.

**4.4 SAP LoadRunner by HP ("LR").** Licensee's Use of the LR software is limited solely to testing or monitoring pre-production SAP Software (including any and all software required to operate the particular SAP Software, further including the SAP Software's associated operating systems, databases, application servers, etc) only in quality assurance and similar non-production environments, and may only be Used on a single server.

**4.5 SAP LoadRunner by HP, Performance Center ("LR PCD").** Licensee's Use of the LR PCD software is limited solely to testing or monitoring pre-production SAP Software (including any and all software required to operate the particular SAP Software, further including the SAP Software's associated operating systems, databases, application servers, etc) or any other pre-production software (so long as the LR PCD software Documentation specifies that the licensed LR PCD software is prescribed for testing and monitoring such other pre-production software) only in quality assurance and similar non-production environments. Use of the Diagnostics for Composite Applications component ("Diagnostics") included with LR PCD is (i) subject to the forgoing Usage limitation and (ii) further limited to Use with a single Application Instance (as defined below) for every two hundred fifty (250) Virtual Users of LR PCD licensed. "Application Instance" means a monitored, non-production environment running an instance of an application (e.g. an instance of SAP Software, a java virtual machine or a database server counts as one Application Instance).

**4.6 SAP LoadRunner by HP, Performance Center ("LR PC").** Licensee's Use of the LR PC software is limited solely to testing or monitoring pre-production SAP Software (including any and all software required to operate the particular SAP Software, further including the SAP Software's associated operating systems, databases, application servers, etc) or any other pre-production software (so long as the LR PC software Documentation specifies that the licensed LR PC software is prescribed for testing and monitoring such other pre-production software) only in quality assurance and similar non-production environments.

**4.7 SAP Quality Center by HP, Enterprise Edition ("QC EE").** Licensee's Use of the QC EE software is limited solely to testing or monitoring pre-production SAP Software (including any and all software required to operate the particular SAP Software, further including the SAP Software's associated operating systems, databases, application servers, etc), and, if the applicable Order Form indicates that QC EE is licensed for "Full Use", Licensee's Use of the QC EE software shall also include the right to test or monitor any other pre-production software (so long as the QC EE software Documentation specifies that the licensed QC EE software is prescribed for testing and monitoring such other pre-production software), all in quality assurance and similar non-production environments only. The QC EE Bundle currently includes the SAP Quality Center by HP, Enterprise Edition – QuickTest Professional, TestDirector, Business Process Testing, Requirements Management, and Defects Management components.

**4.8 SAP Quality Center by HP, Premier Edition ("QC PE").** Licensee's Use of the QC PE software is limited solely to testing or monitoring pre-production SAP Software (including any and all software required to operate the particular SAP Software, further including the SAP Software's associated operating systems, databases, application servers, etc) or any other pre-production software (so long as the QC PE software Documentation specifies that the licensed QC PE software is prescribed for testing and monitoring such other pre-production software), all in quality assurance and similar non-production environments only. The QC PE Bundle currently includes the SAP Quality Center by HP, Premier Edition – QuickTest Professional, TestDirector, Business Process Testing, Requirements Management, and Defects Management components.

**4.9 SAP Employee File Management by OpenText ("EFM").** EFM contains a limited use license of SAP Document Access by OpenText that can only be used in conjunction with the EFM solution to manage employee related documents. Broader usage of Document Access would require separate licensing of that solution.

**4.10 SAP Document Access by OpenText ("DA"), SAP Archiving by OpenText ("Archiving").** Use is defined as access by employees and contractors who use the SAP Software components e.g. enterprise scan, business process views, full text search, etc. and/or store or retrieve documents on the OpenText Archive Server. Support for data archiving and access of archived data as well as support for SAP Information Lifecycle Management is included for the licensed entity as long as Licensee has licensed the minimum number of Archiving or SAP Document Access by Open Text users.

**4.11 SAP Document Access by OpenText, Limited Access, SAP Archiving by OpenText, Limited Access, SAP Extended ECM by OpenText, Limited Access ("Extended ECM").** Each of Licensee's Users are limited to 52 Login Days per year. A "Login Day" means a day with one or more logins to the software by such user.

**4.12 SAP Invoice Management by OpenText ("IM").** An individual licensed to Use OCR must also be licensed for IM. The OCR is an optional component and there must be at least as many IM licenses as OCR licenses but there can be more IM licenses than OCR license.

**4.13 SAP Dispatching & Planning – Long Term Planning by Prologa; SAP Dispatching & Planning – Operational Planning by Prologa; SAP Legal Requirements by Prologa.** An individual licensed to Use any Prologa must be licensed (under separate Order Form to the Agreement) as an SAP Business Expert, Professional or Limited Professional User.



**4.14 SAP Mobile Order Management by PROLOGA.** A Named User license is not required if the access to the backend system is handled through the component SAP Mobile Order Management by PROLOGA. In all other cases an SAP Named User is required.

**4.15 SAP User Experience Management by Knoa.** SAP User Experience Management by Knoa is embedded or bundled with 5 (five) licenses of the following SAP Business Objects Software: SAP Business Objects Enterprise Premium, WebIntelligence, Xcelsius Enterprise, Xcelsius Enterprise Interactive Viewing, Crystal Reports (“Runtime Software”). Such Runtime Software may only be Used to access data created or enhanced by Knoa. Runtime Software may not be combined in the same Deployment as SAP BusinessObjects Software licensed independently from Knoa.

**4.16 BSI U.S. Payroll Tax Processing.** The BSI software is licensed for Use in conjunction with the payroll functionality contained in the SAP Payroll Software, which must be separately licensed. In addition, the license for the BSI software is limited for Use on a single Platform at a time (with the exception of a Platform migration period as BSI may allow). For purposes herein, the term “Platform” shall mean a single BSI Supported Configuration of the following: a single database, single server, single client software, and single operating system. For purposes herein, “BSI Supported Configuration” shall mean a configuration for which BSI makes support available for SAP Licensees of the BSI software. The BSI software license does not include a license to use any third party database, server, client software, or operating system. If Licensee wishes to change the Platform: (i) Licensee shall provide SAP written notice of the same and complete a Platform Change form (in a format acceptable to BSI); and (ii) SAP shall allow such change to the extent and under the conditions BSI generally makes available to SAP, including without limitation Licensee’s payment of any platform change fees that apply.

#### **4.17 ANCILE**

For the following price list items the special term as described below does apply:

SAP Productivity Pak by ANCILE – excl. North America (7009560)

SAP Productivity Pak Help Launch Pad by ANCILE – excl. North America (7009561)

SAP Productivity Composer by ANCILE – excl. North America (7009562)

SAP Productivity Composer Help Launch Pad by ANCILE – excl. North America (7009563)

SAP Productivity Pak by ANCILE – North America (7009639)

SAP Productivity Pak Help Launch Pad by ANCILE – North America (7009640)

SAP Productivity Composer by ANCILE – North America (7009641)

SAP Productivity Composer Help Launch Pad by ANCILE – North America (7009642)

When ANCILE software is used with standalone SAP BusinessObjects solutions namely Knowledge Accelerator products or to create education offerings for SAP BusinessObjects solutions that do not interface with SAP solutions that require SAP Named Users, such users must be licensed to use SAP BusinessObjects solutions based on either the SAP BusinessObjects Named User or CPU metric and do not need to be licensed as SAP Named User.

The amount of licensed “user” sales units for the SAP Productivity Pak by ANCILE or SAP Productivity Composer by ANCILE must match at least the total number of the licensed Named Users for the SAP BusinessObjects Knowledge Accelerator solutions, provided the SAP BusinessObjects Knowledge Accelerator is licensed along with the ANCILE solutions. SAP BusinessObjects Knowledge Accelerator may be licensed in the Named User or CPU capacity.

**4.18 SAP Portal Site Management by OpenText.** SA SAP Portal Site Management by OpenText (PSM) may only be Used with the SAP Portal, as included in SAP NetWeaver (the “SAP Portal”) and may not Use any other licensed SAP Proprietary Information. PSM does not include an SAP Portal license.

**4.19 SAP Interactive Forms by Adobe, external users.** External users get access to 40 forms or the number of forms licensed for Adobe EE/ Adobe IU if greater than 40.

**4.20 SAP Price and Margin Management by Vendavo.** Only the Pricing Analytics module is compatible with SAP HANA.

**4.21 SAP Digital Content Processing by OpenText.** The OCR functionality is an optional component that is compatible only with Microsoft SQL Server Database.

#### **5. SAP NetWeaver**

Adapters are only available with a SAP NetWeaver PI license and are licensed for a defined release of a backend system or protocol. Maintenance for adapters covers the support of connectivity to a backend system or compliance to a protocol specification at that given release at the time of licensing. It is within SAP’s sole discretion to extend the use rights of an adapter (either partly or fully) to a higher release of the respective backend system or protocol. This applies to change of version of protocols as well.

Provided Licensee has licensed an SAP software component based on SAP NetWeaver, Licensee shall have rights to SAP Fiori and SAP Screen Personas. SAP Fiori and SAP Screen Personas software usage rights are included in the respective SAP NetWeaver Software components to the extent of licensee’s licensed use rights for such SAP prerequisite components.



*SAP NetWeaver Foundation Runtime License.* An application-specific runtime license of SAP NetWeaver Foundation is included with all Software Package licenses, provided that SAP NetWeaver is delivered with the software. This runtime license grants the Licensee the right to Use SAP NetWeaver Foundation only with (i) the licensed SAP application (including customization), (ii) Modifications (iii) Add-Ons to the SAP application that do not directly access the database of the SAP applications or the information contained therein, and (iv) third party applications that do not directly access the database of the SAP applications or the information contained therein. . Licensee's Developer Users may Use the tools included in SAP NetWeaver Foundation runtime license only for the development of these Modifications and Add-Ons described above.

#### **5.1 SAP NetWeaver Process Integration (PI) Adapters.**

The adapters listed here are available free of charge with the SAP Process Orchestration license: CICS Adapter by iWay, TMS/IMS Adapter by iWay, , ORACLE Adapter by iWay, PeopleSoft Adapter by iWay, Siebel Adapter by iWay, , SAP NetWeaver Adapter for IDOCs, SAP NetWeaver Adapter for RFCs, SAP NetWeaver Adapter for File/FTP, SAP NetWeaver Adapter for Http(s), SAP NetWeaver Adapter for SOAP, SAP NetWeaver Adapter for JMS, SAP NetWeaver Adapter for JDBC, SAP NetWeaver Adapter for Mail Protocols (pop, imap, smtp), SAP NetWeaver Adapter for SAP BC Protocol, Secure File Transfer Protocol adapter (SFTP) and Pretty Good Privacy adapter module (PGP).

#### **5.2 SAP NetWeaver OpenHub.**

With this license, data may be exported out of the licensed SAP NetWeaver BW into non-SAP software applications in an asynchronous, non real-time manner. Once data is asynchronously extracted to non-SAP software, there are no additional license fees required for SAP Software or SAP Named Users. For the purposes of this Section, "asynchronous extraction" means downloading data in bulk (i.e., not in response to a real-time Named User or system-generated reporting query) for analytical purposes.

#### **5.3 Planning Application Kit.**

A license is required for either SAP Planning, version for SAP NetWeaver or SAP BusinessObjects Planning and Consolidation, version for SAP NetWeaver whenever the Planning Applications Kit is Used to develop planning applications that leverage in-memory processing of core planning functions

#### **5.4 SAP NetWeaver BeXBroadcaster.**

Broadcasting recipients accessing SAP solutions or their respective components need to be licensed for such solutions. SAP NetWeaver BeX Broadcaster, provides Licensees with the ability to broadcast SAP NetWeaver BW information (e.g. BeX reports, BeX Queries and BeX workbooks) to support the distribution of mass information to large audiences in a personalized and secure manner.

#### **5.5 SAP NetWeaver Business Warehouse Accelerator.**

Certain hardware restrictions may apply – details are available upon request.

#### **5.6 SAP NetWeaver Master Data Management.**

SAP NetWeaver MDM, global data synchronization is not included into the scope of SAP Enterprise Master Data Management. For all Enterprise Master Data Management scenarios based on SAP NetWeaver Master Data Management products, a SAP Professional Named User license is required for users maintaining MDM data. In an Enterprise Master Data Management scenario, there is no named user license requirement for users reading/viewing and/or browsing MDM data. This includes, but is not limited to a business user using a search application to identify a record in the MDM repository or catalog users accessing a web catalog. For all embedded master data management scenarios based on SAP Master Data Governance products the appropriate Named User is required.

#### **5.7 SAP Enterprise Master Data Management**

The SAP Enterprise Master Data Management, information stewardship option license allows Licensee to use DataServices (including DQM) and Information Steward within Master Data Management and Master Data Governance use cases only. A Master Data Management use case is defined as a scenario where data is cleansed, de-duplicated and loaded via Data Services into SAP NW MDM or SAP MDG, Data is distributed from SAP NW MDM, or SAP MDG to downstream systems via SAP DataServices. SAP DataServices is used for data management within the MDM repository of SAP NW MDM or SAP MDG.

SAP Enterprise Master Data Management, information stewardship option can only be sold and used in combination with SAP NetWeaver Master Data Management, SAP Master Data Governance or SAP Enterprise Master Data Management. Standard named user policy exceptions from these price list items apply also to " SAP Enterprise Master Data Management, data quality option.

For all Master Data Management scenarios based on SAP Master Data Governance products, a SAP Professional Named User license is required for users maintaining MDM data. A SAP EmployeeNamed User license is required for users with read only access to data.

For all Enterprise Master Data Management scenarios based on SAP NetWeaver Master Data Management products, a SAP Professional Named User license is required for users maintaining MDM data. In an Enterprise Master Data Management



scenario, there is no named user license requirement for users simply viewing or browsing MDM data. This includes, but is not limited to

- a line of business user using a search application to identify a golden record in the MDM repository
- catalog users accessing a web catalog
- a web application accessing the MDM repository via services to read clean master data.

Since MDG may be deployed at ERP/ECC and share the same persistency layer it's critical to distinguish active and inactive records. The license only assumes charging for the former and the latter may come in a few flavors:

- If an object is marked for deletion in ERP/ECC before MDG is deployed then it is considered inactive and not counted for the license blocks.
- If an object is marked for deletion in ERP/ECC after MDG is deployed then it is considered active and counted for the license blocks.
- If a customer developed a custom solution for the "other" domain and loads some data to MDG then prior to loading the customer should create a definition of inactive records and specify what field(s) mark such records. The marked for deletion objects are not counted for the license blocks. If there is no such a definition then all the objects are considered active.
- If an object is physically deleted from MDG or archived then it is not counted for the license blocks.

### **5.8 SAP Identity Management**

SAP Identity Management may be used by Licensee to integrate Licensee's SAP applications as part of an application-specific runtime license of SAP NetWeaver Foundation. For any other use (e.g. Integration into 3rd party applications or non-SAP applications), SAP Identity Management needs to be licensed. Licensee is allowed to use no more than 10 of the embedded SAP BusinessObjects Lumira Desktop Named User Licenses regardless of the number of Identity Management licenses purchased.

### **5.9 SAP NetWeaver Portal, enterprise workspaces**

SAP NetWeaver Portal enterprise workspaces include the runtime rights of SAP NetWeaver Enterprise Portal. In case SAP NetWeaver Portal enterprise workspaces are used standalone without access to any SAP application SAP Named Users licenses are not required.

### **5.10 SAP Process Orchestration**

SAP Process Orchestration includes the rights to use SAP NetWeaver Process Integration (PI), SAP NetWeaver Business Process Management (BPM) and SAP NetWeaver Business Rules Management (BRM). SAP Process Orchestration includes a restricted runtime license of SAP NetWeaver Foundation for Third Party Applications to be used only in conjunction with SAP NetWeaver PI, BPM, and/or BRM.

### **5.11 SAP Process Orchestration, Edge edition, premier option**

SAP Process Orchestration, Edge edition, premier option includes the rights to use SAP Process Orchestration and SAP Data Integrator, Edge edition. Each one (1) Core license of SAP Process Orchestration, Edge edition, premier option includes the rights to one (1) Concurrent Session of SAP PowerDesigner EnterpriseArchitect, fifty (50) Users of SAP Single Sign-On and fifty (50) Users of SAP Identity Management. The total number of Cores licensed represents the maximum total cumulative Cores on which all of the Software included in SAP Process Orchestration, Edge edition, premier option may be installed and Used, excluding SAP Sybase PowerDesigner EnterpriseArchitect, SAP Single Sign-On, and SAP Identity Management which do not count against total Cores. SAP Process Orchestration, Edge edition, premier option includes a restricted runtime license of SAP NetWeaver Foundation for Third Party Applications to be used only in conjunction with SAP Process Orchestration. The Use of SAP Process Orchestration, Edge edition, premier option is limited to a maximum of eight (8) Cores.

### **5.12 SAP Process Orchestration, Edge edition, standard option**

SAP Process Orchestration, Edge edition, standard option includes the rights to use SAP Process Orchestration. Each one (1) Core license of SAP Process Orchestration, Edge edition, standard option includes the rights to one (1) Concurrent Session of SAP PowerDesigner EnterpriseArchitect. The total number of Cores licensed represents the maximum total cumulative Cores on which all of the Software included in SAP Process Orchestration, Edge edition, standard option may be installed and Used, excluding SAP PowerDesigner EnterpriseArchitect which does not count against total Cores. SAP Process Orchestration, Edge edition, standard option includes a restricted runtime license of SAP NetWeaver Foundation for Third Party Applications to be used only in conjunction with SAP Process Orchestration. The Use of SAP Process Orchestration, Edge edition, standard option is limited to a maximum of eight (8) Cores.

### **5.13 SAP Single Sign-On**

Users performing developer or administrative functions require a Named User license in addition to the Package License for the Software.

### **5.14 SAP NetWeaver Landscape Virtualization Management, enterprise edition**



Licenses for LVM instances are not permanently assigned to a specific LVM instance, but can be pooled allowing them to be assigned and unassigned to LVM instances as necessary based on the applications being managed by SAP NetWeaver Landscape Virtualization Management. Licenses for the copy/refresh option must be assigned to a specific SAP system/application (e.g. ECC, CRM, SRM, etc.), and can only be reassigned to a different system/application once in a 12 month period. Licensee acknowledges and agrees that it is Licensee's responsibility to ensure that it has all necessary third party license rights required to clone and/or copy an environment using this software, and Licensee has obtained and will maintain all such license rights necessary to use the functionality described herein, including without limitation the license right to operate the target system landscape after cloning and/or copying. Without limiting the materiality of other provisions of the Agreement, the parties agree that any violation by Licensee of third party license rights in this respect will be a material breach of the Agreement.

#### **5.15 SAP Visual Business**

All standard SAP products include a limited license for the Licensee to use SAP Visual Business subject to the following restriction: Licensee may not modify use cases delivered by SAP, or view or create use cases not delivered by SAP standard applications, unless Licensee has expressly licensed SAP Visual Business (note SAP Visual Business Interface is licensed via SAP NetWeaver).

#### **5.16 SAP Enterprise Threat Detection**

SAP Enterprise Threat Detection includes a limited runtime license for SAP Event Stream Processor and SAP HANA Smart Data Streaming Option to be used only in conjunction with SAP Enterprise Threat Detection.

#### **5.17 SAP Intelligent Business Operations bundle**

SAP Intelligent Business Operations bundle includes the rights to use SAP Process Orchestration, SAP Event Stream Processor, and SAP HANA Operational Process Intelligence Option. Use of SAP HANA Operational Process Intelligence Option is restricted to (i) data from the included SAP Process Orchestration and SAP Event Stream Processor Software, and (ii) data from SAP Business Suite applications, if licensed separately by the Licensee. Each one (1) Core license of SAP Intelligent Business Operations bundle includes the rights to one (1) Concurrent Session of SAP PowerDesigner EnterpriseArchitect. The total number of Cores licensed represents the maximum total cumulative Cores on which all of the Software included in SAP Intelligent Business Operations bundle may be installed and Used, excluding SAP HANA Operational Process Intelligence Option and SAP PowerDesigner EnterpriseArchitect which do not count against total Cores.

#### **5.18 Rapid System Decommissioning with SAP ILM**

Rapid System Decommissioning with SAP ILM includes the rights to use SAP Information Lifecycle Management, system decommissioning. Rapid System Decommissioning with SAP ILM includes a restricted runtime license of SAP Landscape Transformation Replication Server ("SLT") to be used only in conjunction with SAP Information Lifecycle Management, system decommissioning. Rapid System Decommissioning with SAP ILM includes a restricted runtime license of 4 cores of SAP IQ Enterprise Edition (including SAP IQ Unstructured Data Analytics Option and SAP IQ Very Large Database Management Option) to be used solely as a data store for SAP Information Lifecycle Management, system decommissioning.

#### **5.19 Productivity Apps**

Productivity Apps are either (1) an SAP application identified as such herein, or a certified or reviewed partner application, as set forth on <http://www.sap.com/pc/tech/mobile/software/solutions/platform/contracts-app-list.html> or <http://go.sap.com/docs/download/2016/02/4e932f70-617c-0010-82c7-eda71af511fa.pdf>, and where licensed by Licensee under the Agreement on a per user basis, or (2) any Licensee owned/licensed application, provided such apps: (a) are only used by an individual to support one or more of the following self service functions on behalf of himself or herself (predefined reports, travel planning, expense reporting, procurement, room reservation, employee time, employee attendance, employee records maintenance, employee directory, employee benefits, employee appraisals, employee talent and skills profiles) (the "Self Service Functions"); and (b) any interfacing of such apps with the Software and/or third party software licensed under the Agreement is limited to the extent necessary to support the Self Service Functions.

#### **5.20 SAP Master Data Governance, Edge edition**

SAP Master Data Governance, Edge edition may be Used to govern up to 200,000 master data objects in any combinations of the following domains: Financials, Supplier, Customers, Product, or Consumers.

#### **5.21 SAP NetWeaver OpenHub, Edge edition.**

With this license, data may be exported out of the licensed SAP NetWeaver BW into no more than two non-SAP software applications in an asynchronous, non real-time manner. Once data is asynchronously extracted to non-SAP software, there are no additional license fees required for SAP Software or SAP Named Users. For the purposes of this Section, "asynchronous extraction" means downloading data in bulk (i.e., not in response to a real-time Named User or system-generated reporting query) for analytical purposes.

#### **5.22 SAP NetWeaver Foundation for Third Party Applications**



The SAP NetWeaver Foundation for Third Party Applications license grants the Licensee, in addition to the SAP NetWeaver Foundation runtime license, the right to Use the SAP NetWeaver Foundation for Third Party Applications Software with (i) Add-Ons to the SAP application that directly access the database of the SAP applications or the information contained therein(\*), and (ii) third party applications that directly access the database of the SAP applications or the information contained therein.

*Important Notice:* A direct access to a database (including but not limited to Oracle and/or Microsoft databases) or the information contained therein may require Full Use licenses for that database. It is Licensee's responsibility to secure all appropriate rights from any applicable licensor(s).

(\* ) Licensee's Developer Users may Use the tools included in SAP NetWeaver Foundation for Third Party Applications license for the development of these Add-Ons described above.

Mixing Core-base and user-based license metrics for SAP NetWeaver Foundation for Third Party Applications is not permitted. Licensees must decide the first time they purchase or license SAP NetWeaver Foundation for Third Party Applications which license metric (user-based or Core-based) they will use.

## **6. SBOP Packages: SAP BusinessObjects Business Intelligence (BI), SAP Enterprise Information Management (EIM), SAP Governance, Risk and Compliance (GRC), and SAP Enterprise Performance Management (EPM)**

Licensee may extract data from any data source into SBOP Packages and/or push data out of SBOP Packages into any data source provided Licensee has secured an appropriate license for all such data source(s) (albeit an additional SAP Named User license will not be required solely for the one-way extraction of data into SBOP where the data source is SAP Software and/or third party software licensed from SAP).

### **6.1 SAP BusinessObjects Business Intelligence Solutions**

#### *6.1.1 SAP BusinessObjects Business Intelligence*

There are three ways to license SAP BusinessObjects Business Intelligence server functionality:

(1) *SAP BusinessObjects Enterprise, premium edition* includes the following Runtime Software: SAP BusinessObjects BI Platform , Business Intelligence Mobile Add-on, SAP Crystal Reports, SAP BusinessObjects Web Intelligence, SAP BusinessObjects Dashboards, SAP BusinessObjects Design Studio, SAP BusinessObjects Explorer, SAP BusinessObjects Analysis for Microsoft Office, SAP BusinessObjects Lumira desktop edition, SAP BusinessObjects Lumira, server version for SAP BusinessObjects BI Platform, and SAP BusinessObjects Analysis for online analytical processing (OLAP). The SAP BusinessObjects Enterprise, premium edition engines include rights to view and author content for the BI clients identified above, subject to the "Concurrent Session Limitations" below.

SAP BusinessObjects Enterprise, premium edition includes the following Runtime Software:

- (a) SAP BusinessObjects BI Semantic Layer RESTful Web Service SDK ("BI SDK") solely for the purposes of accessing semantic data. BI SDK is not available for use by third party products without an explicit agreement between SAP and the third party.
- (b) SAP IQ which can be deployed on multiple instances, so long as total number of cores deployed across all instances does not exceed 8 cores,
- (c) Data Integrator (DI) which may be deployed on multiple instances, so long as total number of cores deployed across all instances does not exceed 8 Cores, and the DI instances are not clustered,
- (d) SAP HANA Runtime Database for Lumira Server,
- (e) one Concurrent Session license of SAP PowerDesigner DataArchitect, Edge edition,
- (f) one User of Predictive Analytics Modeler,
- (g) SAP BusinessObjects Predictive Analytics Suite for deployment up to a maximum data size volume of 256 GB, and
- (h) SAP HANA Vora for up to 4 nodes.

Use of the Data Integrator runtime (i) does not include Text Data Processing and (ii) is limited to connection to and leverage of any existing CMS repositories residing on a separate server in the customer's landscape but may only load data into one target datastore.

Use of SAP IQ Runtime Software is limited to access by and through SAP BusinessObjects Enterprise, premium edition and SAP BusinessObjects Predictive Analytics Suite.

SAP HANA Runtime Database for Lumira Server is included as a runtime database for Use solely in conjunction with Licensee's Use with specific components of the SAP BusinessObjects Enterprise, premium edition. Use of HANA Runtime is limited to (i) Use of the SAP BusinessObjects Design Studio runtime for SAP HANA and (ii) Use as a Central Management System database and audit database by the BI Platform. SAP HANA Runtime Database for Lumira Server cannot be used as a general purpose database, data mart, or data warehouse solution.

Use of SAP BusinessObjects Predictive Analytics Suite is limited to Use in conjunction with SAP BusinessObjects Enterprise, premium edition. Predictive scoring results can only be Used by SAP BI tools and not for Use by other non-SAP BI applications.



Use of SAP HANA Vora is limited to access using the included BI and Predictive tools.

(2) *SAP BusinessObjects Enterprise, professional edition* includes the SAP BusinessObjects BI Platform along with the following engines: the Business Intelligence Mobile Add-on, SAP Crystal Reports, SAP BusinessObjects Web Intelligence, SAP BusinessObjects Dashboards, SAP BusinessObjects Design Studio, SAP BusinessObjects Explorer, SAP BusinessObjects Analysis for Microsoft Office, SAP BusinessObjects Lumira desktop edition, SAP BusinessObjects Lumira, server version for SAP BusinessObjects BI Platform, and SAP BusinessObjects Analysis for online analytical processing (OLAP). The SAP BusinessObjects Enterprise, professional edition engines include rights to view and author content for the BI clients identified above, subject to the “Concurrent Session Limitations” below. SAP BusinessObjects Enterprise, professional edition includes runtime license to use the SAP BusinessObjects BI Semantic Layer RESTful Web Service SDK (“BI SDK”) solely for the purposes of accessing semantic data. BI SDK is not available for use by third party products without an explicit agreement between SAP and the third party. SAP BusinessObjects Enterprise, professional edition includes the following Runtime Software: (i) SAP IQ which can be deployed on multiple instances, so long as total number of cores deployed across all instances does not exceed 8 cores and (ii) Data Integrator (DI) which may be deployed on multiple instances, so long as total number of cores deployed across all instances does not exceed 8 Cores, and the DI instances are not clustered, (iii) SAP HANA Runtime Database for Lumira Server and (iv) one (1) Concurrent Session license of SAP PowerDesigner DataArchitect, Edge edition.

Use of the Data Integrator runtime (i) does not include Text Data Processing and (ii) is limited to connection to and leverage of any existing CMS repositories residing on a separate server in the customer’s landscape but may only load data into one target datastore.

Use of SAP IQ Runtime Software is limited to access by and through SAP BusinessObjects Enterprise, professional edition and SAP BusinessObjects Predictive Analytics Suite.

SAP HANA Runtime Database for Lumira Server is included as a runtime database for Use solely in conjunction with Licensee’s Use with specific components of the SAP BusinessObjects Enterprise, professional edition. Use of HANA Runtime is limited to (i) Use of the SAP BusinessObjects Design Studio runtime for SAP HANA and (ii) Use as a Central Management System database and audit database by the BI Platform. SAP HANA Runtime Database for Lumira Server cannot be used as a general purpose database, data mart, or data warehouse solution.

(3) *SAP BusinessObjects Enterprise, standard edition* includes the SAP BusinessObjects BI platform along with the Crystal Reports engine and the Web Intelligence engine. The engines include rights to view and author content for the BI clients identified above, subject to the “Concurrent Session Limitations” below. SAP BusinessObjects Enterprise, standard edition includes runtime license to use the SAP BusinessObjects BI Semantic Layer RESTful Web Service SDK (“BI SDK”) solely for the purposes of accessing semantic data. BI SDK is not available for use by third party products without an explicit agreement between SAP and the third party.

For a single Deployment of SAP BusinessObjects BI platform, either the SAP BusinessObjects Enterprise, standard edition, or professional edition, or premium edition model must be used. They cannot be mixed in a single Deployment of SAP BusinessObjects BI platform.

SAP BusinessObjects Enterprise, standard edition, professional edition, and premium edition can be licensed using either the Concurrent Session license metric or the User license metric.

SAP BusinessObjects Enterprise, standard edition, professional edition, and premium edition include access to SAP Application data and SAP BW data in all supported metrics.

*User Metric Limitations.* There is no license limit on number of processors or servers used. One User can create a maximum of 10 simultaneous sessions.

*Concurrent Session Metric Limitations.* Certain functions of the SAP BusinessObjects BI portfolio that are deployed on a desktop or outside of the SAP BusinessObjects BI Platform are only supported with a User license metric, not with a Concurrent Session license. The following such Use rights are not available with Concurrent Session licenses.

- SAP BusinessObjects Enterprise,; Use of Business View Manager, Report Conversion Tool, Universe Design Tool, Web Service Query Tool, Information Design Tool, Translation Management Tool, Data Federation Administration Tool, Central Management Console, and/or Central Configuration Manager
- SAP Crystal Reports: Use of the Crystal Reports desktop client, and/or Crystal Reports for Enterprise desktop client
- SAP BusinessObjects Web Intelligence: Use of the Web Intelligence Rich Client
- SAP BusinessObjects Dashboards: Use of the Dashboards desktop client
- SAP BusinessObjects Lumira desktop edition: Use of the SAP BusinessObjects Lumira desktop client
- SAP BusinessObjects Design Studio: Use of the SAP BusinessObjects Design Studio desktop client, SAP BusinessObjects Design Studio runtime for SAP BW, and/or SAP BusinessObjects Design Studio runtime for SAP HANA
- SAP BusinessObjects Analysis for Microsoft Office: Use of Analysis edition for Microsoft Office with the SAP NetWeaver platform



*Oracle OLAP Data Provider for SAP BusinessObjects BI (OODP).* Licensee's license rights for SAP BusinessObjects Enterprise include a runtime license for the OODP. Licensee's Use of the OODP Runtime Software is limited solely to connecting SAP BusinessObjects BI software both directly and indirectly to Oracle OLAP Data. It cannot be used to provide data to non-SAP products or those outside the BI and Predictive Analytics Suite.

*SQL Anywhere.* Licensee's license rights for SAP BusinessObjects Enterprise include a runtime license for the SQL Anywhere database. Licensee's use of the SQL Anywhere software is limited solely to its use by the SAP BusinessObjects BI Platform.

#### 6.1.1.2 *SAP BusinessObjects Enterprise, professional edition, public document*

Usage of desktop tools are not permitted under this license. Usage of features that modify the structure of the data set including (but not limited to) the Web Intelligence Query Panel, and Lumira Prepare tab are not permitted under this license. This license must be used in a separate Deployment from all other license models. No security can be put on the document – it must be completely public. All public document access in a given deployment must be funneled through the included named user SAP BusinessObjects Enterprise, professional edition license.

#### 6.1.2 *SAP BusinessObjects Dashboards*

“Connected Presentation” means any SWF file created with SAP BusinessObjects Dashboards that refreshes, or otherwise changes the data contained in such SWF file (or SWF file exported to other supported file formats (e.g., PDF, AIR, PPT)),

Connected Presentations may be used only for users internal business purposes and not pursuant to a commercial sale, rental, or lease of the Connected Presentations (whether alone or in combination with another program or product).

#### 6.1.3.1 *SAP IT Operations Analytics*

SAP IT Operations Analytics includes a limited runtime license for SAP HANA Smart Data Streaming Option to be used only in conjunction with SAP IT Operations Analytics.

#### 6.1.4 *SAP BusinessObjects Predictive Analytics Suite*

Licensee may extract data from any data source into the licensed SAP BusinessObjects Predictive Analytics component(s) and/or push data out of the licensed SAP BusinessObjects Predictive Analytics component(s) into any licensed data source. An additional SAP Named User license will not be required solely for the one-way extraction of data into the licensed SAP BusinessObjects Predictive Analytics component(s) where the data source is SAP Software and/or Third Party Software licensed from SAP. SAP BusinessObjects Predictive Analytics Suite includes the following Runtime Software: 1 User of Predictive Analytics Modeler regardless of number of GB of Database Sizes licensed.

SAP BusinessObjects Predictive Analytics Suite may be Used with a limited use version of SAP HANA (SAP HANA Runtime edition for SAP BW; SAP HANA Database Edition for SAP BW; SAP HANA Runtime edition for Applications and SAP BW), with one of the following SAP HANA editions: SAP HANA Base Edition, HANA Platform Edition, HANA Enterprise Edition (individually, “HANA Full Use Edition”), or with a structured datastore other than SAP HANA, Use of SAP BusinessObjects Predictive Analytics Suite with a limited use version of SAP HANA (SAP HANA Runtime edition for SAP BW; SAP HANA Database Edition for SAP BW; SAP HANA Runtime edition for Applications and SAP BW) is limited solely to data generated by HANA supported software. Use of Analytics Predictive Library (APL) is not permitted when SAP BusinessObjects Predictive Analytics Suite is Used with SAP HANA Base Edition.

#### 6.1.4.1 *SAP BusinessObjects Predictive Analytics Suite, Edge Edition*

SAP BusinessObjects Predictive Analytics Suite, Edge Edition is not licensed for Use with SAP HANA Base Edition, SAP HANA Platform Edition, and/or SAP HANA Enterprise Edition. This edition includes 1 User of SAP BusinessObjects Predictive Analytics Modeler regardless of number of GB Database Sizes licensed. Use of this edition is limited to: one database and no more than four units of GB Database Size (up to 128 GB of Database Size) can be purchased.

#### 6.1.5 *SAP Enterprise Information Management Solutions*

##### 6.1.5.1 *SAP Enterprise Information Management (EIM) Packages*

The total number of Cores licensed represents the maximum total cumulative Cores on which all of the Software included in the EIM packages may be installed and Used. Directories are not included and must be licensed separately.

#### 6.1.6 *SAP Data Services, SAP Data Integrator, SAP Data Quality Management, and SAP Agile Data Preparation software*

Directories are not included and must be licensed separately.

##### 6.1.6.1 *SAP Data Services*

The total number of Cores licensed represents the maximum total cumulative Cores on which all of the Software included in SAP Data Services may be installed and Used. Data Services includes a restricted runtime license for 4 Core licenses of SAP Information Steward as Runtime Software. Use of such SAP Information Steward Runtime Software is limited to Cleansing Package Builder and the Basic and Advanced Profiling capabilities. These profiling capabilities do not include the ability to write data quality rules and create scorecards in SAP Information Steward.

##### 6.1.6.2 *Data Quality Management (“DQM”) SDK*



A license to Data Quality Management SDK may be acquired in two configurations as follows: (1) a stand-alone or non-bundled configuration (“DQM SDK Non-Bundled Configuration”) and (2) bundled with Core Metric licenses to Data Services and/or DQM Premium (“DQM SDK Bundled Configuration”). If acquired in the DQM SDK Non-Bundled Configuration, then a license to DQM SDK is provided as a Server License. If acquired in the DQM SDK Bundled Configuration, then licenses to DQM SDK are included as part of the Core Metric licenses of Data Services and/or DQM Premium licensed by Licensee, such that a subset of the number of such Core licenses licensed by Licensee may be Used to solely run DQM SDK, provided that the aggregate number of licenses deployed for DQM SDK and Data Services and DQM Premium must not exceed the total of Data Services and DQM Premium licenses acquired. For example, if Licensee has in the aggregate licensed six Core licenses of Data

Services and/or DQM Premium, then Licensee may Use two Core licenses to run DQM SDK and the remaining 4 Core licenses to run Data Services and/or DQM Premium; or Licensee may Use three Core licenses to run DQM SDK and the remaining 3 Core licenses to run Data Services and/or DQM Premium; or Licensee may Use all six Core licenses to run DQM SDK.

6.1.6.3 *SAP Information Steward*

The total number of Cores licensed represents the maximum total cumulative Cores on which all of the Software included in SAP Information Steward may be installed and Used.

6.1.6.4 *SAP Data Services, enterprise edition*

The total number of Cores licensed represents the maximum total cumulative Cores on which all of the Software included in SAP Data Services, enterprise edition may be installed and Used, excluding SAP PowerDesigner EnterpriseArchitect which does not count against total Cores. SAP Data Services, enterprise edition includes ten (10) Concurrent Sessions of SAP PowerDesigner EnterpriseArchitect.

6.1.6.5 *SAP Data Integrator, premium edition*

The total number of Cores licensed represents the maximum total cumulative Cores on which all of the Software included in SAP Data Integrator, enterprise edition may be installed and Used, excluding SAP PowerDesigner EnterpriseArchitect which does not count against total Cores. SAP Data Integrator, premium edition includes five (5) Concurrent Sessions of SAP PowerDesigner EnterpriseArchitect.

6.1.7 *SAP Enterprise Performance Management*

The Enterprise Performance Management Professional Edition Packages (“EPM Professional Ed.”) include the following:

- SAP BusinessObjects Planning & Consolidation, Version for Microsoft Platform, Professional Edition
- SAP BusinessObjects Planning & Consolidation, Version for SAP NetWeaver, Professional Edition
- SAP BusinessObjects Planning & Consolidation, License for Business Planning Only, Version for Microsoft Platform, Professional Edition
- SAP BusinessObjects Planning & Consolidation, License for Business Planning Only, Version for SAP NetWeaver, Professional Edition
- SAP BusinessObjects Planning & Consolidation, License for Consolidation Only, Version for SAP NetWeaver, Professional Edition
- SAP BusinessObjects Strategy Management, Professional Edition
- SAP BusinessObjects Financial Information Management, Professional Edition
- SAP BusinessObjects Financial Consolidation, Professional Edition
- SAP BusinessObjects Profitability and Cost Management, Professional Edition
- SAP BusinessObjects Disclosure Management, Professional Edition

The Enterprise Performance Management Standard Edition Packages (“EPM Standard Ed.”) includes the following:

- SAP BusinessObjects Planning & Consolidation, Version for Microsoft Platform, Standard Edition
- SAP BusinessObjects Planning & Consolidation, Version for SAP NetWeaver, Standard Edition
- SAP BusinessObjects Planning & Consolidation, License for Business Planning Only, Version for Microsoft Platform, Standard Edition
- SAP BusinessObjects Planning & Consolidation, License for Business Planning Only, Version for SAP NetWeaver, Standard Edition
- SAP BusinessObjects Planning & Consolidation, License for Consolidation Only, Version for SAP NetWeaver, Standard Edition
- SAP BusinessObjects Strategy Management, Standard Edition
- SAP BusinessObjects Financial Information Management, Standard Edition
- SAP BusinessObjects Financial Consolidation, Standard Edition
- SAP BusinessObjects Profitability and Cost Management, Standard Edition



- SAP BusinessObjects Disclosure Management, Standard Edition

Any individual consuming data extracted from an EPM Professional Ed. or EPM Standard Ed. package for the purpose of offline analysis or viewing reports in another SAP Software or 3rd party reporting and analysis applications requires a license for the EPM Professional Ed. or EPM Standard Ed. package that originally created that data.

The EPM Standard Ed and EPM Professional Ed include the following Runtime Software: (i) SAP BusinessObjects Business Intelligence Platform which is limited to use of the following: (a) use of the Central Management Server (“CMS”) to authenticate and/or authorize users for the applications; (b) use of the Central Management Console (“CMC”) to administer user rights and privileges as they pertain to the applications.

**EPM Standard Ed.** Use is limited to (i) direct input and/or editing of quantitative and qualitative data into the application; (ii) execution of existing reports or creation of reports on existing data structures; (iii) execution of changes to workflow tasks; and (iv) viewing data, except that users accessing the package through an interface are limited to viewing data only. Consolidation functionality is limited to running controls on data submitted by Licensed users. Planning functionality is limited to performing planning tasks only on existing models.

**6.1.8.1 SAP BusinessObjects Financial Consolidation.** Use of SAP BusinessObjects BI Platform included with SAP BusinessObjects Financial Consolidation is limited solely to the following features: (a) use of the Central Management Server (“CMS”) to authenticate and/or authorize users for the applications listed above; (b) use of the Central Management Console (“CMC”) to administer user rights and privileges as they pertain to the application; (c) use of Infoview to navigate and launch Analyzer workspaces. SAP BusinessObjects Financial Consolidation includes a limited runtime license for SAP BusinessObjects Intercompany to be used only in conjunction with SAP BusinessObjects Financial Consolidation.

**6.1.8.2 SAP BusinessObjects Planning and Consolidation.** SAP BusinessObjects Planning and Consolidation includes a limited runtime license for SAP BusinessObjects Intercompany to be used only in conjunction with SAP BusinessObjects Planning and Consolidation.

**6.1.8.3 SAP BusinessObjects Planning and Consolidation, License for Consolidation Only.** SAP BusinessObjects Planning and Consolidation, License for Consolidation Only includes a limited runtime license for SAP BusinessObjects Intercompany to be used only in conjunction with SAP BusinessObjects Planning and Consolidation, license for consolidation only. SAP BusinessObjects Planning and Consolidation, license for consolidation only may be used solely for the calculation and reporting of the consolidated financial results of a group of companies or for separate financial statement reporting where the application is being used to calculate and report investments at equity, applying generally accepted accounting concepts related to accounting for business combinations and / or equity accounting for investments. For the avoidance of doubt, the creation and calculation of budget, plan, or forecast data (forward looking data) is not permitted.

**6.1.8.4 SAP BusinessObjects Planning and Consolidation, license for Business Planning Only.** SAP BusinessObjects Planning and Consolidation, license for business planning only may be used solely for the creation and calculation of budget, plan, or forecast data (forward looking data). For the avoidance of doubt, the calculation and reporting of the consolidated financial results of a group of companies or for separate financial statement reporting where the application is being used to calculate and report investments at equity, applying generally accepted accounting concepts related to accounting for business combinations and / or equity accounting for investments is not permitted.

**6.1.8.5 SAP Supervisory Reporting Management.** Licensee may Use SAP Supervisory Reporting Management, and/or SAP BusinessObjects Disclosure Management, XBRL reporting add-on for Solvency II Pillar 3 solely in conjunction with the applicable European Union Regulations.

#### 6.1.9 SAP BusinessObjects Financial Information Management

When licensing SAP BusinessObjects Financial Information Management, SAP Data Integrator may be Used:

- solely with certain licensed SAP BusinessObjects solutions for SME, SAP analytic applications, SAP NetWeaver BW and SAP EPM On-Demand, together with certain licensed SAP EPM applications, which is specified and Used in accordance with the Documentation; and
- solely for Use with SAP BusinessObjects Financial Information Management.

SAP BusinessObjects Financial Information Management is to be licensed whenever data integration with third party systems is required.

Limited functionality of Financial Information Management for which Licensee does not hold a license (“FIM Runtime Software”) may be utilized by certain licensed SAP Software as described in the Documentation. Until Licensee has expressly licensed the FIM Runtime Software, Licensee’s Use of the FIM Runtime Software is limited to access by and through the licensed SAP Software for the sole purpose of enabling performance of the licensed SAP Software and integrating data from licensed SAP Software as specified in the Documentation.

#### 6.1.10 SAP Governance, Risk and Compliance Solutions.



The following SAP Governance, Risk and Compliance (GRC) solutions include the following Runtime Software: (i) SAP BusinessObjects BI Platform, (ii) SAP Crystal Reports, (iii) SAP BusinessObjects Dashboards, (iv) SAP BusinessObjects Web Intelligence and (v) SAP BusinessObjects Lumira desktop edition. Use of such Runtime Software is limited solely with GRC application data.

- SAP Process Control
- SAP Risk Management
- SAP Enterprise Risk and Compliance Management, risk management
- SAP GTS
- SAP Electronic Invoicing f. Brazil (NFE - Inbound)
- SAP Electronic Invoicing f. Brazil (NFE - Outbound)

The following SAP Governance, Risk and Compliance (GRC) solutions include 10 Users of each of the Following Runtime Software: (i) SAP Crystal Reports, (ii) SAP BusinessObjects Dashboards and (iii) SAP BusinessObjects Lumira desktop edition. Use of such Runtime Software is limited solely with GRC application data.

- SAP Access Control
- SAP Access Control, starter edition

The following SAP Governance, Risk and Compliance (GRC) solutions include 10 Users of the following Runtime Software: (i) SAP BusinessObjects Lumira desktop edition. Use of such Runtime Software is limited solely with GRC application data..

- SAP Identity Management

6.1.10.1 When licensing SAP Process Control or SAP Risk Management, Licensee's employees and/or third parties who only receive policy distributions and respond to policy surveys, quizzes, and/or acknowledgements do not require licenses for the Software provided that such responses do not activate processing capabilities of the Software. For avoidance of doubt, such access does not include creating, reviewing, approving, or issuing these policies or related policy surveys, nor does it allow review of responses.

6.1.10.2 When licensing SAP Audit Management, Licensee's employees and/or third parties who only receive audit announcements, findings, actions, and/or notifications do not require licenses for the Software. For avoidance of doubt, such access does not include creating, reviewing, approving, or issuing these announcements, findings, actions, or notifications, nor does it allow closure of responses.

#### 6.1.10.3 *SAP Access Control, starter edition*

Use of SAP Access Control, starter edition is limited to the measuring, monitoring and reporting of access risks; and administering and reporting of superuser access.

#### 6.1.10.4 *SAP Global Trade Services Export For Midsize Companies*

Use of SAP Global Trade Services Export For Midsize Companies is limited to a maximum of three (3) countries involved overall in exporting to and from.

#### 6.1.10.5 *SAP Electronic Invoicing for Brazil (Nota Fiscal Electronica)*

SAP Electronic Invoicing for Brazil – Outbound and Inbound (Nota Fiscal Electronica – Outbound or Inbound) includes a runtime license SAP PI.

#### 6.1.11 *SAP BusinessObjects solutions for SME*

##### 6.1.11.1 *SAP Data Services, Edge edition, Data Integrator, Edge edition and Data Quality Management, Edge edition (Edge EIM Solutions)*

The total number of Cores licensed represents the maximum total cumulative Cores on which all of the Software included in SAP Data Services, Edge edition may be installed and Used. Directories are not included in any of the Edge EIM Solutions and must be licensed separately. Each deployment of any of the Edge EIM Solutions is limited to a single server, with a minimum of 4 Cores and a maximum of 8 Cores.

##### 6.1.11.2 *SAP BusinessObjects Planning and Consolidation, Edge edition*

The licensing of the SAP BusinessObjects Planning and Consolidation, Edge edition is restricted to 70 users maximum on a maximum deployment of a single application server.

##### 6.1.11.3 *SAP BusinessObjects BI, Edge edition (BI Edge)*

Each deployment of SAP BusinessObjects BI, Edge edition (BI Edge) has maximum limits of 100 named users and 50 Concurrent Sessions on a single server. The license includes the following Runtime Software: (i) SAP IQ and (ii) Data Integrator, both of which may be deployed on the same server as the BI Edge platform, or on a separate server up to a maximum of 8 cores in the



case of SAP IQ or a maximum of 8 cores in the case of Data Integrator, and (iii) one (1) Concurrent Session license of SAP PowerDesigner DataArchitect, Edge edition.

Use of the Data Integrator runtime (i) does not include Text Data Processing and (ii) is limited to connection to and leverage of any existing CMS repositories residing on a separate server in the customer's landscape but may only load data into one target datastore.

Use of SAP IQ Runtime Software is limited to access by and through the BI Edge platform and SAP BusinessObjects Predictive Analytics Suite.

Certain functions of BI Edge are only supported with a User license metric, not with a Concurrent Session license (refer to "Concurrent Session Limitations" in 6.1.1). SAP BusinessObjects BI, Edge edition includes runtime license to use the SAP BusinessObjects BI Semantic Layer RESTful Web Service SDK ("BI SDK") solely for the purposes of accessing semantic data.

#### 6.1.11.4 SAP hybris B2C Commerce Suite - Revenue, Edge edition, SAP hybris B2B Commerce Suite - Revenue, Edge edition

Use of SAP hybris B2C Commerce Suite or SAP hybris B2B Commerce Suite, Edge Edition is limited to: one cluster environment (no more than two application servers and no more than one database in such cluster) and two Web Presences.

#### 6.1.12 SAP analytic solutions

**Limited License:** Use of the SAP analytic solution ("BA Solutions"), and any SAP software licensed as part of the BA Solution ("BA software"), is limited to the BA Solution specific purpose ("Purpose").

**BA software:** SAP may offer BA software contained in the BA Solution also as a separate SAP software product on the SAP list of prices and conditions. Terms and conditions for, and functionality of BA Software may be different from the separate SAP software product. Additional functionality of such SAP software product may be subject to a separate license agreement and additional license fees.

#### 6.1.13 SAP Knowledge Acceleration

SAP Knowledge Acceleration may be used to meet Licensee's employee training needs and may not be used by or on behalf of any third party. Notwithstanding any other provision of the Training Schedule, User license metrics of Knowledge Acceleration may not be transferred to other individuals, even if the original user is no longer permitted access to Knowledge Acceleration. If an individual is no longer employed by Licensee, Licensee may transfer such individual's User license count to another user.

6.1.14 SAP BusinessObjects Lumira, standard edition. Licensee cannot use SAP BusinessObjects Lumira standard edition to access data in SAP applications, with the exception of accessing data in SAP HANA and SAP Business One.

#### 6.1.15 SAP BusinessObjects BI Semantic Layer RESTful Web Service SDK ("BI SDK")

BI SDK requires SAP BusinessObjects BI version 4.1 SP2 or later.

**Semantic Data Transfer and Persistence.** This Section describes certain limitations to the transfer of semantic data, and the persistence of semantic data being transferred, from the BI SDK.

a. Any resolution of a BusinessObjects Universe query, with the limited exception of caching, must connect to a BusinessObjects Universe at runtime. A temporary cache is permitted for the sole purpose of improving the query performance of the Semantic Layer Web Service SDK implementation if the application does so temporarily, securely, and in a manner that does not permit use of the data or metadata outside of the application directly connecting to the Semantic Layer Web Services SDK.

b. In enabling support for universes, use of the BI SDK interfaces is prohibited for any of the following purposes: (i) to crawl or index the BI SDK (or any data or metadata contained therein or managed thereby), (ii) the mass data and/or metadata extraction from the BI SDK to another product to create a new system of record for such data or metadata, or (iii) bypass or circumvent SAP's license restrictions or provide customers with access to the SAP BusinessObjects Universe Consumption for which such customers are not licensed.

c. Subject to Section (b) above, a user may develop and use any of the BI SDK interfaces for the purpose of extracting and caching SAP Semantic Product data or metadata.

The user agrees that any product or solution using data retrieved from the BI SDK must open and maintain a valid SAP BusinessObjects BI session when connecting to the BI SDK and when connecting to a cache of the results from the BI SDK, similar to as if the user product had connected directly to the BI SDK. APIs that enable third party products to open and close a BI session are available in SAP's BI Platform SDK.

## 6.2 SAP BusinessObjects (Classic Solutions Model)

### 6.2.1 SAP BusinessObjects Enterprise

6.2.1.1 *Dashboard Builder.* The software components, tools and utilities supplied with Dashboard Builder may only be used with the product with which they were provided. In addition, the Web Intelligence utilities provided with Dashboard Builder may only be used to view the analytic templates provided with Dashboard Builder.



6.2.1.2 *SAP BusinessObjects Enterprise*. Licensee may not combine licenses for different editions of BusinessObjects Enterprise in a single Deployment (for example, BusinessObjects Enterprise Premium licenses may not be combined with BusinessObjects Enterprise Professional licenses in the same Deployment). Licensee may use BusinessObjects Enterprise Professional to publish and distribute only one of SAP BusinessObjects' proprietary report format types (Crystal Reports, Web Intelligence/Desktop Intelligence/BusinessObjects/Voyager). Web Intelligence and Desktop Intelligence are deemed a single proprietary report format for this purpose. If Licensee wishes to publish and distribute more than one report format type, BusinessObjects Enterprise Premium must be licensed. Notwithstanding the foregoing, if Licensee migrates from a combined BusinessObjects and Web Intelligence Deployment to BusinessObjects Enterprise, Licensee may use both BusinessObjects and Web Intelligence report types in that Deployment. SAP BusinessObjects Enterprise includes runtime license to use the SAP BusinessObjects BI Semantic Layer RESTful Web Service SDK ("BI SDK") solely for the purposes of accessing semantic data.

6.2.1.3 *SAP BusinessObjects Product Options*. Options for BusinessObjects Enterprise Professional, Crystal Enterprise Professional, and Crystal Reports Server (collectively, "Underlying Application") are licensed as add-ons to a Deployment. Options may include Crystal Reports Explorer, Auditing, Publishing, Live Office, Integration Kits for third party applications and other products designated as Options for an Underlying Application. If both the Underlying Application and the Options are licensed on a CPU metric, the number and type of Option licenses must match the number and type of the Underlying Application licenses in the Deployment in which the Options are used

6.2.1.4 *Web Intelligence Interactive Viewing*. Keycodes to Web Intelligence Interactive Viewing unlock all features of the full Web Intelligence product. However, Web Intelligence Interactive Viewing is a limited license and may not be utilized to edit or create documents.

6.2.2 *SAP BusinessObjects BI Package*. SAP BusinessObjects BI Package includes a restricted license of SAP BusinessObjects Information Steward. Use of the SAP BusinessObjects Information Steward is limited to the Metadata Management and Metapedia functionality.

6.2.3 *SAP BusinessObjects BI Starter Package*. The licensing of the SAP BusinessObjects BI starter package is restricted to maximum of 100 users maximum on a single server.

#### 6.2.4 *Dashboard and Visualization*

##### 6.2.4.1 *SAP® BusinessObjects™ Dashboards software*.

If Licensee refreshes, publishes, pushes or otherwise changes data contained in any Dashboards generated SWF file (or SWF file exported to other supported file formats (e.g., PDF, AIR, PPT)), a viewing license must be licensed for each user that can view the Dashboard. Dashboard viewing is included with and matches the User metric licenses of SAP Crystal Server and BusinessObjects BI Edge edition. Dashboard viewing is included with SAP Crystal Dashboard Design but limited to SWF files with a maximum of two connections.

#### 6.2.5 *SAP BusinessObjects Enterprise Information Management Solutions*

##### 6.2.5.1 *SAP BusinessObjects Data Services, SAP BusinessObjects Data Integrator, and SAP BusinessObjects Data Quality Management software*.

If Licensee wants to deploy a Data Services, Data Integrator, or Data Quality Management License to access enterprise data sources such as packaged applications, databases, or technology infrastructure products, Licensee must obtain individual interface licenses such as Application Interface, Database Interface, JMS Technology Interface, or Salesforce.com Technology Interface. Directories are not included and must be licensed separately.

6.2.5.2 *SAP BusinessObjects Data Services*. The following is included in each license of the SAP BusinessObjects Data Services:

- Five Named Users of SAP BusinessObjects Data Insight (except for licenses bundled or otherwise provided in combination with or for use with a third party product)
- Runtime license for 2 CPU licenses of SAP BusinessObjects Information Steward. The Use of the BusinessObjects Information Steward is limited to Cleansing Package Builder and the Basic and Advanced Profiling capabilities that are contained in Data Insight.
- One license of each of Real Time Transactional Processing, Data Source Web Service Access, Multi-user Team Development and Grid Computing
- Database Interface licenses to an uncapped number of Types of databases
- Salesforce.com Technology Interface
- JMS Technology Interface

#### 6.2.6 *SAP BusinessObjects Data Integrator*

6.2.6.1 *SAP BusinessObjects Data Integrator Starter*. Each license of the Software includes one Database Interface license.

6.2.6.2 *SAP BusinessObjects Data Integrator Professional*. Each license of the Software includes two Database Interface licenses.



6.2.6.3 *SAP BusinessObjects Data Integrator Premium*. Each license of the Software includes one license of each of Real Time Transactional Processing, Data Source Web Service Access, Multi-user Team Development, Grid Computing, Salesforce.com Technology Interface, JMS Technology Interface; and Database Interface licenses to an uncapped number of database Types.

6.2.7 SAP BusinessObjects Data Quality Management (“DQM”)

6.2.7.1 *SAP BusinessObjects eData Quality (“eDQ”) Management*. Licensee may Use SAP BusinessObjects eDQ Management for transactional or real-time environments only. Each license of the Software includes one license of SAP BusinessObjects DQM, cleansing package option for one language.

6.2.7.2 *SAP BusinessObjects Data Quality Management Professional*. Each license of the Software includes one Database Interface license and one license of SAP BusinessObjects DQM, cleansing package option for one language.

6.2.7.3 *SAP BusinessObjects Data Quality Management Premium*. Each license of the Software includes:

- Five Named Users of SAP BusinessObjects Data Insight (except for licenses bundled or otherwise provided in combination with or for use with a third party product)
- Runtime license for 2 CPU licenses of SAP BusinessObjects Information Steward. The Use of the BusinessObjects Information Steward is limited to Cleansing Package Builder and the Basic and Advanced Profiling capabilities that are contained in Data Insight.
- Two Database Interface licenses
- One license of SAP BusinessObjects DQM, cleansing package option for one language
- SAP BusinessObjects DQM, SDK
- One license of each of Real Time Transactional Processing, Data Source Web Service Access, Multi-user Team Development and Grid Computing

6.2.7.4 *Interface licenses*. A prerequisite for any Application Interface, Database Interface or Technology Interface license is a Data Services, Data Integrator, or Data Quality Management license. Application Interface is licensed per application Instance. “Instance” means the Software may only be used for one unique connection to a specified application or technology. If multiple instances of an application are accessed by the Application Interface, then one Application Interface License must be acquired for each instance. Application Interface Unlimited, Database Interface, JMS Technology Interface and Salesforce.com Technology Interface are licensed per application, database or technology Type, as applicable. “Type” means an unlimited number of connections to the single, specified application, database or technology.

6.2.7.5 *Data Quality Management SDK*. A license to Data Quality Management SDK may be acquired in two configurations as follows: (1) a stand-alone or non-bundled configuration (“DQM SDK Non-Bundled Configuration”), and (2) bundled with CPU Metric licenses to Data Services and/or DQM Premium (“DQM SDK Bundled Configuration”). If acquired in the DQM SDK Non-Bundled Configuration, then a license to DQM SDK is provided as a Server License. If acquired in the DQM SDK Bundled Configuration, then licenses to DQM SDK are included as part of the CPU Metric licenses of Data Services and/or DQM Premium licensed by Licensee, such that a subset of the number of such CPU licenses licensed by Licensee may be Used to solely run DQM SDK, provided that the aggregate number of licenses deployed for DQM SDK and Data Services and DQM Premium must not exceed the total of Data Services and DQM Premium licenses acquired. For example, if Licensee has in the aggregate licensed six CPU licenses of Data Services and/or DQM Premium, then Licensee may Use two CPU licenses to run DQM SDK and the remaining 4 CPU licenses to run Data Services and/or DQM Premium; or Licensee may Use three CPU licenses to run DQM SDK and the remaining 3 CPU licenses to run Data Services and/or DQM Premium; or Licensee may Use all six CPU licenses to run DQM SDK.

6.2.7.6 *SAP BusinessObjects Data Quality Management software, versions for use with SAP, Siebel or Informatica applications*. When licensing SAP BusinessObjects Data Quality Management, version for SAP solutions, Siebel applications, or Informatica PowerCenter, the data quality functions must be Used solely with activities initiated within the SAP, Siebel, or Informatica application, respectively. When licensed this way, the Use of data quality functions for purposes outside the application it was licensed for is strictly prohibited. A separate license of SAP BusinessObjects Data Quality Management or SAP BusinessObjects Data Services must be licensed if the Use of data quality functions is required outside of the SAP, Siebel, or Informatica application. Deployment of this license means Licensee has the ability to spread the licensed number of CPU’s across a single or multiple servers as long as the total number of CPU’s Used across the servers add up to the amount of CPUs Licensee is licensed for. Grid computing licenses are not included and require to be licensed separately.

6.2.7.7 *SAP BusinessObjects Rapid Marts Products*. When licensing SAP BusinessObjects Rapid Marts, a license for SAP BusinessObjects Data Integrator or Data Services must also be obtained. If SAP BusinessObjects Rapid Marts is licensed with SAP BusinessObjects Data Integrator or Data Services, an individual SAP BusinessObjects Rapid Marts license must be obtained for each SAP BusinessObjects Data Integrator or Data Services license. Copying one SAP BusinessObjects Rapid Marts license and then deploying it to other instances is prohibited. In addition to the foregoing, Licensee must license certain applicable Application Interfaces.



6.2.7.8 *SAP BusinessObjects Metadata Management*. Metadata Management comes with a limited use license of SAP BusinessObjects Enterprise. Licensee may use SAP BusinessObjects Enterprise only in conjunction with Metadata Management. Accessing data that is not specifically created or Used by Metadata Management is in violation of this license. Furthermore, Licensee may Use only the following features of SAP BusinessObjects Enterprise: (a) Central Management Server (“CMS”) for user or group authentication purposes and (b) Central Management Console for security related to user management and access to integrator sources, source groups, metapedia, utilities and managing and scheduling integrator source runs and utilities runs.

#### 6.2.8 *SAP BusinessObjects Explorer*

6.2.8.1. Keycodes for Explorer used in conjunction with SAP BusinessObjects Enterprise Professional (for Enterprise Reporting) will unlock all features of the Web Intelligence product. Such Web Intelligence features may be used only by SAP BusinessObjects Explorer.

6.2.8.2 *SAP Business Objects Explorer (Data Exploration Component)*. SAP BusinessObjects Explorer (Data Exploration Component) includes SAP BusinessObjects Data Integrator Premium and SAP BusinessObjects Enterprise. Licensee’s use is limited as follows:

- Data Integrator Premium and BusinessObjects Enterprise may only be used in conjunction with SAP BusinessObjects Explorer (Data Exploration Component).
- Data Integrator Premium may not be installed on the same blade as the SAP NetWeaver BWA blade.
- Data Integrator Premium may not be used for standalone ETL (extract, transform and load) projects.
- Licensee is licensed to Use only the following features of SAP BusinessObjects Enterprise: (a) Central Management Console (CMC), (b) third party authentication, (c) exploration of BWA-based indexes with Explorer, (d) Central configuration Manager, and (e) Import Wizard.

#### 6.2.9 *SAP BusinessObjects solutions for SME*

6.2.9.1 *SAP BusinessObjects Edge BI (Edge BI)*. Edge BI licensed by SAP Named Users has a limit of 250 users per server. Edge BI includes publishing up to 1000 Recipients. Standalone Use of Edge BI standalone does not require SAP Application named users; when used with SAP ERP, the SAP Business Expert named user is not relevant and an SAP Professional named user is sufficient. Edge BI licensed as CAL (Concurrent Access License) through SAP BusinessObjects resellers shall not exceed 50 CALs in a single deployment. After Licensee acquired CAL packages from an SAP BusinessObjects reseller, Licensee may license add-on named user licenses of Edge BI in the same quantity as the number of CAL licensed. Edge BI includes runtime license to use the SAP BusinessObjects BI Semantic Layer RESTful Web Service SDK (“BI SDK”) solely for the purposes of accessing semantic data.

6.2.9.2 *SAP BusinessObjects Edge BI, version with data management*. SAP BusinessObjects Data Quality Professional and SAP BusinessObjects Data Integrator Starter delivered with SAP BusinessObjects Edge BI may only be deployed on a single server (up to 250 users) and must be deployed either (a) on the same server where the corresponding SAP BusinessObjects Edge BI product is deployed, or (b) on a separate server having up to two CPUs. SAP BusinessObjects Data Quality Professional and SAP BusinessObjects Data Integrator Starter may only be used in conjunction with SAP BusinessObjects Edge BI and may not be used on a stand-alone basis. Licensee shall only be permitted to use up to two database types under the database interfaces and shall only be permitted one target datastore.

6.2.9.3 *SAP BusinessObjects Edge BI, version with data integration*. SAP BusinessObjects Data Integrator Starter delivered with SAP BusinessObjects Edge BI may only be deployed on a single server (up to 250 users) and must be deployed either (a) on the same server where the corresponding SAP BusinessObjects Edge Series product is deployed, or (b) on a separate server having up to two CPUs. SAP BusinessObjects Edge BI, version with data integration and SAP BusinessObjects Data Integrator Starter may only be used in conjunction with SAP BusinessObjects Edge BI and may not be used on a stand-alone basis. Licensee shall only be permitted to use up to two database types under the database interfaces and shall only be permitted one target datastore. When SAP BusinessObjects Data Integrator Starter is used with SAP BusinessObjects Edge Rapid Marts it may be deployed on a server with up to 4 CPUs.

## 7. SAP Crystal

### 7.1 Use Rights for All SAP Crystal Products

#### 7.1.1 Definitions

7.1.1.1 “SAP Crystal software” is defined to be the following products: SAP Crystal Reports, SAP Crystal Server, SAP Crystal Reports Server, SAP Crystal Dashboard Design, SAP Crystal Presentation Design, SAP Crystal Interactive Analysis, and Xcelsius Engage Server.

7.1.1.2 “Desktop SAP Crystal software” is defined to be all SAP Crystal products except for SAP Crystal Server and SAP Crystal Reports Server.



7.1.1.3 “Connected Presentation” means any SWF file created with SAP Crystal Dashboard Design personal edition, SAP Crystal Dashboard Design departmental edition, or Xcelsius Engage Server that refresh, publish, push or otherwise change data contained in such SWF file (or SWF file exported to other supported file formats (e.g., PDF, AIR, PPT)),

7.1.1.4 “Self Contained Presentation” means any SWF file created with SAP Crystal Presentation Design, SAP Crystal Dashboard Design personal edition, SAP Crystal Dashboard Design departmental edition, or Xcelsius Engage Server that does not refresh, publish, push or otherwise change data contained in such SWF file (or SWF file exported to other supported file formats (e.g., PDF, AIR, PPT)).

7.1.2 *SAP Crystal Software Usage.* Licensee may use SAP Crystal software to deliver training and consulting services for such SAP Crystal software, provided that each individual receiving the benefits of the training or consulting services has acquired a license separately to Use the applicable SAP Crystal Software.

7.1.3 *Desktop SAP Crystal Software Usage.* With the exception of Connected Presentations, and subject to Section 7.2.8, Licensee may distribute the output files (e.g. PDF, SWF, XLF, WID or RPT file format) generated by the Desktop SAP Crystal software to third parties provided that Licensee complies with the following requirements:

- (a) the output files reside outside of the Software and do not Use the Software;
- (b) Licensee remains solely responsible for support, technical or other assistance, required or requested by anyone receiving such output files;
- (c) Licensee does not use the name, logo, or trademark of Licensor, or the Software, without prior written permission from SAP;
- (d) Licensee will defend, indemnify and hold SAP harmless against any claims or liabilities arising out of the use, reproduction or distribution of output files;
- (e) Licensee shall secure the end user’s (“End User”) consent to terms substantially similar to the terms set forth in Section 7.2.7(e).

7.1.4 *Training Workstation License for Desktop SAP Crystal software.* When Desktop SAP Crystal software is used on a workstation that is used exclusively for training, the license applies to the workstation and not the named user using the Software. One license is required per training workstation.

7.1.5 *Use of Screenshots and wordmarks for SAP Crystal software.* Licensee may reproduce and distribute screen shots and wordmarks for SAP Crystal software in documents or media provided that:

- a) The document or media isn’t for commercial training material or third party training material and/or for-profit training material.
- b) Licensee’s Use may not be obscene or pornographic, and Licensee may not be disparaging, defamatory, or libelous to SAP, any of its software, or any other person or entity.
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## **7.2 SAP Crystal Reports runtime product**

7.2.1 *Scope.* This section applies to the runtime product included in SAP Crystal Reports 2008, Crystal Reports XI, SAP Crystal Reports for Visual Studio 2010, and SAP Crystal Reports for Eclipse.

### **7.2.2 Definitions**

7.2.2.1 “*Client Application*” means an application developed by Licensee that a) utilizes the Runtime Product, b) is installed fully on an end user’s machine, with all report processing local to that machine, and c) adds significant and primary functionality to the Runtime Product.

7.2.2.2 “*Internal Installation*” or “*Internally Install*” means installing into production Client Applications and/or Server Applications on one or more computers within Licensee’s company or organization only in connection with Licensee’s internal business purposes.



7.2.2.3 *"Distribution" or "Distribute"* means selling, leasing, licensing or redistributing Client Applications and/or Server Applications to third party end users external to Licensee's company or organization.

7.2.2.4 *"Runtime Product"* means the version specific files and application program interfaces (APIs) specified in the RUNTIME.TXT file provided with SAP Crystal Reports 2008, SAP Crystal Reports for Eclipse 2.0, and SAP Crystal Reports for Visual Studio 2010.

7.2.2.5 *"Server Application"* means an application developed by Licensee that a) utilizes the Runtime Product, b) allows more than one user to Use the Runtime Product through any middle tier application(s), and c) adds significant and primary functionality to the Runtime Product. A Client Application installed in a Windows terminal server environment (e.g. Citrix or Microsoft Remote Desktop Platform) is a Server Application.

7.2.3 *Usage.* Licensee may install and Use a single copy of the Runtime Product to develop Client Applications and Server Applications. The Distribution and Internal Installation terms and conditions differ based on the type of applications Licensee develops, as described in the following sections.

7.2.4 *Internal Installation of Client Applications and Server Applications.* Licensor grants Licensee a personal, nonexclusive, limited license to Internally Install the Runtime Product with Client Applications and Server Applications.

7.2.5 *Distribution of Client Applications.* Subject to Licensee's compliance with all of the terms herein, including without limitation section 7.2.7, Licensor grants Licensee a personal, nonexclusive, limited license to Distribute Client Applications.

7.2.6 *Distribution of Server Applications.* Subject to Licensee's compliance with all of the terms herein, including without limitation section 7.2.7, Licensor grants Licensee a personal, nonexclusive limited license to Distribute Server Applications to third parties provided that the Licensee has acquired a licensed copy of Crystal Reports for each Deployment of a Server Application that is Distributed, and the version of the Runtime Product utilized by such Server Application is the same version as Licensee's licensed copy of Crystal Reports.

7.2.7 *Runtime Product Distribution Requirements.*

If Licensee distributes the Runtime Product to third parties pursuant to sections 7.2.5 or 7.2.6, Licensee shall comply with the following requirements:

- (a) Licensee remains solely responsible for support, service, upgrades, and technical or other assistance, required or requested by anyone receiving such Runtime Product copies or sample applications;
- (b) Licensee does not use the name, logo, or trademark of Licensor, or the Software, without prior written permission from SAP;
- (c) Licensee will defend, indemnify and hold SAP harmless against any claims or liabilities arising out of the use, reproduction or distribution of Runtime Product or the associated application;
- (d) Licensee shall not distribute the Runtime Product with any general-purpose report writing, data analysis or report delivery product or any other product that performs the same or similar functions as SAP's product offerings; and
- (e) Licensee shall secure the end user's ("End User") consent to terms substantially similar to the following:

End User agrees not to modify, disassemble, decompile, translate, adapt or reverse-engineer the Runtime Product or the report file (.RPT) format;

End User agrees not to distribute the Runtime Product to any third party or use the Runtime Product on a rental or timesharing basis or to operate a service bureau facility for the benefit of third-parties;

End User agrees not to use the Runtime Product to create for distribution a product that is generally competitive with SAP's product offerings;

End User agrees not to use the Runtime Product to create for distribution a product that converts the report file (.RPT) format to an alternative report file format used by any general-purpose report writing, data analysis or report delivery product that is not the property of SAP;

7.2.8 SAP AND ITS SUPPLIERS DISCLAIM ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND NONINFRINGEMENT OF THIRD PARTY RIGHTS. SAP AND ITS SUPPLIERS SHALL HAVE NO LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, COVER OR OTHER DAMAGES ARISING UNDER THIS AGREEMENT OR IN CONNECTION WITH THE APPLICATION OR RUNTIME PRODUCT.

### **7.3 SAP Crystal Dashboard Design, departmental edition.**

7.3.1 *Usage.* Presentations created with the departmental edition of SAP Crystal Dashboard Design may be freely redistributed. SWF files generated by the departmental edition that access data exclusively with the Crystal Reports connector can be embedded into a Crystal Report and the resulting report can be redistributed without any additional licensing requirements.

7.3.2 *Restrictions.* SWF files generated by the departmental edition:

- Cannot be deployed to SAP BusinessObjects Enterprise or SAP BusinessObjects Edge.



- Can be deployed standalone only to SAP Crystal Reports Server or SAP Crystal Server.
- Cannot access any data sources from SAP Software, with the exception of SAP BusinessOne.
- Cannot be distributed to more than 100 end users.

Connected Presentations may be used only for users internal business purposes and not pursuant to a commercial sale, rental, or lease of the Connected Presentations (whether alone or in combination with another program or product).

#### **7.4 SAP Crystal Dashboard Design, personal edition**

**7.4.1 Usage.** Self Contained Presentations created with the personal edition of SAP Crystal Dashboard Design may be freely redistributed. SWF files created by the personal edition of SAP Crystal Dashboard Design that access data exclusively with the Crystal Reports connector can be embedded into a Crystal Report and the resulting report can be redistributed without requiring additional licensing.

**7.4.2 Restrictions.** SWF files generated by the personal edition:

- Cannot be deployed to SAP BusinessObjects Enterprise or SAP BusinessObjects Edge.
- Can be deployed standalone only to SAP Crystal Reports Server, or SAP Crystal Server.
- Cannot access any data sources from SAP Software, with the exception of SAP BusinessOne.

Connected Presentations may be used only for users internal business purposes and not pursuant to a commercial sale, rental, or lease of the Connected Presentations (whether alone or in combination with another program or product).

#### **7.5 SAP Crystal Presentation Design**

**7.5.1 Usage.** Self Contained Presentations created with all editions of SAP Crystal Presentation Design may be freely redistributed. Licensees of the enterprise edition of SAP Crystal Presentation Design can deploy the Software to any number of employees and contractors, provided those employees and contractors are directly employed by the Licensee. This license does not extend beyond Licensee's corporate entity and excludes all subsidiaries or affiliates of the Licensee.

**7.5.2 Restrictions.** The student edition of SAP Crystal Presentation Design may only be Used by full time or part time students of a secondary or post-secondary educational institution.

#### **7.6 SAP Crystal Server**

**7.6.1 Scope.** This section applies to SAP Crystal Reports Server and SAP Crystal Server. Throughout this section, the term 'SAP Crystal Server' shall be defined to include both products.

**7.6.2 Usage.** SAP Crystal Reports which contain SWF files created by either the personal or departmental edition of SAP Crystal Dashboard Design that access data exclusively with the Crystal Reports connector can be viewed by users with either User or CAL licenses. Licensee may use SAP Crystal Server's mobile features or functionalities.

**7.6.3 Restrictions.** For each Deployment, SAP Crystal Server may be installed and Used only on a single Server. Licensee may not attempt to cluster the system across multiple live Servers. Licensee cannot use SAP Crystal Server to access data in SAP applications with the exception of SAP Business One.

The following content can only be viewed using User licenses:

- SAP Crystal Reports
- SAP Crystal Dashboard Design, departmental edition
- SAP BusinessObjects Explorer (SAP Crystal Server 2011 and later only)

The following content can only be viewed using CSBL licenses:

- SAP Crystal Reports
- SAP Crystal Dashboard Design, departmental edition (SAP Crystal Server 2016 and later only)
- SAP BusinessObjects Explorer (SAP Crystal Server 2016 and later only)

The following integration kits are not licensed for Use with SAP Crystal Server:

- SAP BusinessObjects Integration for PeopleSoft Enterprise
- SAP BusinessObjects Integration for JDE EnterpriseOne
- SAP BusinessObjects Integration for Siebel
- SAP BusinessObjects Integration for Oracle E-Business Suite
- SAP BusinessObjects Integration for SAP

SAP Crystal Server includes runtime license to use the SAP BusinessObjects BI Semantic Layer RESTful Web Service SDK ("BI SDK") solely for the purposes of accessing semantic data.



Each SAP Crystal Server 2016 (and later) named users license includes one (1) named user license of SAP Crystal Reports and one (1) named user license of SAP Crystal Dashboard Design, departmental edition.

7.6.4 *SAP Crystal Server, analytics edition* has a maximum limit of 100 named users and 250 concurrent sessions on a single server. The license includes the following Runtime Software: (i) SAP IQ, which may be deployed either on the same server as Crystal Server, or on a separate server up to a maximum of 16 cores and (ii) Data Integrator, Edge edition, which may be deployed on the same server as Crystal Server, or a separate server up to a maximum of 6 Cores, and (iii) one (1) Concurrent Session license of SAP PowerDesigner DataArchitect, Edge edition.

Use of the Runtime Software is limited to the following: Data Integrator, Edge edition (i) does not include Text Data Processing and (ii) can connect to and leverage any existing CMS repositories residing on a separate server in the customer's landscape and can only be used to load data into the included SAP IQ, from any number of SAP data sources, and up to two database types under the database interfaces.

Use of SAP IQ Runtime Software is limited to access by and through SAP Crystal Server.

SAP Crystal Server, analytics edition includes runtime license to use the SAP BusinessObjects BI Semantic Layer RESTful Web Service SDK ("BI SDK") solely for the purposes of accessing semantic data.

### **7.7 Xcelsius Engage Server**

7.7.1 *Usage*. Self Contained Presentations created with Xcelsius Engage Server may be freely redistributed. A connected presentation that receives its data exclusively from the Crystal Reports connector, and is embedded into a Crystal Report is considered a self-contained presentation.

7.7.2 *Restrictions*. SWF files generated by Xcelsius Engage Server cannot be deployed to SAP BusinessObjects Enterprise or SAP BusinessObjects Edge.

Connected Presentations may be used only for users internal business purposes and not pursuant to a commercial sale, rental, or lease of the Connected Presentations (whether alone or in combination with another program or product).

### **7.8 SAP Crystal Reports Server OEM Embedded**

7.8.1 SAP Crystal Reports Server OEM Embedded ("CRSE") may only be installed and used on a single Server whether the Software is licensed on a User or Server basis. Licensee may not attempt to cluster the system across multiple live Servers. Licensee cannot use CRSE to access data in SAP applications.

## **8. Supplementary Products**

### **8.1 Directories.**

Following are additional license conditions for content/reference data (address data, geo data etc...) provided in Data Quality and Data Services products ("Directories")

#### **8.1.1**

- Directories, any related documentation and any intellectual property rights therein at all times remain the property of SAP and its third party suppliers (as the case may be);
- Licensees are not permitted to resell the data. Directories shall not be used within a service bureau environment. In selected cases, the use by an affiliate will require a separate license (see all specific directory restrictions in the "Pass Through Terms for Directories" attached hereto as Exhibit 5 which constitute a part of the terms and conditions of Licensee's use of such Directories).
- Directories may only be used together with the SAP Data Quality and/or Data Services Products; a perpetual license for the SAP Data Quality and Data Services Products is a prerequisite for using Directories;
- Directories may not be used for creating a mailing list, database or other derivative work, but may be used to cleanse an existing mailing list or database of an End User;
- Directories will be updated from time to time: only the current version of an Directory may be used;
- SAP may use a software utility mechanism in Directories that imposes time limitations to prevent the use of outdated Directories;
- SAP's third party suppliers shall have no liability to End User or any third party as a result of End User's use of the Directories or any services you receive related to the use of the Directories;
- Content updates will not be provided by SAP hereunder, except to the extent the Directories' third party supplier(s) makes content updates available to SAP. In no case shall any SAP maintenance or support be provided for the Directories licensed herein.
- A third-party supplier for Directories may elect to terminate SAP's right to distribute Directories or to provide updates during the term of your subscription, in which case Licensee's sole remedy will be to receive a refund of fees for the portion of the subscription for which Licensee is unable to use such Directories, unless otherwise stated in the Pass-Through Terms.



### 8.1.2 Licensing Information

- Directories are sold on a subscription model basis, therefore no annual maintenance fee is to be charged and, except to the extent the Directories content source makes content updates available to SAP, no SAP maintenance or support is provided for these products.
- Subscription fees may include charges from domestic or international postal authorities or other data providers.
- The Initial Term of this shall be 12 (twelve) calendar months from the Effective Date of the "Initial Term".
- Automatic renewals occur on an annual basis, subject to availability of the licensed Directory on the current SAP List of Prices and Conditions, and will be processed and invoiced according to the then current pricing and terms. After the Initial Term, this subscription license may be terminated by either party with 90 days written notice prior to the start of the following Renewal Term. Any termination must be in writing to the affected party and will be effective at the end of the then-current Initial/Renewal Term during which the termination notice is received by SAP.

8.1.3 In no event shall SAP's total liability for damages of any kind or nature in any way arising from or related to the licensed Directories exceed an amount equal to the annual Subscription Fee paid in the twelve (12) month period prior to the date of the claim.

## 8.2 Generic Products

### 8.2.1 SAP Test Acceleration and Optimization.

SAP Test Acceleration and Optimization requires a license of HP Quality Center including the modules Business Process Testing and QuickTest Professional. This can be licensed from HP directly or by licensing "SAP Quality Center by HP" (material number 7010568).

### 8.2.2 SAP Landscape Transformation, enterprise edition ("LT")

The license for LT is explicitly connected to the customer installation(s) identified by Licensee is non-transferrable.

### 8.2.3 SAP Landscape Transformation Replication Server ("SLT")

SAP Landscape Transformation Replication Server ("SLT") includes SAP Mobile Platform ("Mobile Platform") as Runtime Software. The Mobile Platform is licensed for use with the licensed SLT Server only. Any additional use of the Mobile Platform requires an additional license.

### 8.2.4 SAP Test Data Migration Server

SAP Test Data Migration Server includes SAP Mobile Platform ("Mobile Platform") as Runtime Software. The Mobile Platform is licensed for use with the licensed SAP Test Data Migration Server only. Any additional use of the Mobile Platform requires an additional license.

## 9. Database and Technology Portfolio Products (Excluding HANA)

9.1 The licensed Software may include certain third party open source and/or other free download components (collectively, the "Free Download Components"). Please refer to <http://www.sap.com/sybase-thirdpartylegal> for certain notices relating to the Free Download Components.

9.2 Product versions marked as "Earlier Versions" on SAP Service Marketplace may only be downloaded and/or used by Licensees who are or previously were Sybase customers and who have or previously had licensed the particular earlier version of software that they wish to download and/or use.

9.3.1 *SAP ASE Runtime Edition*. SAP Adaptive Server Enterprise ("ASE") is a runtime database licensed for use by individuals licensed as SAP Named Users solely in conjunction with their use of applicable Software and/or Third Party Software licensed by Licensee from SAP. The SAP ASE runtime database may not be used to run any software and/or third party software other than applicable Software and/or Third Party Software licensed by Licensee from SAP. SAP ASE runtime database includes a limited runtime license of MaxDB database, subject to these provisions. For purposes of clarification, see the applicable Software and/or Third Party Software Documentation for information regarding release(s) / version(s) supported on the SAP ASE and MaxDB runtime database. SAP ASE runtime database includes a limited runtime license of SAP Replication Server, Premium edition to be used only in conjunction with SAP ASE solely for disaster recovery purposes.

### 9.3.2 SAP ASE

Licensee shall only use SAP ASE in connection with the Software licensed for the Use with SAP ASE and only for the purposes of its own internal data processing which includes access of third party user such as contractor, supply chain vendor or supplier, customer, or third party individual authorized by the customer. Licensee may not Use SAP ASE with any non-SAP branded or custom developed applications.

Third party database applications running on HANA Cloud Platform may directly access SAP ASE.

Third party database applications for system administration, monitoring and management may directly access SAP ASE.



Third party database applications or new functionality or new applications which may directly access the SAP ASE or indirectly access information contained therein are not allowed.

The foregoing provision, however, does not prohibit the Licensee from using a development environment or workbench which is part of the SAP Software to configure or modify the SAP software for which the database is licensed.

9.3.3 *SAP Adaptive Server Platform*. The total number of Cores licensed represents the maximum total cumulative Cores on which all of the Software included in SAP Adaptive Server Platform may be installed and Used.

9.3.4 *SAP ASE, Edge Edition*. SAP ASE, Edge Edition is limited to 4 cores and includes a limited runtime license of SAP Sybase Replication Server, Premium edition to be used only in conjunction with SAP ASE, Edge Edition solely for disaster recovery purposes.

9.3.5 *SAP Event Stream Processor and Adapters*. As is true in all cases, in order to integrate or otherwise Use the licensed Software with another third party software product, Licensee must first secure an appropriate license from the applicable third party licensor (or one of its authorized distributors). SAP may disclose Licensee's business name, address and license metric / level to such entities (where they are licensors of the licensed Software to SAP or its parent, SAP SE) to assist such licensors in determining Licensee's compliance with the preceding sentence.

9.3.6 *SAP SQL Anywhere workgroup, Edge edition*. SAP SQL Anywhere workgroup, Edge edition, (i) is limited to Use on a maximum of eight (8) Cores on a single server and (ii) includes SQL Anywhere Monitor solely for non-productive Use.

9.3.7 *SAP PowerDesigner*. Includes SAP SQL Anywhere database, which may only be Used as the metadata repository for PowerDesigner (where licensed) and for SQL language parsing.

9.3.8 *SAP IQ, Edge edition* may only be deployed on a server having a maximum of 8 Cores. Regardless of the number of Cores licensed, SAP IQ, Edge edition may be Used for databases of up to one (1) terabyte.

9.3.9 *IoT Foundation for SAP HANA*. The following Runtime Software is included with the respective usage limitations listed below:

- 64 GB of memory of SAP HANA Smart Data Streaming Option
- 256 GB of SAP HANA Dynamic Tiering Option
- One Node of SAP HANA Vora
- Remote Data Sync
- IoT SIM Management
- Dynamic Edge Processing, limited to edge data transformation, sensor data processing and automated data fidelity

9.3.10 *IoT Client for SAP HANA*. The following Runtime Software is included with the respective usage restrictions listed below.

- One Device of SAP SQL Anywhere Database and Sync Client
- Streaming Lite
- Plant Connectivity

9.3.11 *SAP HANA Vora*. Use is limited solely to the following SAP HANA Vora features and functionality:

- Vora engine
- OLAP modeling
- SAP HANA integration

## 10. Mobile

10.1 The licensed Software may include certain third party open source and/or other free download components (collectively, the "Free Download Components"). Please refer to <http://www.sap.com/sybase-thirdpartylegal> for certain notices relating to the Free Download Components.

10.2 Product versions marked as "Earlier Versions" on SAP Service Marketplace may only be downloaded and/or used by Licensees who are or previously were Sybase customers and who have or previously had licensed the particular earlier version of software that they wish to download and/or use.

10.3 SAP Software that is mobile enabled may require an additional component downloaded from a third party mobile application store.

10.4 SAP Enterprise Integration for Mobile Apps Software.

10.4.1 The SAP Enterprise Integration for Mobile Apps Software may require an additional component downloaded from a third party mobile application store. Each additional component is subject to its respective license agreement. The licensed SAP Enterprise Integration for Mobile Apps includes a runtime license for SAP Mobile Platform ("Mobile Platform"). The Mobile Platform is licensed for use with the licensed SAP Enterprise Integration for Mobile Apps only. Any additional use of the Mobile Platform requires an additional license. In addition, the following terms apply to specific Software:



10.4.2 *SAP Mobile Inclusive Banking, SAP Mobile Consumer Payments, , SAP Omnichannel Banking, digital commercial option, SAP Omnichannel Banking, digital retail option*. The referenced Mobile Apps include a runtime license for SAP Mobile Platform (“Mobile Platform”). The Mobile Platform is licensed for use with the licensed Mobile App only. Any additional use of the Mobile Platform requires an additional license. Runtime Mobile Platform can be used for customers’ extensions and enhancements to the licensed Mobile App provided customer’s extensions are in line with the intended purpose of the licensed App.

10.4.3 *SAP Mobile Platform, consumer edition, reporting add-on*. Crystal Reports is included as Runtime Software.

10.4.4 *SAP Enterprise Integration for Service Manager, SAP Enterprise Integration for Retail Execution*. SAP Enterprise Integration for Service Manager includes limited access rights to SAP CRM Service, solely for the exclusive purpose of accessing SAP CRM Service through the SAP Enterprise Integration for Service Manager mobile application. No other access rights to SAP CRM Service are included (either express or implied) and any access outside of the SAP Enterprise Integration for Service Manager mobile application requires purchase of a separate full use license for SAP CRM Service. SAP Enterprise Integration for Retail Execution includes limited access rights to SAP CRM Service and/or SAP CRM Sales, solely for the exclusive purpose of accessing SAP CRM Service or SAP CRM Sales through the SAP Enterprise Integration for Retail Execution mobile application. No other access rights to SAP CRM Service or SAP CRM Sales are included (either express or implied) and any access outside of the SAP Enterprise Integration for Retail Execution mobile application requires purchase of a separate full use license for SAP CRM Service and/or SAP CRM Sales.

10.4.5 *SAP Mobile Platform and SAP Mobile Platform, Single App Option*. Each referenced SAP Mobile Platform license includes SAP NetWeaver Gateway. Each such SAP Mobile Platform User may Use SAP NetWeaver Gateway as follows: each SAP Mobile Platform User is licensed to Use SAP NetWeaver Gateway provided with the SAP Mobile Platform for the sole purpose of enabling (i) any SAP Mobile Applications supported on SAP Mobile Platform and licensed by Licensee under the Agreement on a per user basis, solely to interface with the Software and/or third party software licensed under the Agreement and/or (2) any Licensee owned/licensed mobile applications, solely to interface with the Software and/or third party software licensed under the Agreement via SUP.

10.4.5.1 Each referenced SAP Mobile Platform includes a runtime license of SAP ASE database. SAP ASE is licensed for use only with referenced SAP Mobile Platforms. Any additional use of SAP ASE requires an additional license

10.4.5.2 SAP Mobile Platform, Single App Option license is not transferable from one Application to another Application.

10.5 *SAP Mobile Platform, Consumer Edition*. Each SAP Mobile Platform, Consumer Edition User license includes SAP NetWeaver Gateway. Each component comprising the SAP Mobile Platform, Consumer Edition is subject to the applicable terms stated in the Software Use Rights document. Each such SAP Mobile Platform, Consumer Edition User is licensed to Use SAP NetWeaver Gateway provided with the SAP Mobile Platform, Consumer Edition for the sole purpose of enabling (i) any SAP Mobile Applications supported on SAP Mobile Platform, Consumer Edition and licensed by Licensee under the Agreement on a per user basis, solely to interface with the Software and/or third party software licensed under the Agreement and (2) any Licensee owned/licensed mobile applications, solely to interface with the Software and/or third party software licensed under the Agreement via SAP Mobile Platform. Licensee may grant each licensed SAP Mobile Platform, Consumer Edition User the right to make an unlimited number of Application Connections, and there is no requirement for an SAP Mobile Platform, Consumer Edition User to also be licensed as an SAP Named User; and only an individual making Application Connections solely on his or her own behalf as an individual (i.e. not in conjunction with his or her employment or on behalf of any other individual(s) and/or entity(ies)) may be licensed as an SAP Mobile Platform, Consumer Edition User.

10.5.1 SAP Mobile Platform, Consumer Edition includes a runtime license of SAP ASE database. SAP ASE is licensed for use only with SAP Mobile Platform, Consumer Edition. Any additional use of SAP ASE requires a full use license for SAP ASE.

10.6 *Runtime Database in Certain Sybase Licensing Scenarios*. Notwithstanding anything to the contrary, SAP Mobile Platform, if licensed hereunder, may require a database product in addition to any runtime database that may be licensed hereunder. The Agreement does not contain a license to use any database product other than one identified in the Agreement. SAP makes no representations or warranties as to the terms of any license or the operation of any database product obtained (i.e. licensed) directly from a third party vendor by Licensee, and Licensee is responsible for support and maintenance of any database product obtained (i.e. licensed) from a third party vendor, and SAP has no responsibility in this regard.

## **11. SAP HANA**

### **11.1 Definitions.**

11.1.1 *Data Sources*. Any software product(s) and/or database instance(s) for which Licensee has secured an appropriate license.

### **11.2 Where SAP HANA Is Not Contractually Restricted to Standalone Use.**

11.2.1 *SAP HANA, Platform Edition*. SAP HANA Platform Edition may be Used with an unlimited number of Data Sources, and such Use is subject to the applicable Licensed Level. SAP HANA Platform includes the following Runtime Software: SAP HANA Data Warehousing Foundation Option, Smart Data Access and Smart Data Integration. Use of SAP Smart Data Integration is



limited to use with SAP Smart Data Access in data federation scenarios. Licensee may use Smart Data Access to query data from any data sources, provided that Licensee's license for SAP HANA, Platform Edition has been appropriately sized for all such data that is queried and joined with other data sources via Smart Data Access.

**11.2.2 SAP HANA, Enterprise Edition.** SAP HANA Enterprise Edition may be Used with an unlimited number of Data Sources, and such Use is subject to the applicable Licensed Level. SAP HANA Enterprise currently includes a runtime license of SAP Data Integrator ("DI"), SAP Smart Data Integration ("SDI"), and SAP Landscape Transformation Replication Server ("SLT"), and Use of such runtime products shall be limited solely to extracting data from Data Sources into SAP HANA Enterprise Edition. SAP HANA Enterprise Edition includes additional Runtime Software: SAP IT Operations Analytics ("ITOA"); so long as SAP HANA, Enterprise Edition is installed and deployed on Lenovo hardware and provided that Use of ITOA is limited to two data sources. Notwithstanding the foregoing, an SAP Named User license will not be required solely where (i) data is exported directly out of the licensed SAP HANA Enterprise Edition into Non-SAP Applications (as defined below) in an asynchronous, non-real-time manner and (ii) the use of such exported data in such Non-SAP Applications does not result in any updates to and/or trigger any processing capabilities of any licensed Software or Third Party Software. Notwithstanding anything to the contrary, if a runtime database is licensed for Use with the licensed SAP HANA Enterprise Edition Software, then Use of such runtime database to support the export of data from the licensed SAP HANA Enterprise Edition Software in accordance with the immediately preceding sentence shall be limited to application level APIs. SAP HANA Enterprise includes a runtime license of SAP HANA Rules Framework and SAP HANA Data Warehousing Foundation Option. Licensee may use Smart Data Access to (i) query data from any data sources, provided that Licensee's license for SAP HANA, Enterprise Edition has been appropriately sized for all such data that is queried and joined with other data sources via Smart Data Access, or (ii) with Smart Data Integration in data federation scenarios.

*Non-SAP Applications.* Any software and/or applications, other than Software or Third Party Software, for which Licensee has secured an appropriate license from an entity other than SAP, SAP AG, and/or any of its/their subsidiaries and/or distributors.

**11.2.3 SAP HANA, Edge edition, advanced version.** SAP HANA Edge advanced may be Used with an unlimited number of Data Sources, and such Use is subject to the applicable Licensed Level. SAP HANA Edge advanced currently includes a runtime license of SAP Data Integrator ("DI"), SAP Smart Data Integration ("SDI"), and SAP Landscape Transformation Replication Server ("SLT"), and Use of such runtime products shall be limited solely to extracting data from Data Sources into SAP HANA Edge advanced. SAP HANA Edge advanced includes the license for 128GB of SAP HANA Dynamic Tiering Option with each licensed 32GB unit of SAP HANA Edge advanced. SAP HANA Edge advanced includes a runtime license of SAP HANA Data Warehousing Foundation Option solely for Use with SAP HANA Dynamic Tiering Option..

**11.2.4** If one or more limited use versions of SAP HANA (SAP HANA Runtime edition for SAP BW; SAP HANA Database Edition for SAP BW; SAP HANA Runtime edition for Applications and SAP BW), and one or more of the following SAP HANA editions: SAP HANA Base Edition, HANA Platform Edition, HANA Enterprise Edition (individually, "HANA Full Use Edition"), are licensed and deployed in the same installation with shared HANA database tenants, then at least 50% of the installation must be used to operate one or more of the HANA Full Use Editions.

### **11.3 Where SAP HANA Software Is Contractually Restricted to Standalone Use.**

**11.3.1 Standalone Use of HANA Platform Edition.** SAP HANA Platform Edition may be Used with an unlimited number of Data Sources, such Use being subject to the Standalone Use restriction and the applicable Licensed Level. SAP HANA Platform includes the following Runtime Software: SAP HANA Data Warehousing Foundation Option, Smart Data Access and SAP Smart Data Integration. Use of SAP Smart Data Integration is limited to use with SAP Smart Data Access in data federation scenarios. Licensee may use Smart Data Access to query data from any data sources, provided that Licensee's license for SAP HANA, Platform Edition has been appropriately sized for all such data that is queried and joined with other data sources via Smart Data Access.

**11.3.2 Standalone Use of HANA Enterprise Edition.** SAP HANA Enterprise Edition may be Used with an unlimited number of Data Sources, such Use being subject to the Standalone Use restriction and the applicable Licensed Level. SAP HANA Enterprise currently includes the following Runtime Software: SAP Data Integrator ("DI"), SAP Smart Data Integration ("SDI"), and SAP Landscape Transformation Replication Server ("SLT"), and Standalone Use of such runtime products shall be limited solely to extracting data from Data Sources into SAP HANA.. Notwithstanding the foregoing, an SAP Named User license will not be required solely where (i) data is exported directly out of the licensed SAP HANA Enterprise Edition into Non-SAP Applications (as defined below) in an asynchronous, non-real-time manner and (ii) the use of such exported data in such Non-SAP Applications does not result in any updates to and/or trigger any processing capabilities of any licensed Software or Third Party Software. Notwithstanding anything to the contrary, if a runtime database is licensed for Use with the licensed SAP HANA Enterprise Software, then Use of such runtime database to support the export of data from the licensed SAP HANA Enterprise Edition Software in accordance with the immediately preceding sentence shall be limited to standard APIs provided with such runtime database. SAP HANA Enterprise includes a runtime license of SAP HANA Rules Framework and SAP HANA Data Warehousing Foundation Option. Licensee may use Smart Data Access to (i) query data from any data sources, provided that Licensee's license for SAP HANA, Enterprise Edition has been appropriately sized for all such data that is queried and joined with other data sources via Smart Data Access, or (ii) with Smart Data Integration in data federation scenarios.



*Non-SAP Applications.* Any software and/or applications, other than Software or Third Party Software, for which Licensee has secured an appropriate license from an entity other than SAP, SAP AG, and/or any of its/their subsidiaries and/or distributors.

11.3.3 *Standalone Use of SAP HANA, Edge edition, advanced version.* SAP HANA Edge advanced may be Used with an unlimited number of Data Sources, and such Use is subject to the Standalone Use restriction and the applicable Licensed Level. SAP HANA Edge advanced currently includes a runtime license of SAP Data Integrator (“DI”), SAP Smart Data Integration (“SDI”), and SAP Landscape Transformation Replication Server (“SLT”), and Use of such runtime products shall be limited solely to extracting data from Data Sources into SAP HANA Edge advanced. SAP HANA Edge advanced includes the license for 128GB of SAP HANA Dynamic Tiering Option with each licensed 32GB unit of SAP HANA Edge advanced. SAP HANA Edge advanced includes a runtime license of SAP HANA Data Warehousing Foundation Option solely for Use with SAP HANA Dynamic Tiering Option.

11.3.4 If one or more limited use versions of SAP HANA (SAP HANA Runtime edition for SAP BW; SAP HANA Database Edition for SAP BW; SAP HANA Runtime edition for Applications and SAP BW), and one or more of the following SAP HANA editions: SAP HANA Base Edition, HANA Platform Edition, HANA Enterprise Edition (individually, “HANA Full Use Edition”), are licensed and deployed in the same installation with shared HANA database tenants, then at least 50% of the installation must be used to operate one or more of the HANA Full Use Editions

#### **11.4 SAP HANA DB Edition for SAP NetWeaver BW (“HANA DB for BW”).**

HANA DB for BW is a database licensed solely to support Licensee’s Use of SAP NetWeaver Business Warehouse (SAP BW) and Use is limited to communications between SAP BW and HANA DB for BW. The HANA DB for BW license includes the following Runtime Software: SAP HANA Platform and SAP Data Warehousing Foundation.

HANA DB for BW may support an unlimited number of Data Sources, subject to the applicable Licensed Level. SAP HANA Platform includes SAP Smart Data Access and the HANA Studio component. Use of the SAP HANA Studio component is limited solely to administering, monitoring and creating custom views for the SAP BW instance. All reporting must be performed via the SAP BW Software or via custom views created using HANA Studio. Such custom views may be accessed by SAP or non-SAP BI tools. All data modeling, loading, distribution, creation and extension of data structures, including tables and-virtual tables used in HANA DB for BW must be performed via SAP BW Software.

#### **11.5 SAP HANA, Runtime DB Edition for SAP NetWeaver BW (“HANA DB for BW”)**

*SAP HANA, Runtime DB Edition for SAP NetWeaver BW licensed by HANA SAP Application Value*

HANA DB for BW is a database licensed solely to support Licensee’s Use of SAP NetWeaver Business Warehouse (SAP BW) and Use is limited to communications between SAP BW and HANA DB for BW. The HANA DB for BW license includes the following Runtime Software:

- (1) SAP HANA Platform;
- (2) SAP Data Warehousing Foundation,
- (3) SAP Dynamic Tiering
- (4) SAP Business Warehouse Accelerator;
- (5) SAP Near-line storage for SAP BW (NLS for BW)
- (6) SAP HANA Rules Framework

HANA DB for BW may support an unlimited number of Data Sources and unlimited use of SAP Business Warehouse Accelerator, subject to the applicable Licensed Level. SAP ASE runtime database includes a limited runtime license of SAP Replication Server, Premium edition to be used only in conjunction with SAP ASE solely for disaster recovery purposes. SAP HANA Platform includes SAP Smart Data Access and the HANA Studio component. Use of the SAP HANA Studio component is limited solely to administering, monitoring and creating custom views for the SAP BW instance. All reporting must be performed via the SAP BW Software or via custom views created using HANA Studio. Such custom views may be accessed by SAP or non-SAP BI tools.

All data modeling, loading, distribution, creation and extension of data structures, including tables and-virtual tables used in HANA DB for BW must be performed via SAP BW Software.

Licensee shall pay additional license fees for HANA DB for BW in the event Licensee’s HANA SAP Application Value increases.

*SAP HANA, Runtime DB Edition for SAP NetWeaver BW – Partial licensed by HANA SAP Application Value (“HANA DB for BW-Partial”)*

The license fee for HANA DB for BW- Partial is calculated on the basis of the HANA SAP Application Value for Licensee’s HANA REAB Supported Software.

HANA DB for BW - Partial is licensed as a runtime database for Use solely in conjunction with Licensee’s Use of applicable Software and/or Third Party Software, and solely to the extent such Software components are licensed by Licensee and subject to the Licensed Level for HANA DB for BW-Partial.



HANA DB for BW is a database licensed solely to support Licensee's Use of SAP NetWeaver Business Warehouse (SAP BW) and Use is limited to communications between SAP BW and HANA DB for BW. The HANA DB for BW license includes the following Runtime Software:

- (1) SAP HANA Platform;
- (2) SAP Data Warehousing Foundation,
- (3) SAP Dynamic Tiering
- (4) SAP Business Warehouse Accelerator;
- (5) SAP Near-line storage for SAP BW (NLS for BW)
- (6) SAP HANA Rules Framework

HANA DB for BW may support an unlimited number of Data Sources. SAP HANA Platform includes SAP Smart Data Access and the HANA Studio component. SAP ASE runtime database includes a limited runtime license of SAP Replication Server, Premium edition to be used only in conjunction with SAP ASE solely for disaster recovery purposes. Use of the SAP HANA Studio component is limited solely to administering, monitoring and creating custom views for the SAP BW instance. All reporting must be performed via the SAP BW Software or via custom views created using HANA Studio. Such custom views may be accessed by SAP or non-SAP BI tools.

All data modeling, loading, distribution, creation and extension of data structures, including tables and-virtual tables used in HANA DB for BW must be performed via SAP BW Software.

#### **11.6 SAP HANA Related Apps**

*SAP Enterprise Demand Sensing,*

*SAP Liquidity Risk Management, powered by SAP HANA*

*SAP Innovation Management*

*SAP Intelligent Business Operations bundle*

*SAP Net Margin Analysis, edition for SAP HANA*

*SAP Accelerated Trade Promotion Planning*

*SAP Demand Signal Management, powered by SAP HANA*

*SAP Enterprise Threat Detection*

*SAP Supply Chain Info Center, powered by SAP HANA*

*SAP Customer Activity Repository*

*SAP Promotion Management for Retail, add-on for SAP Customer Activity Repository*

*SAP Sales and Operations Planning*

*SAP hybris Billing, pricing simulation*

*SAP Tax Declaration Framework*

*SAP Fashion Management Solution*

*SAP hybris Marketing, data management*

*SAP hybris Marketing, segmentation option*

*SAP hybris Marketing, acquisition option*

*SAP hybris Marketing, recommendation option*

*SAP hybris Marketing, insight option*

*SAP hybris Marketing, planning option*

*SAP Audit Management*

*SAP Sales Analysis for Retail, edition for SAP HANA*

*Sales Order Allocation and Rescheduling on HANA*

*SAP Predictive Maintenance and Service, technical foundation*

*Medical Research Insights*

*SAP Assortment Planning for Retail*

SAP HANA Related Apps may be used with an appropriately licensed SAP Business Warehouse (BW) instance. Use of BW is limited to the context of the SAP HANA Related App for reporting and analysis.

#### **11.7 SAP HANA Base Edition**



Use is limited solely to the following SAP HANA features and functionality: Partitioning, Compression, Security, Calculation engine, aggregation engine, XS Engine, UI Services, SQL scripting engine, HANA Studio, Backup/Recovery, Multi-tenancy, System Virtualization Support, Control Center, Business Rules Management, Business Function Library, Smart Data Access. Licensee may use Smart Data Access to query data from any data sources, provided that Licensee's license for SAP HANA, Base Edition has been appropriately sized for all such data that is queried and joined with other data sources via Smart Data Access. SAP Smart Data Integration is included as runtime software solely for use with SAP Smart Data Access in data federation scenarios.

#### **11.8 SAP HANA, Realtime Replication Option.**

Includes the following Runtime Software: SAP Landscape Transformation Replication Server ("SLT") PremiumEdition and SAP SQL Anywhere Advanced edition, and SAP HANA Remote Data Sync. Use of such Runtime Software shall be limited solely to extracting data from Data Sources into SAP HANA or between multiple HANA database instances. Use of SAP SQL Anywhere Advanced Edition and SAP HANA Remote Data Sync shall be limited solely to exchanging data between Data Sources and SAP HANA.

#### **11.9 SAP Near-line storage for SAP BW.**

SAP Near-line storage for SAP BW includes a runtime license of SAP IQ Enterprise Edition, SAP IQ Enterprise Edition-Very Large Database Management Option and SAP IQ Enterprise Edition-Unstructured Data Analytics Option. Use of SAP IQ Enterprise Edition and SAP IQ Enterprise Edition-Unstructured Data Analytics Option is limited to a maximum of 32 cores each, solely for use with SAP BW.

#### **11.10 SAP HANA, Runtime Edition for Applications and SAP BW**

##### *11.10.1 SAP HANA Runtime Edition for Applications and SAP BW licensed by HANA SAP Application Value.*

SAP HANA Runtime Edition for Applications and SAP BW is a runtime database ("HANA REAB") licensed for Use in conjunction with Licensee's Use of Software and/or Third Party Software, and solely to the extent such Software components are licensed by Licensee ("HANA REAB Supported Software") in accordance with the terms herein.

*REAB Runtime Software Rights.* The HANA REAB license includes the following Runtime Software:

- (1) SAP HANA Platform;
- (2) SAP Data Integrator ("DI");
- (3) SAP Smart Data Integration ("SDI");
- (4) SAP Landscape Transformation replication server ("SLT");
- (5) SAP ASE and MaxDB databases;
- (6) SAP Data Warehousing Foundation;
- (7) SAP Dynamic Tiering;
- (8) SAP Business Warehouse Accelerator;
- (9) SAP Near-line storage for SAP BW (NLS for BW);
- (10) SAP HANA Rules Framework.

SAP HANA Platform includes SAP Smart Data Access and the HANA Studio component. All data modeling, distribution, creation and extension of data structures, including tables and-virtual tables used in HANA REAB must be performed via the HANA REAB Supported Software. Smart Data Access may be Used to query data from other SAP HANA database editions, provided such SAP HANA database editions have been separately licensed by Licensee. Use of DI, SDI and SLT is limited solely to loading data into HANA REAB or HANA REAB Supported Software. Data may be loaded from an appropriately licensed Data Source via DI, SDI or SLT or via HANA REAB Supported Software interfaces. SDI may also be used with SAP Smart Data Access in a data federation scenario.

Use of the SAP HANA Studio component is limited solely to administering, monitoring and creating custom views for the HANA REAB database instance. All reporting must be performed via the HANA REAB Supported Software or via custom views created using HANA Studio. Such custom views may be accessed by SAP or non-SAP BI tools.

NLS for BW includes a runtime license of (a) SAP IQ Enterprise Edition, (b) SAP IQ Enterprise Edition-Very Large Database Management Option and (c) SAP IQ Enterprise Edition-Unstructured Data Analytics Option, which may solely be used with SAP BW.

*SAP BusinessObjects Enterprise on REAB.* When used as a runtime database for SAP BusinessObjects Enterprise, HANA REAB may be used (i) as a database for the Central Management Server (CMS) repository, (ii) as an audit database for the BI Platform, (iii) as a platform by the SAP BusinessObjects Lumira Server version for SAP HANA component for sharing and collaboration purposes, and (iv) as a platform by the SAP BusinessObjects Design Studio runtime for SAP HANA component.



The license fee for HANA REAB is calculated on the basis of the HANA SAP Application Value for Licensee's HANA REAB Supported Software. Licensee shall pay additional license fees for HANA REAB in the event Licensee's HANA SAP Application Value increases.

Licensee acknowledges that Licensee may have to install a HANA REAB-compatible release of the HANA REAB Supported Software in order to enable certain business functions or provide configuration as described above. Future releases of HANA REAB developed for Use with HANA REAB Supported Software may not be compatible with current releases and may not be available via the respective SAP Support offering. Technical migration from HANA REAB Supported Software to another release of the Software and/or Third Party Software as used separately from HANA REAB and/or to another database offering may not be possible.

**11.10.2 SAP HANA Runtime Edition for Applications and SAP BW –Partial licensed by HANA SAP Application Value (“HANA REAB-Partial”).**

The license fee for HANA REAB-Partial is calculated on the basis of the HANA SAP Application Value for Licensee's HANA REAB Supported Software (defined below).

“HANA REAB-Partial licensed for Use in conjunction with Licensee's Use of Software and/or Third Party Software, and solely to the extent such Software components are licensed by Licensee (“HANA REAB Supported Software”) in accordance with the terms herein.

*HANA REAB- Partial Runtime Software Rights.* The HANA REAB - Partial license includes the following Runtime Software:

- (1) SAP HANA Platform;
- (2) SAP Data Integrator (“DI”);
- (3) SAP Smart Data Integration (“SDI”);
- (4) SAP Landscape Transformation replication server (“SLT”);
- (5) SAP ASE and MaxDB databases;
- (6) SAP Data Warehousing Foundation;
- (7) SAP Dynamic Tiering;
- (8) SAP Business Warehouse Accelerator;
- (9) SAP Near-line storage for SAP BW (NLS for BW);
- (10) SAP HANA Rules Framework.

SAP HANA Platform includes SAP Smart Data Access and the HANA Studio component. All data modeling, distribution, creation and extension of data structures, including tables and-virtual tables used in HANA REAB must be performed via the HANA REAB Supported Software. Smart Data Access may be Used to query data from other SAP HANA database editions, provided such SAP HANA database editions have been separately licensed by Licensee. Use of DI, SDI and SLT is limited solely to loading data into HANA REAB or HANA REAB Supported Software Data may be loaded from an appropriately licensed Data Source via DI, SDI or SLT or via HANA REAB Supported Software interfaces. SDI may also be used with SAP Smart Data Access in a data federation scenario.

Use of the SAP HANA Studio component is limited solely to administering, monitoring and creating custom views for the HANA REAB database instance. All reporting must be performed via the HANA REAB Supported Software or via custom views created using HANA Studio. Such custom views may be accessed by SAP or non-SAP BI tools.

NLS for BW includes a runtime license of (a) SAP IQ Enterprise Edition, (b) SAP IQ Enterprise Edition-Very Large Database Management Option and (c) SAP IQ Enterprise Edition-Unstructured Data Analytics Option, which may solely be used with SAP BW.

*SAP BusinessObjects Enterprise on SAP REAB- Partial.* When used as a runtime database for SAP BusinessObjects Enterprise, HANA REAB - Partial may be used (i) as a database for the Central Management Server (CMS) repository, (ii) as an audit database for the BI Platform, (iii) as a platform by the SAP BusinessObjects Lumira Server version for SAP HANA component for sharing and collaboration purposes, and (iv) as a platform by the SAP BusinessObjects Design Studio runtime for SAP HANA component.

Licensee acknowledges that Licensee may have to install a HANA REAB-Partial -compatible release of the HANA REAB Supported Software in order to enable certain business functions or provide configuration as described above. Future releases of HANA REAB-Partial developed for Use with HANA REAB Supported Software may not be compatible with current releases and may not be available via the respective SAP Support offering. Technical migration from HANA REAB Supported Software to another release of the Software and/or Third Party Software as used separately from HANA REAB-Partial and/or to another database offering may not be possible.

**11.11 Terms of use for Twitter API contained within SAP HANA, Enterprise Edition; SAP HANA, Runtime edition for Applications and SAP BW; and SAP HANA, Information Management Option**



The following shall apply to SAP HANA, Enterprise Edition; SAP HANA, Runtime edition for Applications and SAP BW; and SAP HANA, Information Management Option: Use of the Twitter API is subject to the Third Party Web Service terms contained in Exhibit 8 of these Use Terms.

#### **11.12 SAP HANA Information Management Option.**

The SAP HANA Information Management Option includes Use rights for five (5) users of SAP Agile Data Preparation, on premise edition, IT governance option.

#### **11.13 SAP HANA Spatial Engine.**

Use of SAP HANA Spatial Engine is also governed by the HERE MAP DATA BY HERE directory terms, which can be located in Clause 6 of Exhibit 5 to Section 3 of this SAP Software Use Rights document.

### **12. Focused Business Solutions.**

If licensed Software is identified as a Focused Business Solution ("FBS Software"), special support strategy and conditions apply. SAP Support for FBS Software shall be provided in accordance with the applicable SAP Support terms as amended by the then current support strategy and conditions found at <http://service.sap.com/fbs/availability> (inclusive of any successor site(s) made known by SAP, the "Strategy & Conditions Site").

12.1 The Strategy & Conditions Site is hereby amended to include the following terms:

12.1.1 FBS Software requires, as a prerequisite to its Use and installation, a specific version (e.g. release, service level pack, and/or enhancement pack) of certain SAP Software (the "Base Software"), which is identified on the Strategy & Conditions Site and must be separately licensed and installed by Licensee.

12.1.2 In the future, should SAP elect, in its sole and exclusive discretion, to make new release(s) of FBS Software commercially available as part of SAP Support, such new release(s) may (a) differ functionally, (b) have different supported language(s) and/or (c) have different Base Software requirements from prior FBS Software release(s).

12.1.3 In the future, should SAP elect, in its sole and exclusive discretion, to make new release(s) of FBS Software commercially available as part of SAP Support, such new release(s) may (a) differ functionally, (b) have different supported language(s) and/or (c) have different Base Software requirements from prior FBS Software release(s).

12.1.4 Mainstream and extended maintenance dates for FBS Software are targets, and therefore subject to change by SAP.

12.1.5 Maintenance and extended maintenance for any FBS Software release is contingent upon Licensee remaining subscribed to, and current on, payment for maintenance for the applicable Base Software.

12.1.6 In no event will maintenance or extended maintenance for any FBS Software release be provided following the expiration or termination of mainstream or extended (as applicable) maintenance on the underlying Base Software.

### **13. Repeatable Custom Solution ("RCS") Software.**

13.1 The RCS requires, as a prerequisite to its Use and installation, a specific version (such as release, service level pack, and/or enhancement pack) of certain SAP Software (the "Base Software") which is identified by SAP, along with specific Use conditions under <https://service.sap.com/rcs/availability> RCS Strategy & Conditions Site and/or the Documentation. Licensee shall be responsible for licensing and installing the appropriate database software and for ensuring that the database license is sufficient to use the RCS.

13.2 RCS is not SAP standard software and in its current state a RCS may not meet all SAP standards including but not limited to language or country version, available version, supported operating systems, or database. The RCS is available only to a limited number of SAP licensees. Licensee must fully test the RCS before using it in live operation.

13.3 The standard language in which the RCS and its Documentation will be provided is English. Remarks in the code will not be translated. SAP reserves the right to release individual versions of the RCS or its Documentation in additional languages.

13.4 Only end-users for which the Licensee holds the Named-User licenses for the Base Software are permitted to use the RCS. Licensee must ensure that (i) it has all the necessary licenses for the RCS to be able to operate and that (ii) all the systems on which the RCS is to be installed have the necessary Base Software release and support packages available.

13.5 Special support strategy and conditions apply for RCS Software. SAP and Licensee agree that Support for RCS Software shall be provided as set forth in the applicable SAP Product Specific Support Schedule for RCS found at the RCS Strategy & Conditions site: <https://service.sap.com/rcs/availability>.

13.6 SAP has no obligation to transfer any functionality licensed under this agreement into SAP's standard software, nor shall SAP be obliged to make the RCS compatible with new releases or versions of the Base Software.

### **14. Line of Business Portfolio**

#### **14.1 SAP Visual Enterprise.**

14.1.1 *SAP 3D Visual Enterprise Generator, SAP 3D Visual Enterprise View Edition Generator and Optional Add-Ons.* The SAP Visual Enterprise Software (f/k/a Right Hemisphere) licensed hereunder may include certain third party open source and/or



other free download components (collectively, the “Free Download Components”). Please refer to <http://www.righthemisphere.com/oslicenses.html> for certain notices relating to the Free Download Components. Notwithstanding anything to the contrary, an individual accessing any licensed SAP Visual Enterprise Software solely to view output files therefrom shall not be required to hold an SAP Named User license. SAP Visual Enterprise Viewer software is made available to Licensees of licensed Visual Enterprise Generator, Visual Enterprise Access and/or Visual Enterprise Author software at no additional license fee.

## **15. SAP Bundles**

### **15.1 SAP ERP Foundation Extension**

SAP ERP Foundation Extension (“SAP EFE”): includes the following Runtime Software: SAP Fiori, SAP Access Control, starter edition, SAP Single Sign-on – Internal, SAP NetWeaver Process Integration (limited to the license metric of one (1) Core per customer irrespective of the number of licensed quantity of SAP EFE, and SAP BI, Version for SAP Applications.

#### **Exhibit 4 - Pass Through Terms for Third Party Databases**

SAP may deliver SAP software containing a database product where the end user is not entitled to use the database unless he/she has acquired the requisite number of licenses from the database vendor or its authorized distributor. Such deliveries are reported to the database vendor.

#### **Conditions for the use of ORACLE® Database Software when licensed from SAP**

##### **1. Copyright**

- 1.1 The comprehensive copyright to Oracle software is the sole property of the Oracle Corporation, Redwood Shores, CA, USA.
- 1.2 Third party database applications for system administration, monitoring and management may directly access the Oracle database.
- 1.3 The customer shall only use the Oracle software in connection with the SAP Software and only for the purposes of its own internal data processing which includes access of third party user such as contractor, supply chain vendor or supplier, customer, or third party individual authorized by the customer. It is allowed to customize the SAP software or to create additional functionality, new applications, or to support third party database applications which only interface with them (example: via RFC, BAPI) Third party database applications or new functionality or new applications which may directly access the Oracle database or indirectly access information contained therein are not allowed.
- 1.4 The customer shall assign the Oracle software only to wholly owned or majority owned subsidiaries. Assignment to competitors of Oracle is prohibited.
- 1.5 In view of its limited rights of use, the customer shall neither modify, decompile nor reverse engineer the Oracle software except and to the extent that it is expressly permitted by applicable law.
- 1.6 The Oracle software may only be used in the country or countries for which the customer has acquired a license. The customer hereby undertakes to adhere to all regulations of the US Department of Commerce and the American export authorities.
- 1.7 The use of Oracle software for the planning, production, control or monitoring of nuclear power stations, air traffic, means of mass transportation or medical equipment is not permitted, unless such use is limited to commercial or purely administrative applications.
- 1.8 The customer is not entitled to receive the source code for the Oracle software.

##### **2. Other Conditions**

- 2.1 The publication of benchmark tests for the Oracle software is not permitted.

#### **Conditions for the Use of the Microsoft SQL-Server Enterprise Edition**

##### **Conditions for the Use of the Microsoft SQL-Server when licensed by SAP**

IMPORTANT NOTE: These “Conditions for the Use of the Microsoft SQL-Server when licensed by SAP” apply to Microsoft SQL Server Enterprise Edition version 2014 (or subsequent versions) not only for new licenses but also for any prior licenses of Microsoft SQL-Server Enterprise Edition licensed under an agreement with any SAP entity or SAP authorized reseller.

For the purpose of this Section “Integrated Application” shall be defined as SAP software integrating the Microsoft SQL Server Database.

The Microsoft SQL Server Database may contain the following software:

“Server Software” provides services or functionality on your server (your computers capable of running the Server Software are “Servers”);

“Client Software” allows an electronic device (“Device”) to access or utilize the Server Software.

## **1. OVERVIEW**



1.1 **Software.** The software includes

- server software, and
- additional software that may only be used with the server software directly, or indirectly through other additional software.

1.2 **License Model.** The software is licensed by SAP based on the unified solution and the number of users of that unified solution.

1.3 **Licensing Terminology.**

• **Instance.** You may create an “instance” of the software by executing the software’s setup or install procedure. You also create an instance of the software by duplicating an existing instance. References to the “software” in this agreement include “instances” of the software.

• **Run an Instance.** You “run an instance” of the software by loading it into memory and executing one or more of its instructions. Once running, an instance is considered to be running (whether or not its instructions continue to execute) until it is removed from memory.

• **Operating System Environment (“OSE”).** An “operating system environment” or “OSE” is

- i. all or part of an operating system instance, or all or part of a virtual (or otherwise emulated) operating system instance which enables separate machine identity (primary computer name or similar unique identifier) or separate administrative rights; and
- ii. Instances of applications, if any, configured to run on the operating system instance or part identified above.

A physical hardware system can have either or both of the following:

- one physical operating system environment;
- one or more virtual operating system environments.

A physical operating system environment is configured to run directly on a physical hardware system. The operating system instance used to run hardware virtualization software or to provide hardware virtualization services (e.g. Microsoft virtualization technology or similar technologies) is considered part of the physical operating system environment.

A virtual operating system environment is configured to run on a virtual (or otherwise emulated) hardware system.

• **Server.** A “server” is a physical hardware system capable of running server software. A hardware partition or blade is considered to be a separate server.

• **Server Farm.** A “server farm” is any data center or group of data centers owned by you and under your day-to-day operational control.

• **Unified Solution.** A “unified solution” means a software application licensed to you by SAP, which includes the software licensed under this agreement, adds significant and primary functionality to such software, and may include software acquired from a third party delivered and licensed by SAP.

## 2. USE RIGHTS.

Your rights to use the software are set forth in the license granted by SAP to you to use the unified solution at specific site(s), to run your internal business operations (including back up and passive disaster recovery), and to provide internal training and testing for such internal business operations, unless and until such license expires or is terminated.

## 3. ADDITIONAL LICENSING REQUIREMENTS AND/OR USE RIGHTS.

3.1 **Runtime-Restricted Use Software.** The software is “Runtime-Restricted Use” software; as such, it may only be used to run the unified solution and only as part of the unified solution. The software may not be used either (i) to develop any new software applications, (ii) in conjunction with any software applications, databases or tables other than those contained in the Unified Solution, and/or (iii) as a standalone software application. The foregoing provision, however, does not prohibit you from using a tool to run queries or reports from existing tables. For clarity, you may use tools provided as part of the unified solution to create new tables during the unified solution set up and/or customization so long as the resulting tables will only be used with and/or as part of the unified solution itself.

3.2 **SQL Server Reporting Services Map Report Item.** Power View and SQL Reporting Services Map Item both include use of Bing Maps. You may only use the content provided through Bing Maps, including geocodes, within Power View or SQL Reporting Services Map Item. Your use of Bing

Maps is also governed by the Bing Maps End User Terms of Use available at [go.microsoft.com/?linkid=9710837](http://go.microsoft.com/?linkid=9710837) and the Bing Maps Privacy Statement available at [go.microsoft.com/fwlink/?LinkID=248686](http://go.microsoft.com/fwlink/?LinkID=248686).

3.3 **Use of Software Within and Across Server Farms.** You may use the software on servers located within and across your server farm if and for so long as the software is only used with and as a part of the unified solution.

3.4 **Outsourcing Company.** You may enter into an agreement with a third party that provides operational services or support services to you, including but not limited to network management, application management, or data center management services (including operation, maintenance and control of server hardware in a data center (“outsourcing company”) to install



or cause to be installed the unified solution on servers owned, operated, maintained and controlled by the outsourcing company, provided that: (i) all such server hardware on which the unified solution has been installed is and continuously remains physically dedicated to running the unified solution solely for the benefit and use by you and (ii) you have entered into a written agreement that protects the unified solutions and the software on commercially reasonable terms. Regardless of the physical location of the server hardware containing the software, you remain fully responsible for all of your obligations under this agreement, including any unauthorized use or distribution of the software that results from any act or omission of the outsourcing company. The outsourcing company must agree to the terms of this agreement in a signed writing. You may only grant the outsourcing company access to the software in order to perform operational and/or support services (including but not limited to software maintenance, patch updating, integration, etc.) for you, and the outsourcing company may not access or use the software for any other purpose.

**3.5 Virtualization.** With respect to any server for which you have acquired the requisite licenses, you may run any number of instances of the server software in any number of physical and/or virtual OSEs whether on servers within your server farm or on servers owned and managed by an outsourcing company pursuant to Section 3.4 (above).

**3.6 Fail-over Server.** You may create and maintain passive fail-over instances in a separate OSE for temporary support on a server other than your production server, whether on servers within your server farm or on servers owned and managed by an outsourcing company pursuant to Section 3.4 (above).

**4. THIRD PARTY NOTICES.** The software may include third party code, that Microsoft, not the third party, licenses to you under the terms set forth in this agreement. Notices, if any, for any third party code are included for your information only. Additionally, any third party scripts, linked to, called or referenced from this software, are licensed to you by the third parties that own such code, not by Microsoft, see ASP.NET Ajax CDN Terms of Use: [www.asp.net/ajaxlibrary/CDN.ashx](http://www.asp.net/ajaxlibrary/CDN.ashx) that program.

**5. INTERNET-BASED SERVICES.** Microsoft provides Internet-based services with the software. It may change or cancel them at any time.

**6. BENCHMARK TESTING.** You must obtain Microsoft's prior written approval to disclose to a third party the results of any benchmark test of the software. However, this does not apply to the Microsoft .NET Framework (see below).

**7. .NET FRAMEWORK SOFTWARE.** The software contains Microsoft .NET Framework software. This software is part of Windows. The license terms for Windows apply to your use of the .NET Framework software.

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## Conditions for the Use of Microsoft® SQL Server® 2014, Standard Edition (Core-based Runtime and Server CAL Runtime) Software

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**These terms supersede any electronic terms which may be contained within the software. If any of the terms contained within the software conflict with these terms, these terms will control.**

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**IF YOU COMPLY WITH THESE LICENSE TERMS, YOU HAVE THE RIGHTS BELOW FOR EACH SERVER YOU PROPERLY LICENSE.**

### 1. OVERVIEW.

**1.1 Software.** The software includes

- server software, and
- additional software that may only be used with the server software directly, or indirectly through other additional software.

**1.2 License Model.** The software is licensed based on either the:

- **Core License Model** – the number of physical and/or virtual cores in the server; or
- **Server + Client** – the number of operating system environments (OSEs) in which the server software is run, and the number of devices and users that access instances of server software.

### 1.3 Licensing Terminology.

- **Instance.** You create an “instance” of the software by executing the software’s setup or install procedure. You also create an instance of the software by duplicating an existing instance. References to the “software” in this agreement include “instances” of the software.
- **Run an Instance.** You “run an instance” of the software by loading it into memory and executing one or more of its instructions. Once running, an instance is considered to be running (whether or not its instructions continue to execute) until it is removed from memory.
- **Operating System Environment (“OSE”).** An “operating system environment” or “OSE” is
  - (i) all or part of an operating system instance, or all or part of a virtual (or otherwise emulated) operating system instance which enables separate machine identity (primary computer name or similar unique identifier) or separate administrative rights; and
  - (ii) instances of applications, if any, configured to run on the operating system instance or parts identified above.

A physical hardware system can have either or both of the following:

- one physical operating system environment;
- one or more virtual operating system environments.

A physical operating system environment is configured to run directly on a physical hardware system. The operating system instance used to run hardware virtualization software or to provide hardware virtualization services (e.g. Microsoft virtualization technology or similar technologies) is considered part of the physical operating system environment.

A virtual operating system environment is configured to run on a virtual (or otherwise emulated) hardware system.



- **Server.** A server is a physical hardware system capable of running server software. A hardware partition or blade is considered to be a separate physical hardware system.
- **Physical Core.** A physical core is a core in a physical processor. A physical processor consists of one or more physical cores.
- **Hardware Thread.** A hardware thread is either a physical core or a hyper-thread in a physical processor.
- **Virtual Core.** A virtual core is the unit of processing power in a virtual (or otherwise emulated) hardware system. A virtual core is the virtual representation of one or more hardware threads. Virtual OSEs use one or more virtual cores.
- **Assigning a License.** To assign a license is to designate that license to a server, device or user as indicated below.
- **Core Factor.** The core factor is a numerical value associated with a specific physical processor for purposes of determining the number of licenses required to license all of the physical cores on a server.

## 2. USE RIGHTS FOR CORE LICENSE MODEL.

**2.1 Licensing a Server.** Before you run instances of the server software on a server, you must determine the number of software licenses required and assign those licenses to that server as described below.

**2.2 Determining the Number of Licenses Required.** You have two license options:

**(a) Physical Cores on a Server.** You may license based on all of the physical cores on the server. If you choose this option, the number of licenses required equals the number of physical cores on the server multiplied by the applicable core factor located at [go.microsoft.com/fwlink/?LinkID=229882](http://go.microsoft.com/fwlink/?LinkID=229882).

**(b) Individual Virtual OSE.** You may license based on the virtual OSEs within the server in which you run the server software. If you choose this option, for each virtual OSE in which you run the server software, you need a number licenses equal to the number of virtual cores in the virtual OSE, subject to a minimum requirement of four licenses per virtual OSE. In addition, if any of these virtual cores is at any time mapped to more than one hardware thread, you need a license for each additional hardware thread mapped to that virtual core. Those licenses count toward the minimum requirement of four licenses per virtual OSE.

**2.3 Assigning the Required Number of Licenses to the Server.**

- (a) Initial Assignment. **After you determine the number of software licenses required for a server, you must assign that number of licenses to that server. The server to which a license is assigned is considered the “licensed server” for such license. You may not assign a license to more than one server. A hardware partition or blade is considered a separate server.**
- (b) Reassignment. **You may reassign a license, but not within 90 days of its last assignment. You may reassign a license sooner if you retire the licensed server to which the license is assigned due to permanent hardware failure. If you reassign a license, the server to which you reassign the license becomes the new licensed server for that license.**

**2.4 Running Instances of the Server Software.** Your right to run instances of the server software depends on the option chosen to determine the number of software licenses required:

(a) Physical Cores on a Server. **For each server to which you have assigned the required number of licenses as provided in Section 2.2(a), you may run on the licensed server any number of instances of the server software in the physical OSE.**

(b) Individual Virtual OSEs. **For each virtual OSE for which you have assigned the required number of licenses as provided in section 2.2(b), you have the right to run any number of instances of the software in that virtual OSE.**

**2.5 Running Instances of the Additional Software.** You may run or otherwise use any number of instances of the additional software listed below in physical or virtual OSEs on any number of devices. You may use the additional software only with the server software directly, or indirectly through other additional software.

Client Tools Connectivity

Documentation Components

**2.6 Creating and Storing Instances on Your Servers or Storage Media.** You have the additional rights listed below for each software license you acquire.

**(a)** You may create any number of instances of the server software and additional software.

**(b)** You may store instances of the server software and additional software on any of your servers or storage media.

**(c)** You may create and store instances of the server software and additional software solely to exercise your right to run instances of the server software under any of your software licenses as described (e.g., you may not distribute instances to third parties).

**2.7 No Client Access Licenses (CALs) Required for Access.** Under this core license model, you do not need CALs for users or devices to access your instances of the server software.

## 3. USE RIGHTS FOR SERVER + CLIENT ACCESS LICENSE MODEL

**3.1 Assigning the License to the Server.**



(a) Initial Assignment. **Before you run any instance of the server software under a software license, you must assign that license to one of your servers. That server is considered the “licensed server” for such license. You may not assign the same license to more than one server, but you may assign other software licenses to the same server. A hardware partition or blade is considered to be a separate server.**

(b) Reassignment. **You may reassign a software license, but not within 90 days of the last assignment. You may reassign a software license sooner if you retire the licensed server due to permanent hardware failure. If you reassign a license, the server to which you reassign the license becomes the new licensed server for that license.**

**3.2 Running Instances of the Server Software.** For each software license you assign to the server, you may run any number of instances of the server software in one physical or virtual OSE on the licensed server at a time.

**3.3 Running Instances of the Additional Software.** You may run or otherwise use any number of instances of the additional software listed below in physical or virtual OSEs on any number of devices. You may use the additional software only with the server software directly, or indirectly through other additional software.

Client Tools Connectivity

Documentation Components

**3.4 Creating and Storing Instances on Your Servers or Storage Media.** You have the additional rights listed below for each software license you acquire.

(a) You may create any number of instances of the server software and additional software.

(b) You may store instances of the server software and additional software on any of your servers or storage media.

(c) You may create and store instances of the server software and additional software solely to exercise your right to run instances of the server software under any of your software licenses as described (e.g., you may not distribute instances to third parties).

### **3.5 Client Access Licenses (CALs).**

(a) **Initial Assignment of CALs.** You must acquire and assign a SQL Server 2014 CAL to each device or user that accesses your instances of the server software directly or indirectly. A hardware partition or blade is considered to be a separate device.

You do not need CALs for any of your servers licensed to run instances of the server software.

You do not need CALs for up to two devices or users to access your instances of the server software only to administer those instances.

Your CALs permit access to your instances of earlier versions, but not later versions, of the server software. If you are accessing instances of an earlier version, you may also use CALs corresponding to that version.

(b) **Types of CALs.** There are two types of CALs: one for devices and one for users. Each device CAL permits one device, used by any user, to access instances of the server software on your licensed servers. Each user CAL permits one user, using any device, to access instances of the server software on your licensed servers. You may use a combination of device and user CALs.

(c) **Reassignment of CALs.** You may

permanently reassign your device CAL from one device to another, or your user CAL from one user to another; or

temporarily reassign your device CAL to a loaner device while the first device is out of service, or your user CAL to a temporary worker while the user is absent.

## **4. ADDITIONAL LICENSING REQUIREMENTS AND/OR USE RIGHTS.**

**4.1 Maximum Instances.** The software or your hardware may limit the number of instances of the server software that can run in physical or virtual OSEs on the server.

**4.2 Multiplexing.** Hardware or software you use to

- pool connections,
- reroute information, or
- reduce the number of devices or users that directly access or use the software

(sometimes referred to as “multiplexing” or “pooling”), does not reduce the number of licenses of any type that you need.

**4.3 No Separation of Server Software.** You may not separate the server software for use in more than one OSE under a single license, unless expressly permitted. This applies even if the OSEs are on the same physical hardware system.

**4.4 SQL Server Reporting Services Map Report Item.** Power View and SQL Reporting Services Map Item both include use of Bing Maps. You may only use the content provided through Bing Maps, including geocodes, within Power View or SQL Reporting Services Map Item. Your use of Bing Maps is also governed by the Bing Maps End User Terms of Use available at [go.microsoft.com/?linkid=9710837](http://go.microsoft.com/?linkid=9710837) and the Bing Maps Privacy Statement available at [go.microsoft.com/fwlink/?LinkID=248686](http://go.microsoft.com/fwlink/?LinkID=248686).



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**4.6 Runtime-Restricted Use Software.** The software is “Runtime-Restricted Use” software; as such, it may only be used to run the unified solution and only as part of the unified solution. The software may not be used either (i) to develop any new software applications, (ii) in conjunction with any software applications, databases or tables other than those contained in the Unified Solution, and/or (iii) as a standalone software application. The foregoing provision, however, does not prohibit you from using a tool to run queries or reports from existing tables. For clarity, you may use tools provided as part of the unified solution to create new tables during the unified solution set up and/or customization so long as the resulting tables will only be used with and/or as part of the unified solution itself.

**4.7 Use of Software Within and Across Server Farms.** You may use the software on servers located within and across your server farm if and for so long as the software is only used with and as a part of the unified solution.

**4.8 Outsourcing Company.** You may enter into an agreement with a third party that provides operational services or support services to you, including but not limited to network management, application management, or data center management services (including operation, maintenance and control of server hardware in a data center (“outsourcing company”) to install or cause to be installed the unified solution on servers owned, operated, maintained and controlled by the outsourcing company, provided that: (i) all such server hardware on which the unified solution has been installed is and continuously remains physically dedicated to running the unified solution solely for the benefit and use by you and (ii) you have entered into a written agreement that protects the unified solutions and the software on commercially reasonable terms. Regardless of the physical location of the server hardware containing the software, you remain fully responsible for all of your obligations under this agreement, including any unauthorized use or distribution of the software that results from any act or omission of the outsourcing company. The outsourcing company must agree to the terms of this agreement in a signed writing. You may only grant the outsourcing company access to the software in order to perform operational and/or support services (including but not limited to software maintenance, patch updating, integration, etc.) for you, and the outsourcing company may not access or use the software for any other purpose.

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These terms supersede any electronic terms which may be contained within the software. If any of the terms contained within the software conflict with these terms, these terms will control.

## 1. OVERVIEW.

**a. Software.** The software includes

- server software; and
- additional software that may only be used with the server software directly, or indirectly through other additional software.

**b. License Model.** The software is licensed based on

- the number of physical and virtual processors used by operating system environments in which you run instances of the server software.

**c. Licensing Terminology.**

- **Instance.** You create an "instance" of software by executing the software's setup or install procedure. You also create an instance of software by duplicating an existing instance. References to software in this agreement include "instances" of the software.

- **Run an Instance.** You "run an instance" of software by loading it into memory and executing one or more of its instructions. Once running, an instance is considered to be running (whether or not its instructions continue to execute) until it is removed from memory.

- **Operating System Environment.** An "operating system environment" is

- all or part of an operating system instance, or all or part of a virtual (or otherwise emulated) operating system instance which enables separate machine identity (primary computer name or similar unique identifier) or separate administrative rights, and
- instances of applications, if any, configured to run on the operating system instance or parts identified above.

There are two types of operating system environments, physical and virtual. A physical operating system environment is configured to run directly on a physical hardware system. The operating system instance used to run hardware virtualization software (e.g. Microsoft Virtual Server or similar technologies) or to provide hardware virtualization services (e.g. Microsoft virtualization technology or similar technologies) is considered part of the physical operating system environment. A virtual operating system environment is configured to run on a virtual (or otherwise emulated) hardware system. A physical hardware system can have either or both of the following:

- one physical operating system environment
- one or more virtual operating system environments.

- **Server.** A "server" is a physical hardware system capable of running server software. A hardware partition or blade is considered to be a separate physical hardware system.

- **Physical and Virtual Processors.** A physical processor is a processor in a physical hardware system. Physical operating system environments use physical processors. A virtual processor is a processor in a virtual (or otherwise emulated) hardware system. Virtual operating system environments use virtual processors. A virtual processor is considered to have the same number of threads and cores as each physical processor on the underlying physical hardware system.

- **Assigning a License.** To "assign a license" means simply to designate that license to one server.

## 2. USE RIGHTS.

**a. Licensing a Server.** Before you run instances of the server software on a server, you must determine the required number of software licenses and assign those licenses to that server as described below.

**i. Determining the Number of Licenses Required.** You must first determine the number of software licenses you need. The total number of software licenses required for a server equals the sum of the software licenses required under (A) and (B) below.

(A) To run instances of the server software in the physical operating system environment on a server, you need a software license for each physical processor that the physical operating system environment uses.

(B) To run instances of the server software in virtual operating system environments on a server, you need a software license for each virtual processor that each of those virtual operating system environments uses. If a virtual operating system environment uses a fraction of a virtual processor, the fraction counts as a full virtual processor.



**b. Assigning the Required Number of Licenses to the Server.**

i. After you determine the number of software licenses you need for a server, you must assign that number of software licenses to that server. That server is the licensed server for all of those licenses. You may not assign the same license to more than one server. A hardware partition or blade is considered to be a separate server.

ii. You may reassign the software license, but not within 90 days of the last assignment. You may reassign a software license sooner if you retire the licensed server due to permanent hardware failure. If you reassign a license, the server to which you reassign the license becomes the new licensed server for that license.

**c. Running Instances of the Server Software.** For each server to which you have assigned the required number of software licenses, you may run, at any one time, any number of instances of the server software in physical and virtual operating system environments on the licensed server. However, the total number of physical and virtual processors used by those operating system environments cannot exceed the number of software licenses assigned to that server.

**d. Running Instances of the Additional Software.** You may run or otherwise use any number of instances of additional software listed below in physical or virtual operating system environments on any number of devices so long as the additional software is used only in conjunction with the integrated software turnkey application or suite of applications (the “Unified Solution”) delivered by or on behalf of the Licensor. You may use additional software only with the server software directly or indirectly through other additional software.

- Business Intelligence Development Studio
- Client Tools Backward Compatibility
- Client Tools Connectivity
- Client Tools Software Development Kit
- Management Studio
- Microsoft Sync Framework
- SQL Server 2008 Books Online

**e. Runtime-Restricted Use Software.** The software is “Runtime-Restricted Use” software; as such, it may only be used to run the Unified Solution solely as part of the Unified Solution. The software may not be used either (i) to develop any new software applications, (ii) in conjunction with any software applications, databases or tables other than those contained in the Unified Solution, and/or (iii) as a standalone software application. The foregoing provision, however, does not prohibit you from using a tool to run queries or reports from existing tables.

**f. Creating and Storing Instances on Your Servers or Storage Media.** You have the additional rights below for each software license you acquire.

- You may create any number of instances of the server software and additional software.
- You may store instances of the server software and additional software on any of your servers or storage media.
- You may create and store instances of the server software and additional software solely to exercise your right to run instances of the server software under any of your software licenses as described (e.g., you may not distribute instances to third parties).

**g. No Client Access Licenses (CALs) Required for Access.** You do not need CALs for the other devices to access your instances of the server software.

**3. ADDITIONAL LICENSING REQUIREMENTS AND/OR USE RIGHTS.**

**a. Maximum Instances.** The software or your hardware may limit the number of instances of the server software that can run in physical or virtual operating system environments on the server.

**b. Multiplexing.** Hardware or software you use to

- pool connections,
- reroute information, and

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- reduce the number of devices or users that directly access or use the software, or
  - reduce the number of devices or users the software directly manages,
- (sometimes referred to as “multiplexing” or “pooling”), does not reduce the number of licenses of any type that you need.

**c. Included Microsoft Programs.** The software contains other Microsoft programs. The license terms with those programs apply to your use of them.



**d. No Separation of Server Software.** You may not separate the server software for use in more than one operating system environment under a single license, unless expressly permitted. This applies even if the operating system environments are on the same physical hardware system.

**e. Fail-over Server.** For any operating system environment in which you run instances of the server software, you may run up to the same number of passive fail-over instances in a separate operating system environment for temporary support. The number of processors used in that separate operating system environment must not exceed the number of processors used in the corresponding operating system environment in which the active instances are running. You may run the passive fail-over instances on a server other than the licensed server.

**4. INTERNET-BASED SERVICES.** Microsoft provides Internet-based services with the software. It may change or cancel them at any time.

**5. MICROSOFT .NET FRAMEWORK AND POWERSHELL SOFTWARE.** The software contains Microsoft .NET Framework and PowerShell software. These software components are part of Windows.

**6. BENCHMARK TESTING.** You must obtain Microsoft's prior written approval to disclose to a third party the results of any benchmark test of the software. However, this does not apply to the Windows components. For Microsoft .NET Framework see below.

**7. MICROSOFT .NET FRAMEWORK.** The software includes one or more components of the .NET Framework (“ .NET Components”). You may conduct internal benchmark testing of those components. You may disclose the results of any benchmark test of those components, provided that you comply with the conditions set forth at <http://go.microsoft.com/fwlink/?LinkID=66406>. Notwithstanding any other agreement you may have with Microsoft, if you disclose such benchmark test results, Microsoft shall have the right to disclose the results of benchmark tests it conducts of your products that compete with the applicable .NET Component, provided it complies with the same conditions set forth at <http://go.microsoft.com/fwlink/?LinkID=66406>.

**8. SCOPE OF LICENSE.** The software is licensed, not sold. This agreement only gives you some rights to use the software. Licensor and Microsoft reserve all other rights. Unless applicable law gives you more rights despite this limitation, you may use the software only as expressly permitted in this agreement. In doing so, you must comply with any technical limitations in the software that only allow you to use it in certain ways. For more information, see [www.microsoft.com/licensing/userights](http://www.microsoft.com/licensing/userights).

You may not

- work around any technical limitations in the software;
- reverse engineer, decompile or disassemble the software, except and only to the extent that applicable law expressly permits, despite this limitation;
- make more copies of the software than specified in this agreement or allowed by applicable law, despite this limitation;
- publish the software for others to copy;
- rent, lease or lend the software; or
- use the software for commercial software hosting services.

Rights to access the software on any device do not give you any right to implement Microsoft patents or other Microsoft intellectual property in software or devices that access that device.

**9. BACKUP COPY.** You may make one backup copy of the software media. You may use it only to create instances of the software.

**10. DOCUMENTATION.** Any person that has valid access to your computer or internal network may copy and use the documentation for your internal, reference purposes.

**11. NOT FOR RESALE SOFTWARE.** You may not sell software marked as “NFR” or “Not for Resale.”

**12. ACADEMIC EDITION SOFTWARE.** You must be a “Qualified Educational User” to use software marked as “Academic Edition” or “AE.” If you do not know whether you are a Qualified Educational User, visit [www.microsoft.com/education](http://www.microsoft.com/education) or contact the Microsoft affiliate serving your country.

**13. Transfer to Another Device.** You may uninstall the software and install it on another device for your use solely as part of the Unified Solution. You may not do so to share this license between devices to reduce the number of licenses you need.

**14. TRANSFER TO A THIRD PARTY.** The first user of the software may transfer it, this agreement, and CALs, directly to another end user as part of a transfer of the Unified Solution delivered to you by or on behalf of the Licensor solely as part of the Unified Solution. Before the transfer, that end user must agree that this agreement applies to the transfer and use of the software. The first user may not retain any instances of the software unless that user also retains another license for the software.



**15. EXPORT RESTRICTIONS.** The software is subject to United States export laws and regulations. You must comply with all domestic and international export laws and regulations that apply to the software. These laws include restrictions on destinations, end users and end use. For additional information, see [www.microsoft.com/exporting](http://www.microsoft.com/exporting).

**16. ENTIRE AGREEMENT.** This agreement, and the terms for supplements, updates, and Internet-based services that you use, are the entire agreement for the software.

**17. LEGAL EFFECT.** This agreement describes certain legal rights. You may have other rights under the laws of your state or country. You may also have rights with respect to the Licensor from whom you acquired the software. This agreement does not change your rights under the laws of your state or country if the laws of your state or country do not permit it to do so.

**18. NOT FAULT TOLERANT. THE SOFTWARE IS NOT FAULT TOLERANT. LICENSOR HAS INDEPENDENTLY DETERMINED HOW TO USE THE SOFTWARE IN THE INTEGRATED SOFTWARE APPLICATION OR SUITE OF APPLICATIONS THAT IT IS LICENSING TO YOU, AND MICROSOFT HAS RELIED ON LICENSOR TO CONDUCT SUFFICIENT TESTING TO DETERMINE THAT THE SOFTWARE IS SUITABLE FOR SUCH USE.**

**19. NO WARRANTIES BY MICROSOFT. YOU AGREE THAT IF YOU HAVE RECEIVED ANY WARRANTIES WITH REGARD TO EITHER (A) THE SOFTWARE, OR (B) THE SOFTWARE APPLICATION OR SUITE OF APPLICATIONS WITH WHICH YOU ACQUIRED THE SOFTWARE, THEN THOSE WARRANTIES ARE PROVIDED SOLELY BY THE LICENSOR AND DO NOT ORIGINATE FROM, AND ARE NOT BINDING ON, MICROSOFT.**

**20. NO LIABILITY OF MICROSOFT FOR CERTAIN DAMAGES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, MICROSOFT SHALL HAVE NO LIABILITY FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES ARISING FROM OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE SOFTWARE OR THE SOFTWARE APPLICATION OR SUITE OF APPLICATIONS WITH WHICH YOU ACQUIRED THE SOFTWARE, INCLUDING WITHOUT LIMITATION, PENALTIES IMPOSED BY GOVERNMENT. THIS LIMITATION WILL APPLY EVEN IF ANY REMEDY FAILS OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL MICROSOFT BE LIABLE FOR ANY AMOUNT IN EXCESS OF TWO HUNDRED FIFTY U.S. DOLLARS (US\$250.00).**

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**Microsoft® SQL Server® 2008, Standard Edition (Server CAL Runtime) Software**

These license terms are an agreement between the licensor of the software application or suite of applications with which you acquired the Microsoft software ("Licensor") and you. Please read them. They apply to the software named above, which includes the media on which you received it, if any. The terms also apply to any Microsoft

- updates,
- supplements, and
- Internet-based services

for this software, unless other terms accompany those items. If so, those terms apply. Microsoft Corporation or one of its affiliates (collectively, "Microsoft") has licensed the software to Licensor.

**BY USING THE SOFTWARE, YOU ACCEPT THESE TERMS. IF YOU DO NOT ACCEPT THEM, DO NOT USE THE SOFTWARE. INSTEAD, RETURN IT TO THE PLACE OF PURCHASE FOR A REFUND OR CREDIT.**

**These terms supersede any electronic terms which may be contained within the software. If any of the terms contained within the software conflict with these terms, these terms will control.**

**IF YOU COMPLY WITH THESE LICENSE TERMS, YOU HAVE THE RIGHTS BELOW FOR EACH SOFTWARE LICENSE YOU ACQUIRE.**

**1. OVERVIEW.**

**a. Software.** The software includes

- server software; and
- additional software that may only be used with the server software directly, or indirectly through other additional software.

**b. License Model.** The software is licensed based on

- the number of instances of server software that you run; and
- the number of devices and users that access instances of server software.

**c. Licensing Terminology.**

- **Instance.** You create an "instance" of software by executing the software's setup or install procedure. You also create an instance of software by duplicating an existing instance. References to software in this agreement include "instances" of the software.
- **Run an Instance.** You "run an instance" of software by loading it into memory and executing one or more of its instructions. Once running, an instance is considered to be running (whether or not its instructions continue to execute) until it is removed from memory.



- **Operating System Environment.** An “operating system environment” is
  - all or part of an operating system instance, or all or part of a virtual (or otherwise emulated) operating system instance which enables separate machine identity (primary computer name or similar unique identifier) or separate administrative rights, and
  - instances of applications, if any, configured to run on the operating system instance or parts identified above.

There are two types of operating system environments, physical and virtual. A physical operating system environment is configured to run directly on a physical hardware system. The operating system instance used to run hardware virtualization software (e.g. Microsoft Virtual Server or similar technologies) or to provide hardware virtualization services (e.g. Microsoft virtualization technology or similar technologies) is considered part of the physical operating system environment. A virtual operating system environment is configured to run on a virtual (or otherwise emulated) hardware system. A physical hardware system can have either or both of the following:

- one physical operating system environment
- one or more virtual operating system environments.
- **Server.** A “server” is a physical hardware system capable of running server software. A hardware partition or blade is considered to be a separate physical hardware system.
- **Assigning a License.** To “assign a license” means simply to designate that license to one device or user.

## 2. USE RIGHTS.

### a. Assigning the License to the Server.

i. Before you run any instance of the server software under a software license, you must assign that license to one of your servers. That server is the licensed server for that particular license. You may assign other software licenses to the same server, but you may not assign the same license to more than one server. A hardware partition or blade is considered to be a separate server.

ii. You may reassign a software license, but not within 90 days of the last assignment. You may reassign a software license sooner if you retire the licensed server due to permanent hardware failure. If you reassign a license, the server to which you reassign the license becomes the new licensed server for that license.

**b. Running Instances of the Server Software.** You may run any number of instances of the server software in one physical or virtual operating system environment on the licensed server at a time.

**c. Running Instances of the Additional Software.** You may run or otherwise use any number of instances of additional software listed below in physical or virtual operating system environments on any number of devices solely to support your use of the integrated software turnkey application or suite of applications (the “Unified Solution”) delivered by or on behalf of the Licensor. You may use additional software only with the server software directly or indirectly through other additional software.

- Business Intelligence Development Studio
- Client Tools Backward Compatibility
- Client Tools Connectivity
- Client Tools Software Development Kit
- Management Studio
- Microsoft Sync Framework
- SQL Server 2008 Books Online

**d. Creating and Storing Instances on Your Servers or Storage Media.** You have the additional rights below for each software license you acquire.

- You may create any number of instances of the server software and additional software.
- You may store instances of the server software and additional software on any of your servers or storage media.
- You may create and store instances of the server software and additional software solely to exercise your right to run instances of the server software under any of your software licenses as described (e.g., you may not distribute instances to third parties).

**e. Included Microsoft Programs. The software contains other Microsoft programs.** The license terms with those programs apply to your use of them.

## 3. ADDITIONAL LICENSING REQUIREMENTS AND/OR USE RIGHTS.

### a. Client Access Licenses (CALs).

i. You must acquire and assign a SQL Server 2008 CAL to each device or user that accesses your instances of the server software directly or indirectly. A hardware partition or blade is considered to be a separate device.

- You may not access instances of the server software under Workgroup Edition CALs.



- You may use your Windows Small Business Server (“SBS”) 2008 CAL Suite for Premium Users or Devices instead of SQL Server 2008 CALs to access your instances of the server software within an SBS 2008 domain.
- You may use your Windows Essential Business Server (“EBS”) 2008 CAL Suite for Premium Users or Devices instead of SQL Server 2008 CALs to access your instances of the server software within an EBS domain.
- You do not need CALs for any of your servers licensed to run instances of the server software.
- You do not need CALs for up to two devices or users to access your instances of the server software only to administer those instances.
- Your CALs permit access to your instances of earlier versions, but not later versions, of the server software. If you are accessing instances of an earlier version, you may also use CALs corresponding to that version.

**ii. Types of CALs.** There are two types of CALs: one for devices and one for users. Each device CAL permits one device, used by any user, to access instances of the server software on your licensed servers. Each user CAL permits one user, using any device, to access instances of the server software on your licensed servers. You may use a combination of device and user CALs.

**iii. Reassignment of CALs.** You may

- permanently reassign your device CAL from one device to another, or your user CAL from one user to another; or
- temporarily reassign your device CAL to a loaner device while the first device is out of service, or your user CAL to a temporary worker while the user is absent.

**b. Runtime-Restricted Use Software.** The software is “Runtime-Restricted Use” software; as such, it may only be used in conjunction with the Unified Solution. The software may not be used either (i) to develop any new software applications, (ii) in conjunction with any software applications, databases or tables other than those contained in the unified solution, and/or (iii) as a standalone software application. The foregoing provision, however, does not prohibit you from using a tool to run queries or reports from existing tables. A CAL permits you to access instances of only the Runtime-Restricted User version of the server software licensed and delivered to you as part of the Unified Solution, in accordance with the other terms of the agreement.

**c. Maximum Instances.** The software or your hardware may limit the number of instances of the server software that can run in physical or virtual operating system environments on the server.

**d. Multiplexing.** Hardware or software you use to

- pool connections,
- reroute information, and
- reduce the number of devices or users that directly access or use the software, or
- reduce the number of devices or users the software directly manages.

(sometimes referred to as “multiplexing” or “pooling”), does not reduce the number of licenses of any type that you need.

**e. No Separation of Server Software.** You may not separate the server software for use in more than one operating system environment under a single license, unless expressly permitted. This applies even if the operating system environments are on the same physical hardware system.

**f. Fail-over Server.** For any operating system environment in which you run instances of the server software, you may run up to the same number of passive fail-over instances in a separate operating system environment for temporary support. You may run the passive fail-over instances on a server other than the licensed server.

**4. INTERNET-BASED SERVICES.** Microsoft provides Internet-based services with the software. It may change or cancel them at any time.

**5. NET FRAMEWORK AND POWERSHELL SOFTWARE.** The software contains Microsoft .NET Framework and PowerShell software. These software components are part of Windows.

**6. BENCHMARK TESTING.** You must obtain Microsoft's prior written approval to disclose to a third party the results of any benchmark test of the software. However, this does not apply to the Windows components. For Microsoft .NET Framework see below.

**7. MICROSOFT .NET FRAMEWORK.** The software includes one or more components of the .NET Framework (“.NET Components”). You may conduct internal benchmark testing of those components. You may disclose the results of any benchmark test of those components, provided that you comply with the conditions set forth at <http://go.microsoft.com/fwlink/?LinkID=66406>. Notwithstanding any other agreement you may have with Microsoft, if you disclose such benchmark test results, Microsoft shall have the right to disclose the results of benchmark tests it conducts of your products that compete with the applicable .NET Component, provided it complies with the same conditions set forth at <http://go.microsoft.com/fwlink/?LinkID=66406>.

**8. SCOPE OF LICENSE.** The software is licensed, not sold. This agreement only gives you some rights to use the software. Licensor and Microsoft reserve all other rights. Unless applicable law gives you more rights despite this limitation, you may use



the software only as expressly permitted in this agreement. In doing so, you must comply with any technical limitations in the software that only allow you to use it in certain ways. For more information, see [www.microsoft.com/licensing/userights](http://www.microsoft.com/licensing/userights). You may not

- work around any technical limitations in the software;
- reverse engineer, decompile or disassemble the software, except and only to the extent that applicable law expressly permits, despite this limitation;
- make more copies of the software than specified in this agreement or allowed by applicable law, despite this limitation;
- publish the software for others to copy;
- rent, lease or lend the software; or
- use the software for commercial software hosting services.

Rights to access the software on any device do not give you any right to implement Microsoft patents or other Microsoft intellectual property in software or devices that access that device.

**9. BACKUP COPY.** You may make one backup copy of the software media. You may use it only to create instances of the software.

**10. DOCUMENTATION.** Any person that has valid access to your computer or internal network may copy and use the documentation for your internal, reference purposes.

**11. NOT FOR RESALE SOFTWARE.** You may not sell software marked as “NFR” or “Not for Resale.”

**12. ACADEMIC EDITION SOFTWARE.** You must be a “Qualified Educational User” to use software marked as “Academic Edition” or “AE.” If you do not know whether you are a Qualified Educational User, visit [www.microsoft.com/education](http://www.microsoft.com/education) or contact the Microsoft affiliate serving your country.

**13. Transfer to Another Device.** You may uninstall the software and install it on another device for your use solely as part of the Unified Solution. You may not do so to share this license between devices to reduce the number of licenses you need.

**14. TRANSFER TO A THIRD PARTY.** The first user of the software may transfer it, this agreement, and CALs, directly to another end user as part of a transfer of the Unified Solution delivered to you by or on behalf of the Licensor solely as part of the Unified Solution. Before the transfer, that end user must agree that this agreement applies to the transfer and use of the software. The first user may not retain any instances of the software unless that user also retains another license for the software.

**15. EXPORT RESTRICTIONS.** The software is subject to United States export laws and regulations. You must comply with all domestic and international export laws and regulations that apply to the software. These laws include restrictions on destinations, end users and end use. For additional information, see [www.microsoft.com/exporting](http://www.microsoft.com/exporting).

**16. ENTIRE AGREEMENT.** This agreement, and the terms for supplements, updates, and Internet-based services that you use, are the entire agreement for the software.

**17. LEGAL EFFECT.** This agreement describes certain legal rights. You may have other rights under the laws of your state or country. You may also have rights with respect to the Licensor from whom you acquired the software. This agreement does not change your rights under the laws of your state or country if the laws of your state or country do not permit it to do so.

**18. NOT FAULT TOLERANT. THE SOFTWARE IS NOT FAULT TOLERANT. LICENSOR HAS INDEPENDENTLY DETERMINED HOW TO USE THE SOFTWARE IN THE INTEGRATED SOFTWARE APPLICATION OR SUITE OF APPLICATIONS THAT IT IS LICENSING TO YOU, AND MICROSOFT HAS RELIED ON LICENSOR TO CONDUCT SUFFICIENT TESTING TO DETERMINE THAT THE SOFTWARE IS SUITABLE FOR SUCH USE.**

**19. NO WARRANTIES BY MICROSOFT. YOU AGREE THAT IF YOU HAVE RECEIVED ANY WARRANTIES WITH REGARD TO EITHER (A) THE SOFTWARE, OR (B) THE SOFTWARE APPLICATION OR SUITE OF APPLICATIONS WITH WHICH YOU ACQUIRED THE SOFTWARE, THEN THOSE WARRANTIES ARE PROVIDED SOLELY BY THE LICENSOR AND DO NOT ORIGINATE FROM, AND ARE NOT BINDING ON, MICROSOFT.**

**20. NO LIABILITY OF MICROSOFT FOR CERTAIN DAMAGES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, MICROSOFT SHALL HAVE NO LIABILITY FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES ARISING FROM OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE SOFTWARE OR THE SOFTWARE APPLICATION OR SUITE OF APPLICATIONS WITH WHICH YOU ACQUIRED THE SOFTWARE, INCLUDING WITHOUT LIMITATION, PENALTIES IMPOSED BY GOVERNMENT. THIS LIMITATION WILL APPLY EVEN IF ANY REMEDY FAILS OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL MICROSOFT BE LIABLE FOR ANY AMOUNT IN EXCESS OF TWO HUNDRED FIFTY U.S. DOLLARS (US\$250.00).**

Microsoft and SQL Server are registered trademarks of Microsoft Corporation in the United States and/or other countries.

**Microsoft® SQL Server® 2012, Standard Edition (Server CAL Runtime) Software**

**OVERVIEW**



**1.1 Software.** The software includes

- server software, and
- additional software that may only be used with the server software directly, or indirectly through other additional software.

**1.2 License Model.** The software is licensed based on either the:

- **Core License Model** – the number of physical and/or virtual cores in the server; or
- **Server + Client** – the number of instances of server software that you run, and the number of devices and users that access instances of server software.

**1.3 Licensing Terminology.**

• **Instance.** You create an “instance” of the software by executing the software’s setup or install procedure. You also create an instance of the software by duplicating an existing instance. References to the “software” in this agreement include “instances” of the software.

• **Run an Instance.** You “run an instance” of the software by loading it into memory and executing one or more of its instructions. Once running, an instance is considered to be running (whether or not its instructions continue to execute) until it is removed from memory.

• **Operating System Environment (“OSE”).** An “operating system environment” or “OSE” is

- all or part of an operating system instance, or all or part of a virtual (or otherwise emulated) operating system instance which enables separate machine identity (primary computer name or similar unique identifier) or separate administrative rights; and
- instances of applications, if any, configured to run on the operating system instance or parts identified above.

A physical hardware system can have either or both of the following:

- one physical operating system environment;
- one or more virtual operating system environments.

A physical operating system environment is configured to run directly on a physical hardware system. The operating system instance used to run hardware virtualization software or to provide hardware virtualization services (e.g. Microsoft virtualization technology or similar technologies) is considered part of the physical operating system environment.

A virtual operating system environment is configured to run on a virtual (or otherwise emulated) hardware system.

- **Server.** A server is a physical hardware system capable of running server software. A hardware partition or blade is considered to be a separate physical hardware system.
- **Physical Core.** A physical core is a core in a physical processor. A physical processor consists of one or more physical cores.
- **Hardware Thread.** A hardware thread is either a physical core or a hyper-thread in a physical processor.
- **Virtual Core.** A virtual core is the unit of processing power in a virtual (or otherwise emulated) hardware system. A virtual core is the virtual representation of one or more hardware threads. Virtual OSEs use one or more virtual cores.
- **Assigning a License.** To assign a license is to designate that license to a server, device or user as indicated below.
- **Core Factor.** The core factor is a numerical value associated with a specific physical processor for purposes of determining the number of licenses required to license all of the physical cores on a server.

#### **USE RIGHTS FOR CORE LICENSE MODEL.**

**2.1 Licensing a Server.** Before you run instances of the server software on a server, you must determine the number of software licenses required and assign those licenses to that server as described below.

**2.2 Determining the Number of Licenses Required.** You have two license options:

**(a) Physical Cores on a Server.** You may license based on all of the physical cores on the server. If you choose this option, the number of licenses required equals the number of physical cores on the server multiplied by the applicable core factor located at <http://go.microsoft.com/fwlink/?LinkID=229882>.

**(b) Individual Virtual OSE.** You may license based on the virtual OSEs within the server in which you run the server software. If you choose this option, for each virtual OSE in which you run the server software, you need a number licenses equal to the number of virtual cores in the virtual OSE, subject to a minimum requirement of four licenses per virtual OSE. In addition, if any of these virtual cores is at any time mapped to more than one hardware thread, you need a license for each additional hardware thread mapped to that virtual core. Those licenses count toward the minimum requirement of four licenses per virtual OSE.

**2.3 Assigning the Required Number of Licenses to the Server.**

**Initial Assignment.** After you determine the number of software licenses required for a server, you must assign that number of licenses to that server. The server to which a license is assigned is considered the “licensed server” for such license. You may not assign a license to more than one server. A hardware partition or blade is considered a separate server.



Reassignment. You may reassign a license, but not within 90 days of its last assignment. You may reassign a license sooner if you retire the licensed server to which the license is assigned due to permanent hardware failure. If you reassign a license, the server to which you reassign the license becomes the new licensed server for that license.

**2.4 Running Instances of the Server Software.** Your right to run instances of the server software depends on the option chosen to determine the number of software licenses required:

(a) Physical Cores on a Server. For each server to which you have assigned the required number of licenses as provided in Section 2.2(a), you may run on the licensed server any number of instances of the server software in the physical OSE.

(b) Individual Virtual OSEs. For each virtual OSE for which you have assigned the required number of licenses as provided in section 2.2(b), you have the right to run any number of instances of the software in that virtual OSE.

**2.5 Running Instances of the Additional Software.** You may run or otherwise use any number of instances of the additional software listed below in physical or virtual OSEs on any number of devices. You may use the additional software only with the server software directly, or indirectly through other additional software.

- Business Intelligence Development Studio
- Client Tools Backward Compatibility
- Client Tools Connectivity
- Client Tools SDK
- Data Quality Client
- Data Quality Services
- Distributed Replay Client
- Distributed Replay Controller
- Management Tools - Basic
- Management Tools - Complete
- Reporting Services – SharePoint
- Reporting Services Add-in for SharePoint Products
- Master Data Services
- Sync Framework
- SQL Client Connectivity SDK
- SQL Server 2012 Books Online

**2.6 Creating and Storing Instances on Your Servers or Storage Media.** You have the additional rights listed below for each software license you acquire.

(a) You may create any number of instances of the server software and additional software.

(b) You may store instances of the server software and additional software on any of your servers or storage media.

(c) You may create and store instances of the server software and additional software solely to exercise your right to run instances of the server software under any of your software licenses as described (e.g., you may not distribute instances to third parties).

**2.7 No Client Access Licenses (CALs) Required for Access.** Under this core license model, you do not need CALs for users or devices to access your instances of the server software.

#### USE RIGHTS FOR SERVER + CLIENT ACCESS LICENSE MODEL

##### 3.1 Assigning the License to the Server.

(a) Initial Assignment. Before you run any instance of the server software under a software license, you must assign that license to one of your servers. That server is considered the “licensed server” for such license. You may not assign the same license to more than one server, but you may assign other software licenses to the same server. A hardware partition or blade is considered to be a separate server.

(b) Reassignment. You may reassign a software license, but not within 90 days of the last assignment. You may reassign a software license sooner if you retire the licensed server due to permanent hardware failure. If you reassign a license, the server to which you reassign the license becomes the new licensed server for that license.

**3.2 Running Instances of the Server Software.** For each software license you assign to the server, you may run any number of instances of the server software in one physical or virtual OSE on the licensed server at a time.



**3.3 Running Instances of the Additional Software.** You may run or otherwise use any number of instances of the additional software listed below in physical or virtual OSEs on any number of devices. You may use the additional software only with the server software directly, or indirectly through other additional software.

- Business Intelligence Development Studio
- Client Tools Backward Compatibility
- Client Tools Connectivity
- Client Tools SDK
- Data Quality Client
- Data Quality Services
- Distributed Replay Client
- Distributed Replay Controller
- Management Tools - Basic
- Management Tools - Complete
- Reporting Services – SharePoint
- Reporting Services Add-in for SharePoint Products
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**(a)** You may create any number of instances of the server software and additional software.

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**(c)** You may create and store instances of the server software and additional software solely to exercise your right to run instances of the server software under any of your software licenses as described (e.g., you may not distribute instances to third parties).

### **3.5 Client Access Licenses (CALs).**

**(a) Initial Assignment of CALs.** You must acquire and assign a SQL Server 2012 CAL to each device or user that accesses your instances of the server software directly or indirectly. A hardware partition or blade is considered to be a separate device.

- You do not need CALs for any of your servers licensed to run instances of the server software.
- You do not need CALs for up to two devices or users to access your instances of the server software only to administer those instances.
- Your CALs permit access to your instances of earlier versions, but not later versions, of the server software. If you are accessing instances of an earlier version, you may also use CALs corresponding to that version.

**(b) Types of CALs.** There are two types of CALs: one for devices and one for users. Each device CAL permits one device, used by any user, to access instances of the server software on your licensed servers. Each user CAL permits one user, using any device, to access instances of the server software on your licensed servers. You may use a combination of device and user CALs.

**(c) Reassignment of CALs.** You may

- permanently reassign your device CAL from one device to another, or your user CAL from one user to another; or
- temporarily reassign your device CAL to a loaner device while the first device is out of service, or your user CAL to a temporary worker while the user is absent.

**3.6 Runtime-Restricted Use Software.** The software is “Runtime-Restricted Use” software; as such, it may only be used in conjunction with the Unified Solution. The software may not be used either (i) to develop any new software applications, (ii) in conjunction with any software applications, databases or tables other than those contained in the Unified Solution, and/or (iii) as a standalone software application. The foregoing provision, however, does not prohibit you from using a tool to run queries or reports from existing tables. A CAL permits you to access instances of only the Runtime-Restricted User version of the server software licensed and delivered to you as part of the Unified Solution, in accordance with the other terms of the agreement.

## **ADDITIONAL LICENSING REQUIREMENTS AND/OR USE RIGHTS.**

### **4.1 Alternative Versions**



The software may include more than one version, such as 32-bit and 64-bit. For each instance of the software that you are permitted to create, store and run, you may use either version.

**4.2 Maximum Instances.** The software or your hardware may limit the number of instances of the server software that can run in physical or virtual OSEs on the server.

**4.3 Multiplexing.** Hardware or software you use to

- pool connections,
- reroute information, or
- reduce the number of devices or users that directly access or use the software

(sometimes referred to as “multiplexing” or “pooling”), does not reduce the number of licenses of any type that you need.

**4.4 No Separation of Server Software.** You may not separate the server software for use in more than one OSE under a single license, unless expressly permitted. This applies even if the OSEs are on the same physical hardware system.

**4.5 Fail-over Server.** For any OSE in which you run instances of the server software, you may run up to the same number of passive fail-over instances in a separate OSE for temporary support. You may run the passive fail-over instances on a server other than the licensed server. However, if you have licensed the server software under section 2.2(a) and the OSE in which you run the passive fail-over instances is on a separate server, the number of physical cores on the separate server must not exceed the number of physical cores on the licensed server and the core factor for the physical processors in that server must be the same or lower than the core factor for the physical processors in the licensed server. If you have licensed the server software under section 2.2(b), the number of hardware threads used in that separate OSE must not exceed the number of hardware threads used in the corresponding OSE in which the active instances run.

**4.6 SQL Server Reporting Services Map Report Item.** The software may include features that retrieve content such as maps, images and other data through the Bing Maps (or successor branded) application programming interface (the “Bing Maps APIs”). The purpose of these features is to create reports displaying data on top of maps, aerial and hybrid imagery. If these features are included, you may use them to create and view dynamic or static documents. This may be done only in conjunction with and through methods and means of access integrated in the software. You may not otherwise copy, store, archive, or create a database of the content available through the Bing Maps APIs. You may not use the following for any purpose even if they are available through the Bing Maps APIs:

- Bing Maps APIs to provide sensor based guidance/routing, or
- any Road Traffic Data or Bird’s Eye Imagery (or associated metadata).

Your use of the Bing Maps APIs and associated content is also subject to the additional terms and conditions at <http://go.microsoft.com/fwlink/?LinkId=21969>.

**4.7 Included Microsoft Programs.** The software includes other Microsoft programs listed at <http://go.microsoft.com/fwlink/?LinkId=231864> which are licensed under the terms and conditions associated with them. You may only use these programs in conjunction with the software licensed here. If you do not accept the license terms associated with a program, you may not use that program.

**5 INTERNET-BASED SERVICES.** Microsoft provides Internet-based services with the software. It may change or cancel them at any time.

**6 BENCHMARK TESTING.** You must obtain Microsoft’s prior written approval to disclose to a third party the results of any benchmark test of the software. However, this does not apply to the Microsoft .NET Framework (see below).

**7 .NET FRAMEWORK SOFTWARE.** The software contains Microsoft .NET Framework software. This software is part of Windows. The license terms for Windows apply to your use of the .NET Framework software

**8 MICROSOFT .NET FRAMEWORK BENCHMARK TESTING.** The software includes one or more components of the .NET Framework (“.NET Components”). You may conduct internal benchmark testing of those components. You may disclose the results of any benchmark test of those components, provided that you comply with the conditions set forth at [go.microsoft.com/fwlink/?LinkId=66406](http://go.microsoft.com/fwlink/?LinkId=66406). Notwithstanding any other agreement you may have with Microsoft, if you disclose such benchmark test results, Microsoft shall have the right to disclose the results of benchmark tests it conducts of your products that compete with the applicable .NET Component, provided it complies with the same conditions set forth at <http://go.microsoft.com/fwlink/?LinkId=66406>.

**9 SCOPE OF LICENSE.** The software is licensed, not sold. This agreement only gives you some rights to use the software. Licensor and Microsoft reserve all other rights. Unless applicable law gives you more rights despite this limitation, you may use the software only as expressly permitted in this agreement. In doing so, you must comply with any technical limitations in the software that only allow you to use it in certain ways. You may not

- work around any technical limitations in the software;



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- make more copies of the software than specified in this agreement or allowed by applicable law, despite this limitation;
- publish the software, including any application programming interfaces included in the software, for others to copy;
- share or otherwise distribute documents, text or images created using the software Data Mapping Services features;
- rent, lease or lend the software; or
- use the software for commercial software hosting services.

You also may not remove, minimize, block or modify any logos, trademarks, copyright, digital watermarks, or other notices of Microsoft or its suppliers that are included in the software, including any content made available to you through the software;

Rights to access the software on any device do not give you any right to implement Microsoft patents or other Microsoft intellectual property in software or devices that access that device.

**10 BACKUP COPY.** You may make one backup copy of the software media. You may use it only to create instances of the software.

**11 DOCUMENTATION.** Any person that has valid access to your computer or internal network may copy and use the documentation for your internal, reference purposes.

**12 NOT FOR RESALE SOFTWARE.** You may not sell software marked as “NFR” or “Not for Resale.”

**13 ACADEMIC EDITION SOFTWARE.** You must be a “Qualified Educational User” to use software marked as “Academic Edition” or “AE.” If you do not know whether you are a Qualified Educational User, visit [www.microsoft.com/education](http://www.microsoft.com/education) or contact the Microsoft affiliate serving your country.

**14 PROOF OF LICENSE.** If you acquired the software on a disc or other media, a genuine Microsoft Proof of License label with a genuine copy of the software identifies licensed software. To be valid, this label must appear on Microsoft packaging and may not be transferred separately. If you receive the label separately, it is invalid. You should keep the packaging that has the label on it to prove that you are licensed to use the software. To identify genuine Microsoft software, see [www.howtotell.com](http://www.howtotell.com).

**15 TRANSFER TO A THIRD PARTY.** The first user of the software may transfer it and this agreement directly to another end user as part of a transfer of the integrated software turnkey application or suite of applications (the “Unified Solution”) delivered to you by or on behalf of the Licensor solely as part of the Unified Solution. Before the transfer, that end user must agree that this agreement applies to the transfer and use of the software. The transfer must include the software and the Proof of License label. The first user may not retain any instances of the software unless that user also retains another license for the software.

**16 EXPORT RESTRICTIONS.** The software is subject to United States export laws and regulations. You must comply with all domestic and international export laws and regulations that apply to the software. These laws include restrictions on destinations, end users and end use. For additional information, see [www.microsoft.com/exporting](http://www.microsoft.com/exporting).

**17 ENTIRE AGREEMENT.** This agreement and the terms for supplements, updates, Internet-based services that you use, are the entire agreement for the software.

**18 LEGAL EFFECT.** This agreement describes certain legal rights. You may have other rights under the laws of your state or country. You may also have rights with respect to the Licensor from whom you acquired the software. This agreement does not change your rights under the laws of your state or country if the laws of your state or country do not permit it to do so.

**19 NOT FAULT TOLERANT. THE SOFTWARE IS NOT FAULT TOLERANT. LICENSOR HAS INDEPENDENTLY DETERMINED HOW TO USE THE SOFTWARE IN THE INTEGRATED SOFTWARE APPLICATION OR SUITE OF APPLICATIONS THAT IT IS LICENSING TO YOU, AND MICROSOFT HAS RELIED ON LICENSOR TO CONDUCT SUFFICIENT TESTING TO DETERMINE THAT THE SOFTWARE IS SUITABLE FOR SUCH USE.**

**20 NO WARRANTIES BY MICROSOFT. YOU AGREE THAT IF YOU HAVE RECEIVED ANY WARRANTIES WITH REGARD TO EITHER (A) THE SOFTWARE, OR (B) THE SOFTWARE APPLICATION OR SUITE OF APPLICATIONS WITH WHICH YOU ACQUIRED THE SOFTWARE, THEN THOSE WARRANTIES ARE PROVIDED SOLELY BY THE LICENSOR AND DO NOT ORIGINATE FROM, AND ARE NOT BINDING ON, MICROSOFT.**

**21 NO LIABILITY OF MICROSOFT FOR CERTAIN DAMAGES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, MICROSOFT SHALL HAVE NO LIABILITY FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES ARISING FROM OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE SOFTWARE OR THE SOFTWARE APPLICATION OR SUITE OF APPLICATIONS WITH WHICH YOU ACQUIRED THE SOFTWARE, INCLUDING WITHOUT LIMITATION, PENALTIES IMPOSED BY GOVERNMENT. THIS LIMITATION WILL APPLY EVEN IF ANY REMEDY FAILS OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL MICROSOFT BE LIABLE FOR ANY AMOUNT IN EXCESS OF TWO HUNDRED FIFTY U.S. DOLLARS (US\$250.00).**

**22 FOR AUSTRALIA ONLY.** References to “Limited Warranty” are references to the express warranty provided by Microsoft. This warranty is given in addition to other rights and remedies you may have under law, including your rights and remedies in accordance with the statutory guarantees under the Australian Consumer Law.



If the Australian Consumer Law applies to your purchase, the following applies to you: Our goods come with guarantees that cannot be excluded under the Australian Consumer Law. You are entitled to a replacement or refund for a major failure and compensation for any

other reasonably foreseeable loss or damage. You are also entitled to have the goods repaired or replaced if the goods fail to be of acceptable quality and the failure does not amount to a major failure.

### Microsoft® SQL Server® 2012, Standard Edition (Core-based Runtime) Software

#### OVERVIEW.

**1.1 Software.** The software includes

- server software, and
- additional software that may only be used with the server software directly, or indirectly through other additional software.

**1.2 License Model.** The software is licensed based on either the:

- **Core License Model** – the number of physical and/or virtual cores in the server; or
- **Server + Client** – the number of instances of server software that you run, and the number of devices and users that access instances of server software.

#### 1.3 Licensing Terminology.

- **Instance.** You create an “instance” of the software by executing the software’s setup or install procedure. You also create an instance of the software by duplicating an existing instance. References to the “software” in this agreement include “instances” of the software.
- **Run an Instance.** You “run an instance” of the software by loading it into memory and executing one or more of its instructions. Once running, an instance is considered to be running (whether or not its instructions continue to execute) until it is removed from memory.
- **Operating System Environment (“OSE”).** An “operating system environment” or “OSE” is
  - (i) all or part of an operating system instance, or all or part of a virtual (or otherwise emulated) operating system instance which enables separate machine identity (primary computer name or similar unique identifier) or separate administrative rights; and
  - (ii) instances of applications, if any, configured to run on the operating system instance or parts identified above.

A physical hardware system can have either or both of the following:

- one physical operating system environment;
- one or more virtual operating system environments.

A physical operating system environment is configured to run directly on a physical hardware system. The operating system instance used to run hardware virtualization software or to provide hardware virtualization services (e.g. Microsoft virtualization technology or similar technologies) is considered part of the physical operating system environment.

A virtual operating system environment is configured to run on a virtual (or otherwise emulated) hardware system.

- **Server.** A server is a physical hardware system capable of running server software. A hardware partition or blade is considered to be a separate physical hardware system.
- **Physical Core.** A physical core is a core in a physical processor. A physical processor consists of one or more physical cores.
- **Hardware Thread.** A hardware thread is either a physical core or a hyper-thread in a physical processor.
- **Virtual Core.** A virtual core is the unit of processing power in a virtual (or otherwise emulated) hardware system. A virtual core is the virtual representation of one or more hardware threads. Virtual OSEs use one or more virtual cores.
- **Assigning a License.** To assign a license is to designate that license to a server, device or user as indicated below.
- **Core Factor.** The core factor is a numerical value associated with a specific physical processor for purposes of determining the number of licenses required to license all of the physical cores on a server.

#### USE RIGHTS FOR CORE LICENSE MODEL.

**2.1 Licensing a Server.** Before you run instances of the server software on a server, you must determine the number of software licenses required and assign those licenses to that server as described below.

**2.2 Determining the Number of Licenses Required.** You have two license options:

**(a) Physical Cores on a Server.** You may license based on all of the physical cores on the server. If you choose this option, the number of licenses required equals the number of physical cores on the server multiplied by the applicable core factor located at <http://go.microsoft.com/fwlink/?LinkID=229882>.

**(b) Individual Virtual OSE.** You may license based on the virtual OSEs within the server in which you run the server software. If you choose this option, for each virtual OSE in which you run the server software, you need a number licenses equal to the



number of virtual cores in the virtual OSE, subject to a minimum requirement of four licenses per virtual OSE. In addition, if any of these virtual cores is at any time mapped to more than one hardware thread, you need a license for each additional hardware thread mapped to that virtual core. Those licenses count toward the minimum requirement of four licenses per virtual OSE.

### **2.3 Assigning the Required Number of Licenses to the Server.**

**Initial Assignment.** After you determine the number of software licenses required for a server, you must assign that number of licenses to that server. The server to which a license is assigned is considered the “licensed server” for such license. You may not assign a license to more than one server. A hardware partition or blade is considered a separate server.

**Reassignment.** You may reassign a license, but not within 90 days of its last assignment. You may reassign a license sooner if you retire the licensed server to which the license is assigned due to permanent hardware failure. If you reassign a license, the server to which you reassign the license becomes the new licensed server for that license.

**2.4 Running Instances of the Server Software.** Your right to run instances of the server software depends on the option chosen to determine the number of software licenses required:

**(a) Physical Cores on a Server.** For each server to which you have assigned the required number of licenses as provided in Section 2.2(a), you may run on the licensed server any number of instances of the server software in the physical OSE.

**(b) Individual Virtual OSEs.** For each virtual OSE for which you have assigned the required number of licenses as provided in section 2.2(b), you have the right to run any number of instances of the software in that virtual OSE.

**2.5 Running Instances of the Additional Software.** You may run or otherwise use any number of instances of the additional software listed below in physical or virtual OSEs on any number of devices. You may use the additional software only with the server software directly, or indirectly through other additional software.

- Business Intelligence Development Studio
- Client Tools Backward Compatibility
- Client Tools Connectivity
- Client Tools SDK
- Data Quality Client
- Data Quality Services
- Distributed Replay Client
- Distributed Replay Controller
- Management Tools - Basic
- Management Tools - Complete
- Reporting Services – SharePoint
- Reporting Services Add-in for SharePoint Products
- Master Data Services
- Sync Framework
- SQL Client Connectivity SDK
- SQL Server 2012 Books Online

**2.6 Creating and Storing Instances on Your Servers or Storage Media.** You have the additional rights listed below for each software license you acquire.

**(a)** You may create any number of instances of the server software and additional software.

**(b)** You may store instances of the server software and additional software on any of your servers or storage media.

**(c)** You may create and store instances of the server software and additional software solely to exercise your right to run instances of the server software under any of your software licenses as described (e.g., you may not distribute instances to third parties).

**2.7 No Client Access Licenses (CALs) Required for Access.** Under this core license model, you do not need CALs for users or devices to access your instances of the server software.

**2.8 Runtime-Restricted Use Software.** The software is “Runtime-Restricted Use” software; as such, it may only be used to run the Unified Solution solely as part of the Unified Solution. The software may not be used either (i) to develop any new software applications, (ii) in conjunction with any software applications, databases or tables other than those contained in the Unified Solution, and/or (iii) as a standalone software application. The foregoing provision, however, does not prohibit you from using a tool to run queries or reports from existing tables.



## USE RIGHTS FOR SERVER + CLIENT ACCESS LICENSE MODEL

### 3.1 Assigning the License to the Server.

**(a) Initial Assignment.** Before you run any instance of the server software under a software license, you must assign that license to one of your servers. That server is considered the “licensed server” for such license. You may not assign the same license to more than one server, but you may assign other software licenses to the same server. A hardware partition or blade is considered to be a separate server.

**(b) Reassignment.** You may reassign a software license, but not within 90 days of the last assignment. You may reassign a software license sooner if you retire the licensed server due to permanent hardware failure. If you reassign a license, the server to which you reassign the license becomes the new licensed server for that license.

**3.2 Running Instances of the Server Software.** For each software license you assign to the server, you may run any number of instances of the server software in one physical or virtual OSE on the licensed server at a time.

**3.3 Running Instances of the Additional Software.** You may run or otherwise use any number of instances of the additional software listed below in physical or virtual OSEs on any number of devices. You may use the additional software only with the server software directly, or indirectly through other additional software.

- Business Intelligence Development Studio
- Client Tools Backward Compatibility
- Client Tools Connectivity
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- Data Quality Client
- Data Quality Services
- Distributed Replay Client
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- Management Tools - Basic
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- Reporting Services Add-in for SharePoint Products
- Master Data Services
- Sync Framework
- SQL Client Connectivity SDK
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**3.4 Creating and Storing Instances on Your Servers or Storage Media.** You have the additional rights listed below for each software license you acquire.

**(a)** You may create any number of instances of the server software and additional software.

**(b)** You may store instances of the server software and additional software on any of your servers or storage media.

**(c)** You may create and store instances of the server software and additional software solely to exercise your right to run instances of the server software under any of your software licenses as described (e.g., you may not distribute instances to third parties).

### 3.5 Client Access Licenses (CALs).

**(a) Initial Assignment of CALs.** You must acquire and assign a SQL Server 2012 CAL to each device or user that accesses your instances of the server software directly or indirectly. A hardware partition or blade is considered to be a separate device.

- You do not need CALs for any of your servers licensed to run instances of the server software.
- You do not need CALs for up to two devices or users to access your instances of the server software only to administer those instances.
- Your CALs permit access to your instances of earlier versions, but not later versions, of the server software. If you are accessing instances of an earlier version, you may also use CALs corresponding to that version.

**(b) Types of CALs.** There are two types of CALs: one for devices and one for users. Each device CAL permits one device, used by any user, to access instances of the server software on your licensed servers. Each user CAL permits one user, using any device, to access instances of the server software on your licensed servers. You may use a combination of device and user CALs.

**(c) Reassignment of CALs.** You may



- permanently reassign your device CAL from one device to another, or your user CAL from one user to another; or
- temporarily reassign your device CAL to a loaner device while the first device is out of service, or your user CAL to a temporary worker while the user is absent.

#### **ADDITIONAL LICENSING REQUIREMENTS AND/OR USE RIGHTS.**

##### **4.1 Alternative Versions.**

The software may include more than one version, such as 32-bit and 64-bit. For each instance of the software that you are permitted to create, store and run, you may use either version.

**4.2 Maximum Instances.** The software or your hardware may limit the number of instances of the server software that can run in physical or virtual OSEs on the server.

**4.3 Multiplexing.** Hardware or software you use to

- pool connections,
- reroute information, or
- reduce the number of devices or users that directly access or use the software

(sometimes referred to as “multiplexing” or “pooling”), does not reduce the number of licenses of any type that you need.

**4.4 No Separation of Server Software.** You may not separate the server software for use in more than one OSE under a single license, unless expressly permitted. This applies even if the OSEs are on the same physical hardware system.

**4.5 Fail-over Server.** For any OSE in which you run instances of the server software, you may run up to the same number of passive fail-over instances in a separate OSE for temporary support. You may run the passive fail-over instances on a server other than the licensed server. However, if you have licensed the server software under section 2.2(a) and the OSE in which you run the passive fail-over instances is on a separate server, the number of physical cores on the separate server must not exceed the number of physical cores on the licensed server and the core factor for the physical processors in that server must be the same or lower than the core factor for the physical processors in the licensed server. If you have licensed the server software under section 2.2(b), the number of hardware threads used in that separate OSE must not exceed the number of hardware threads used in the corresponding OSE in which the active instances run.

**4.6 SQL Server Reporting Services Map Report Item.** The software may include features that retrieve content such as maps, images and other data through the Bing Maps (or successor branded) application programming interface (the “Bing Maps APIs”). The purpose of these features is to create reports displaying data on top of maps, aerial and hybrid imagery. If these features are included, you may use them to create and view dynamic or static documents. This may be done only in conjunction with and through methods and means of access integrated in the software. You may not otherwise copy, store, archive, or create a database of the content available through the Bing Maps APIs. You may not use the following for any purpose even if they are available through the Bing Maps APIs:

- Bing Maps APIs to provide sensor based guidance/routing, or
- any Road Traffic Data or Bird’s Eye Imagery (or associated metadata).

Your use of the Bing Maps APIs and associated content is also subject to the additional terms and conditions at <http://go.microsoft.com/fwlink/?LinkId=21969>.

**4.7 Included Microsoft Programs.** The software includes other Microsoft programs listed at <http://go.microsoft.com/fwlink/?LinkId=231864>, which are licensed under the terms and conditions associated with them. You may only use these programs in conjunction with the software licensed here. If you do not accept the license terms associated with a program, you may not use that program.

**5 INTERNET-BASED SERVICES.** Microsoft provides Internet-based services with the software. It may change or cancel them at any time.

**6 BENCHMARK TESTING.** You must obtain Microsoft's prior written approval to disclose to a third party the results of any benchmark test of the software. However, this does not apply to the Microsoft .NET Framework (see below).

**7 .NET FRAMEWORK SOFTWARE.** The software contains Microsoft .NET Framework software. This software is part of Windows. The license terms for Windows apply to your use of the .NET Framework software

**8 MICROSOFT .NET FRAMEWORK BENCHMARK TESTING.** The software includes one or more components of the .NET Framework (“.NET Components”). You may conduct internal benchmark testing of those components. You may disclose the results of any benchmark test of those components, provided that you comply with the conditions set forth at [go.microsoft.com/fwlink/?LinkId=66406](http://go.microsoft.com/fwlink/?LinkId=66406). Notwithstanding any other agreement you may have with Microsoft, if you disclose such benchmark test results, Microsoft shall have the right to disclose the results of benchmark tests it conducts of your products that compete with the applicable .NET Component, provided it complies with the same conditions set forth at <http://go.microsoft.com/fwlink/?LinkId=66406>.



**9 SCOPE OF LICENSE.** The software is licensed, not sold. This agreement only gives you some rights to use the software. Licensor and Microsoft reserve all other rights. Unless applicable law gives you more rights despite this limitation, you may use the software only as expressly permitted in this agreement. In doing so, you must comply with any technical limitations in the software that only allow you to use it in certain ways. You may not

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- make more copies of the software than specified in this agreement or allowed by applicable law, despite this limitation;
- publish the software, including any application programming interfaces included in the software, for others to copy;
- share or otherwise distribute documents, text or images created using the software Data Mapping Services features;
- rent, lease or lend the software; or
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Rights to access the software on any device do not give you any right to implement Microsoft patents or other Microsoft intellectual property in software or devices that access that device.

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**13 ACADEMIC EDITION SOFTWARE.** You must be a “Qualified Educational User” to use software marked as “Academic Edition” or “AE.” If you do not know whether you are a Qualified Educational User, visit [www.microsoft.com/education](http://www.microsoft.com/education) or contact the Microsoft affiliate serving your country.

**14 PROOF OF LICENSE.** If you acquired the software on a disc or other media, a genuine Microsoft Proof of License label with a genuine copy of the software identifies licensed software. To be valid, this label must appear on Microsoft packaging and may not be transferred separately. If you receive the label separately, it is invalid. You should keep the packaging that has the label on it to prove that you are licensed to use the software. To identify genuine Microsoft software, see [www.howtotell.com](http://www.howtotell.com).

**15 TRANSFER TO A THIRD PARTY.** The first user of the software may transfer it and this agreement directly to another end user as part of a transfer of the integrated software turnkey application or suite of applications (the “Unified Solution”) delivered to you by or on behalf of the Licensor solely as part of the Unified Solution. Before the transfer, that end user must agree that this agreement applies to the transfer and use of the software. The transfer must include the software and the Proof of License label. The first user may not retain any instances of the software unless that user also retains another license for the software.

**16 EXPORT RESTRICTIONS.** The software is subject to United States export laws and regulations. You must comply with all domestic and international export laws and regulations that apply to the software. These laws include restrictions on destinations, end users and end use. For additional information, see [www.microsoft.com/exporting](http://www.microsoft.com/exporting).

**17 ENTIRE AGREEMENT.** This agreement and the terms for supplements, updates, Internet-based services that you use, are the entire agreement for the software.

**18 LEGAL EFFECT.** This agreement describes certain legal rights. You may have other rights under the laws of your state or country. You may also have rights with respect to the Licensor from whom you acquired the software. This agreement does not change your rights under the laws of your state or country if the laws of your state or country do not permit it to do so.

**19 NOT FAULT TOLERANT. THE SOFTWARE IS NOT FAULT TOLERANT. LICENSOR HAS INDEPENDENTLY DETERMINED HOW TO USE THE SOFTWARE IN THE INTEGRATED SOFTWARE APPLICATION OR SUITE OF APPLICATIONS THAT IT IS LICENSING TO YOU, AND MICROSOFT HAS RELIED ON LICENSOR TO CONDUCT SUFFICIENT TESTING TO DETERMINE THAT THE SOFTWARE IS SUITABLE FOR SUCH USE.**

**20 NO WARRANTIES BY MICROSOFT. YOU AGREE THAT IF YOU HAVE RECEIVED ANY WARRANTIES WITH REGARD TO EITHER (A) THE SOFTWARE, OR (B) THE SOFTWARE APPLICATION OR SUITE OF APPLICATIONS WITH WHICH YOU ACQUIRED THE SOFTWARE, THEN THOSE WARRANTIES ARE PROVIDED SOLELY BY THE LICENSOR AND DO NOT ORIGINATE FROM, AND ARE NOT BINDING ON, MICROSOFT.**

**21 NO LIABILITY OF MICROSOFT FOR CERTAIN DAMAGES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, MICROSOFT SHALL HAVE NO LIABILITY FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES ARISING FROM OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE SOFTWARE OR THE SOFTWARE APPLICATION OR SUITE OF APPLICATIONS**



WITH WHICH YOU ACQUIRED THE SOFTWARE, INCLUDING WITHOUT LIMITATION, PENALTIES IMPOSED BY GOVERNMENT. THIS LIMITATION WILL APPLY EVEN IF ANY REMEDY FAILS OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL MICROSOFT BE LIABLE FOR ANY AMOUNT IN EXCESS OF TWO HUNDRED FIFTY U.S. DOLLARS (US\$250.00).

**22 FOR AUSTRALIA ONLY.** References to “Limited Warranty” are references to the express warranty provided by Microsoft. This warranty is given in addition to other rights and remedies you may have under law, including your rights and remedies in accordance with the statutory guarantees under the Australian Consumer Law.

If the Australian Consumer Law applies to your purchase, the following applies to you: Our goods come with guarantees that cannot be excluded under the Australian Consumer Law. You are entitled to a replacement or refund for a major failure and compensation for any other reasonably foreseeable loss or damage. You are also entitled to have the goods repaired or replaced if the goods fail to be of acceptable quality and the failure does not amount to a major failure.

#### Exhibit 5 - Pass Through Terms for Directories

### 1. AUSTRALIA ADDRESS DIRECTORY (AUSTRALIAN POSTAL CORPORATION):

#### 1 Interpretation

##### 1.1 Definitions

“**Agreement**” means this agreement for the supply and license of the Solution to the End User, and includes the Schedules.

“**Australia Post**” means the Australian Postal Corporation, including, where permitted by context, all of the Australia Post’s officers, employees, agents and contractors.

“**Business Day**” means a day other than a Saturday, Sunday or gazetted public holiday in Victoria, Australia or an Australia Post authorised holiday.

“**Claim**” means any allegation, debt, cause of action, liability, claim, proceeding, suit or demand of any nature howsoever arising and whether present or future, fixed or unascertained, actual or contingent, whether at Law, in equity, under statute or otherwise.

“**Corporate Group**” means a group of Single Legal Entities consisting of the Corporate Group Owner and up to nine nominated Subsidiaries (as defined in the Corporates Act) of the Corporate Group Owner.

“**Corporate Group Owner**” means a Single Legal Entity that is the Holding Company (as defined in the Corporations Act) of each of the other entities of the Corporate Group.

“**Corporations Act**” means the Corporations Act 2001 (Cth).

“**End User**” means a Single Legal Entity or Corporate Group Owner authorised to use the Solution granted by the Licensor in accordance with this Agreement.

“**Intellectual Property Rights**” means all intellectual property rights including current and future registered and unregistered rights in respect of copyright, designs, circuit layouts, trademarks, know-how, confidential information, patents, inventions, domain names and discoveries and all other intellectual property as defined in article 2 of the convention establishing the World Intellectual Property Organisation 1967.

“**Loss**” means any damage, loss, cost and expense (including legal and other professional advisors’ costs and expenses) suffered by a party.

“**Material Term**” means clauses 3.1c), 3.1d) and 4 of this Agreement.

“**Permitted Purpose**” means the permitted purpose as defined in the relevant Schedule.

“**Personal Information**” has the meaning given in the *Privacy Act 1988* (Cth) (as amended).

“**PostConnect Data**” means each data set which is supplied and licensed to the Licensor, and licensed by the Licensor to the End User, as specified in each Schedule.

“**Privacy Law**” means all Commonwealth, State and Territory legislation, principles, industry codes and policies relating to the collection, use, disclosure, storage or granting of access rights to the Personal Information including, but not limited to the *Privacy Act 1988* (as amended from time to time).

“**Prohibited Purpose**” means each of the prohibited purposes as defined in the relevant Schedule.

“**Related Body Corporate**” has the meaning in the Corporations Act.

“**Representative**” of a party includes an employee, agent, officer, director, adviser, contractor or sub-contractor of that party or of a Related Body Corporate of that party.

“**Single Legal Entity**” means an individual person, body corporate or other legal entity and for the purposes of the government means an individual Agency as defined under the Financial Management and Accountability Act 1997 or an individual Commonwealth authority or company under the Commonwealth Authorities and Companies Act 1997.



**“Solution”** means the Licensor’s solution (including software, products and / or services) which incorporates, reproduces, embodies or utilises the PostConnect Data or its derivative works, and licensed to the End User under this End User Agreement.

**“Subsidiary”** has the meaning given in the Corporations Act.

## **2 Licence**

**2.1** Licensor grants to the End User a non-exclusive, non-transferable, revocable licence for the term of this Agreement to use the Solution solely for the Permitted Purposes in respect of each applicable Schedule in accordance with the terms and conditions set out in this Agreement and the applicable Schedule, subject to any conditions and restrictions specified in the Permitted Purpose.

**2.2** The Licensor acknowledges that SAP is the source of the Solution.

**2.3** If a Schedule includes other terms and conditions, then those terms and conditions will apply, but only in respect of that Schedule.

**2.4** Any rights not specifically granted to the End User under this Agreement are reserved to the extent permitted by law. Without limiting the previous sentence, the End User must not use the Solution for any Prohibited Purpose. To the extent that a particular purpose falls within the definition of both a Permitted Purpose and a Prohibited Purpose in a Schedule, such purpose is considered a Prohibited Purpose for the purposes of that Schedule.

**2.5** For the avoidance of doubt, the End User shall not:

- a) reproduce, copy, modify, amend, assign, distribute, transfer, sub-license, reverse assemble or reverse compile, merge or otherwise deal with, exploit or commercialise the whole or any part of the PostConnect Data (or directly or indirectly allow or cause a third party to do the same) including by using the PostConnect Data to derive other solutions (including software, products and/or services) unless expressly stated otherwise in this Agreement; and
- b) create a Product (as defined below) or other derivative works from the PostConnect Data to commercialise as their own, unless that Product is solely for one of the End User’s Permitted Purpose. "Product" means anything produced by End User which consists of, incorporates or is created using any part of the PostConnect Data and which may be produced in any form, including any device, solution, software or database and which may be in written form or produced electronically.

**2.6** This clause 2 (and the Prohibited Purposes) do not prevent the End User from disclosing PostConnect Data to the extent that it is required by law to disclose the PostConnect Data, provided that the End User use all reasonable and legal means to minimise the extent of disclosure, and require the recipient to keep the PostConnect Data confidential.

## **3 Warranties and Acknowledgements**

**3.1** The End User represents and warrants that:

- a) it has full capacity, power and authority to enter into this Agreement;
- b) it will fully and completely comply with all of the terms and conditions of this Agreement);
- c) it will only use the Solution for the Permitted Purposes and in accordance with the terms and conditions set out in this Agreement;
- d) it will not use the Solution for any Prohibited Purpose;
- e) it will not make any representation, statement or promise in respect of Australia Post, and has no authority to do so; and
- f) it has not relied on any representation made by Australia Post in entering into the Agreement.

**3.2** Without limiting this clause, the End User acknowledges that Australia Post has not made and does not make any representation or warranty as to the accuracy, content, completeness or operation of the PostConnect Data or to them being virus free.

**3.3** The End User acknowledges and accepts that the PostConnect Data is not complete and it may contain errors.

**3.4** The End User acknowledges that the PostConnect Data may include data sourced from third parties. The End User agrees to comply with third party terms and conditions which apply to the third party data referenced in this Agreement to the extent that the End User has been notified of those terms and conditions and has consented to comply with them.

## **4 Confidentiality and Security**

**4.1** The End User must ensure that while the Solution is in its possession or control:

- a) it provides proper and secure storage for the Solution; and
- b) use the same level of security to protect the Solution that it uses to protect its own confidential information (but no less than the level of security a reasonable person would take to protect the confidential information);
- c) it takes all reasonable steps to ensure that the Solution is protected at all times from unauthorised access, misuse, damage or destruction.

**4.2** The provisions of clause 4 apply to all forms of media upon which the Solution is kept or transmitted.



**4.3** The End User will ensure that all copies of the Solution are dealt with in accordance with the Licensor's or Australia Post's reasonable directions.

**4.4** This clause 4 will survive termination or expiry of the Agreement.

#### **5 Privacy**

**5.1** The parties acknowledge that while the Solution may not, on its own, constitute Personal Information, its use may result in the identity of individuals being reasonably ascertainable.

**5.2** The End User agrees:

a) that it is responsible for ensuring that its exercise of rights under this Agreement and the use of the Solution do not infringe any Privacy Law;

b) to use or disclose Personal Information obtained during the course of this Agreement only for the purposes of this Agreement;

c) to take all reasonable measures to ensure that Personal Information in its possession or control in connection with this Agreement is protected against loss and unauthorised access, use, modification, or disclosure;

d) not to do any act or engage in any practice that would breach any Privacy Law;

e) to immediately notify the Licensor if the End User becomes aware of a breach or possible breach of any of the obligations contained in, or referred to in, this clause whether by the End User, its Related Body Corporate or any of its Representatives;

f) to cooperate with any reasonable demands or inquiries made by Australia Post on the basis of the exercise of the functions of the Office of the Australian Information Commissioner (OAIC) under Privacy Law or the Postal Industry Ombudsman under the Australian Postal Corporation Act 1989;

g) to ensure that any person who has access to any Personal Information is made aware of, and undertakes in writing, to observe Privacy Law and other obligations referred to in this clause;

h) to comply, as far as practicable, with any policy guidelines issued by the OAIC from time to time relating to the handling of Personal Information; and

i) to comply with any direction given by Australia Post to observe any recommendation of the OAIC or the Postal Industry Ombudsman relating to acts or practices of the End User that the OAIC or the Postal Industry Ombudsman consider to be in breach of the obligations in this clause.

**5.3** This clause 5 will survive termination or expiry of the Agreement.

#### **6 Intellectual Property Rights**

**6.1** The End User agrees that all Intellectual Property Rights in the PostConnect Data are and shall remain the sole property of Australia Post or its licensors.

**6.2** The End User must notify the Licensor as soon as practicable if it becomes aware of any actual, suspected or anticipated infringement of Intellectual Property Rights in the Solution or in the PostConnect Data.

**6.3** The End User must render all reasonable assistance to the Licensor and/or Australia Post in relation to any actual, suspected or anticipated infringement referred to in clause 6.2.

**6.4** If a third party makes a Claim against the End User alleging that the Solution infringes the Intellectual Property Rights of the third party, the End User must immediately allow the Licensor (or Australia Post, if Australia Post directs) the right to control the defence of the claim and any related settlement negotiations.

**6.5** This clause 6 will survive termination or expiry of the Agreement.

#### **7 Audit**

**7.1** If it is identified upon reasonable suspicion that the End User has not complied with their obligations under this Agreement (the "Audit") then upon ten (10) Business Days written notice, the Licensor or its designated other party may verify End User's compliance with the terms of the End User Agreement and applicable sales order at all locations and for all environments in which End User uses the Solution. Such verification will take place no more than one (1) time per twelve (12) month period during normal business hours in a manner which minimises disruption to End User's work environment. The Licensor may use an independent third party under obligations of confidentiality substantially similar to those set forth in this Agreement to provide assistance. The Licensor will notify End User in writing if any such verification indicates that End User has used the Solution in excess of the use authorised by the End User Agreement. The End User agrees to promptly pay all associated fees directly to the Licensor for the charges that the Licensor specifies including, but not limited to: (i) any excess use; (ii) Maintenance and/or subscription fees for the excess use for the duration of such excess or (2) two years, whichever is less; and (iii) any additional charges determined as a result of such verification.

#### **8 Liability**

**Australia Post not liable**



**8.1** To the extent permitted by law, Australia Post is not liable to the End User for any Claim or Loss whatsoever suffered, or that may be suffered as a result of or in connection with this Agreement, and the End User releases Australia Post irrevocably releases and discharges Australia Post from all such Claims and Losses.

**8.2** Without limiting clause 8.1, to the extent permitted by law, Australia Post will not be liable to the End User for any loss of profit, revenue or business, indirect, consequential, special or incidental Loss suffered or incurred by the End User arising out of or in connection with this Agreement, whether in contract, tort, equity or otherwise. This exclusion applies even if those Losses may reasonably be supposed to have been in contemplation of both parties as a probable result of any breach at the time they entered into this Agreement.

#### **Indemnity**

**8.3** The End User must defend and indemnify Australia Post and its Representatives (**those indemnified**) from and against all Losses suffered or incurred by and of those indemnified to the extent that those Losses are suffered as a result of, whether directly or indirectly, of:

- a) any breach of a Material Term by the End User or its Representatives;
- b) any unlawful act by the End User or its Representative in connection with this Agreement;
- c) any illness, injury or death to any person arising out of or in connection with the performance of this Agreement and caused or contributed to by the negligent or wrongful act or omission of the End User or its Representative; or
- d) any loss or damage to any property of any person, arising out of or in connection with the performance of this Agreement and caused or contributed to by the negligent or wrongful act or omission of the End User or its Representative, except to the extent that the Loss is caused by the negligence or wrongful act or omission of those indemnified.

**8.4** This clause 8 will survive termination or expiry of the Agreement.

#### **9 Suspension and Termination**

**9.1** The Licensor may limit, suspend or terminate the End User's rights under this Agreement at any time upon notice when, and for the duration of the period during which:

- a) the End User contravenes (or is believed on reasonable grounds to be in possible contravention of) any law of the Commonwealth or of a State or Territory;
- b) the End User breaches the terms of the Agreement and the breach is not remedied within 14 days after receipt of notice from the Licensor specifying the breach and its intention to terminate the Agreement by reason of such breach; or
- c) the End User commits a material breach of the Agreement which is not remediable; or
- d) in the reasonable opinion of the Licensor, the End User is acting in a manner or providing a Solution which has the effect or potential to damage the reputation of Australia Post which is not remedied within 14 days after receipt of notice from Australia Post or the Licensor specifying the issues; or
- e) the licensed right granted by Australia Post to the Licensor for the licensing of the PostConnect Data has been suspended or terminated.

**9.2** The End User acknowledges that the Licensor may exercise its rights under clause 9.1 in accordance with the directions of Australia Post.

**9.3** The termination, surrender or expiry of this Agreement for any reason will not extinguish or otherwise affect:

- a) any rights of either party against the other which accrued before the termination, surrender or expiry and which remain unsatisfied; or
- b) any other provisions of this Agreement which are expressly stated to, or which by their nature, survive termination, surrender or expiry of this Agreement.

**9.4** If this Agreement is surrendered, terminated or expires, for any reason whatsoever, then the following provision of this clause will apply notwithstanding such surrender, termination or expiry the End User must cease using the Solution and the PostConnect Data and undertakes that it will destroy all copies, reproductions or adaptations of the Solution and PostConnect Data, or any part thereof made, held or controlled by it and, promptly upon written request from the Licensor, deliver a statutory declaration sworn by an authorised representative of the End User confirming that all copies, reproductions or adaptations of the Solution and PostConnect Data, and any part thereof, have been destroyed.

#### **10 Variation**

**10.1** Pursuant to the agreement between the Licensor and Australia Post under which the Licensor is granted a licence to the PostConnect Data, Australia Post reserves the right to vary the terms of the agreement from time to time in certain circumstances. To the extent that those variations require a corresponding variation to the terms of this Agreement, the Licensor may do so, provided that the Licensor gives the End User reasonable prior notice of such variation (having regard to the period of notice received by the Licensor). The End User undertakes to do all things (including executing and entering into



such amendment or restatement deed) as reasonably required by the Licensor to formalise and give effect to any and all variations made by the Licensor under this clause 10.1.

### 11 Changes in Legislation

**11.1** Notwithstanding any other provision of this Agreement, the End User acknowledges and agrees that Australia Post and / or the Licensor must comply with any future legislation and / or Government policy which imposes binding restrictions or limitations on Australia Post's or the Licensor's use of the PostConnect Data, including any restrictions or limitations relating to the supply of PostConnect Data or elements thereof to any person, and the terms of this Agreement, and the End User's agreements with any other parties, will be varied accordingly.

### 12 Corporate Group Owner

**12.1** This clause 12 applies if the End User is a Corporate Group Owner.

**12.2** The Corporate Group for the purposes of this Agreement consists of entities identified in writing as Corporate Group entities. Licensee to identify the entities (up to 10 in total, including the Corporate Group Owner) forming the Corporate Group.

**12.3** The End User must ensure, and warrants that:

- a) each entity of the Corporate Group is a Subsidiary of the End User at all times during the term of this Agreement; and
- b) each entity of the Corporate Group is a Single Legal Entity.

**12.4** The End User may permit any or all members of the Corporate Group to enjoy the benefit of the licence granted to the End User under clause 2, subject to the following conditions:

- a) the End User must ensure that all of the Corporate Group members comply with this Agreement, and do not do or omit to do anything that, if done by the End User, would be a breach of this Agreement;
- b) the End User is responsible for all acts and omissions of the Corporate Group members as if they were acts and omissions of the End User; and
- c) all uses of the Solution and PostConnect Data by the Corporate Group members are deemed to be uses by the End User.

### 13 General

**13.1** The End User shall not, without the Licensor's prior written consent which may be provided or withheld in its absolute discretion, assign or sub-contract any of its rights and obligations under this Agreement.

**13.2** The Licensor holds the benefit of all of the provisions of this Agreement that refer to Australia Post on trust for the benefit of itself and Australia Post, and the Licensor may enforce those provisions on behalf of Australia Post.

**13.3** The Agreement is governed by the law in Victoria, Australia and each party submits to the non-exclusive jurisdiction of the courts of Victoria, Australia and courts of appeal from them.

### 2. AUSTRIA ADDRESS DIRECTORY (ÖSTERREICHISCHE POST):

This product cannot be used by Licensees who conduct business in address publishing and service providing.

Licensees are only allowed to use the product for own internal purposes. This product cannot be used by Licensees who conduct business in address publishing and service providing. If a Licensee conducts business in that area, Licensee is responsible for obtaining a valid license directly from the provider.

Licensees are only allowed to use the product for own internal validation purposes. Licensees are not allowed to use the data to provide any services to any other legal entity. If Licensee wishes to provide services to any other legal entity,

Licensee is responsible for obtaining a valid license directly from the provider. Any use within another legal entity requires a separate license.

"Internet Application Use" shall mean the use of the Software Products at End User's site being accessible by third parties. Such accessible to third parties is restricted to End User's own internal business purposes.

"Offline Use" shall mean the use by End User as on premise business model.

### 3. CANADA (CANADA POST)

1. **Licensee** acknowledges that under the Agreement of which this Software Use Rights document Exhibit 5 forms an integral part (hereinafter referred to as the "Agreement"), **Licensee** has been licensed to use SAP's product, **Authorized Value Added Products**, as the base for developing a further enhanced value-added product (the "Enhanced Value-added Product") for the purposes of (a) sublicensing the Enhanced Value-added Product to users who shall have no further sublicensing or distribution rights, or (b) providing value-added services using the Enhanced Value-added Product that cannot be provided by **Authorized Value Added Products**, or both (a) and (b). **Licensee** further acknowledges that the data components of **Authorized Value Added Products**, or the data in the files required in order to use **Authorized Value Added Products**, were acquired by SAP from third parties and that, relative to those third party data suppliers, SAP is a licensee and **Licensee** is a sublicensee (hereinafter such data components or data files referred to as the "Licensed Content").



One such third party supplier is Canada Post Corporation ("Canada Post") who has granted SAP certain rights with respect to certain Canada Post Data (the "CP Licensed Data") under which SAP may include the CP Licensed Data, in whole or in part, in the Licensed Content and distribute the same to its sublicensees of the Enhanced Value-added Product subject to the sublicensee's (in this case **Licensee's**) prior agreement to the terms and conditions set out in these Minimum Protective Terms.

2. **Licensee** acknowledges that Canada Post is the owner of the copyright in the Canada Post Data. **Licensee** acknowledges that it is only licensed to use the CP Licensed Data in conjunction with **Authorized Value Added Products** and the Enhanced Value-added Product. **Licensee** acknowledges that it may only grant rights to third parties to use the CP Licensed Product in conjunction with the Enhanced Value-added Product. Without limiting the generality of the preceding sentence, **Licensee** has no right to distribute any CP Licensed Data on a stand-alone basis or for the purposes of use with any product other than the Enhanced Value-added Product.

3. **Licensee** acknowledges, and agrees to provide notice to parties to whom it distributes the Enhanced Value-added Product, that the damages that Canada Post may incur as a result of parties using out-of-date data for mail preparation include costs that Canada Post will incur in processing and delivering that mail. Such costs include, but are not limited to, the costs incurred by Canada Post

(i) for the manual readdressing and resorting of mail that was diverted from the normal automated mail processing stream because it was addressed with an invalid address, or the Postal CodeOM element of the address was invalid, or

(ii) if the mail was delivered to the wrong address as a result of having been addressed with an invalid address, or as a result of the Postal CodeOM element of the address being invalid, the cost of the original sorting, processing and delivery of the mail as well as the extra costs incurred for the manual readdressing and resorting of the mail.

(Postal Code is an official mark of Canada Post.)

4. In order to reduce the risk of Canada Post suffering damages as a result of out-of-date data being used for mail preparation and given that CP Licensed Data will be distributed as a component of the Licensed Content, **Licensee** agrees

(a) not to distribute the Licensed Content until after **Licensee** has put in place safeguards to reduce the risk of "data scraping" or "bulk downloads of data"; **Licensee** agrees to keep abreast of developments in technology and to update the safeguards in place to further reduce such risks as improved technology becomes available from time to time, and

(b) to ensure that the parties to whom the CP Licensed Data is distributed, whether as a component of the Enhanced Value-added Product or as a, or component of a, data file, to be used in conjunction with an Enhanced Value-added Product, are informed that the same is not to be used for mail preparation purposes and that this prohibition applies, without limitation, to each of the following:

(i) addressing mail;

(ii) presorting addressed mail;

(iii) preparing unaddressed mail by householder count for delivery.

5. **Licensee** also acknowledges that if it develops any product that uses data for which the original source of that data is Canada Post, which product is intended to be used for any of the purposes listed in clause 4(b)(i), (ii) or (iii), **Licensee** has no right to use or distribute such a product or to offer any services in relation to such a product unless **Licensee** has a then current right to do so under a written agreement signed by both **Licensee** and Canada Post.

6. **Licensee** agrees to include

(a) in the hard copy or electronic copy of the license agreements, which **Licensee** represents will accompany all copies of the Enhanced Value-added Product and of the Licensed Content distributed by **Licensee** that contain CP Licensed Data, and

(b) on the start-up screen of the Enhanced Value-added Product and in the terms and conditions of use posted on any website by which a user may access the Enhanced Value-added Product,

a notice stating that the Enhanced Value-added Product contains data copied under license from Canada Post Corporation and indicating the date of the Canada Post Corporation data file (or the date of the earliest Canada Post Corporation data file, if more than one) from which the data was copied. Where the language of the **Licensee** product or service is French, **Licensee** shall use the French version of the *pro forma* notice that is set out further on below, but if the product or service is in a language other than English or French, **Licensee** shall include the equivalent notice but in the relevant language. Each such notice shall be tailored with the appropriate information by replacing the "[Insert...]" / « [Indiquez...] » « [Insérez...] » instructions with the information contemplated:

"This [Insert appropriate reference to medium, i.e. diskette, tape, etc.] contains data copied under license from Canada Post Corporation. The Canada Post Corporation file from which this data was copied is dated [Insert date]."

French version of the *pro forma* notice



"[Indiquez le support approprié, c'est-à-dire « Cette disquette », « Cette bande magnétique », etc.] contient des données qui ont été reproduites avec l'autorisation de la Société canadienne des postes. Le fichier de la Société canadienne des postes d'où proviennent ces données est daté du [Insérez la date]."

7. **Licensee** acknowledges that the CP Licensed Data is licensed to **Licensee** on an "as is" basis and that Canada Post makes no guarantees, representations or warranties respecting the CP Licensed Data, either expressed or implied, arising by law or otherwise, including but not limited to, effectiveness, completeness, accuracy or fitness for a particular purpose. **Licensee** will include a provision in its terms of use requiring a user of the CP Licensed Data to acknowledge that the CP Licensed Data is licensed on an "as is" basis and that Canada Post makes no guarantees, representations or warranties respecting the CP Licensed Data, either expressed or implied, arising by law or otherwise, including but not limited to, effectiveness, completeness, accuracy or fitness for a particular purpose.

8. Neither SAP nor Canada Post shall be liable in respect of any claims whatsoever alleging any loss, injury or damages, direct or indirect, which may result from **Licensee's**, or any of its user's, possession or use of the CP Licensed Data. Neither SAP nor Canada Post shall be liable in any way for loss of revenue or contracts, or any other consequential loss of any kind resulting from any defect in the CP Licensed Data.

9. **Licensee** shall indemnify Canada Post and its officers, employees and agents from all claims whatsoever alleging loss, costs, expenses, damages or injuries (including injuries resulting in death) arising out of **Licensee's** possession or use of the Licensed Content. **Licensee** will include a provision in its terms of use requiring a user of the CP Licensed Data to indemnify Canada Post and its officers, employees and agents from all claims whatsoever alleging loss, costs, expenses, damages or injuries (including injuries resulting in death) arising out of such user's possession or use of the CP Licensed Data.

#### 4. FINLAND

##### Service Description and Terms of Use for Finland POSTAL CODE SERVICES provided through Itella

Effective: January 1, 2013

#### 1. SERVICES

The services consist of the postal code system and basic and changed information contained by domestic address files in a fixed format.

#### 2. TERMS OF USE FOR THE SERVICES

The following terms of use for the service apply.

##### 2.1 USING THE SERVICES

The information provided is always based on the information included in Itella's postal code system. The system data is based on information provided for Itella by municipalities and postal code information updated by Itella. Itella does not check the information received from municipalities.

Itella delivers the information available to self-service channels.

##### 2.2 THE CUSTOMER'S RESPONSIBILITIES

The customer is responsible for retrieving the postal code material, unpacking packaged files, handling and using the material, and updating its systems.

The customer is responsible for ensuring that, upon any disclosure of the material to third parties, the recipient also receives the updated service description and terms of use.

##### 2.3 ITELLA'S RESPONSIBILITIES

Itella is responsible for offering updated information available for retrieval on time as set out in the service description, unless otherwise stated later in this section. Itella is not responsible for damage caused by delayed, altered, or lost data due to equipment failure, communications or system disruptions, or other similar reasons.

Itella does not guarantee that the information is fully faultless. There may be errors in the information caused by recurring changes or the party reporting the changes. Itella is not responsible for errors in information that were not caused by Itella's negligence.

Itella is not responsible for any information user obligations towards third parties.

Itella is not responsible for the uninterrupted availability of service channels or the updating frequency of the information.

##### 2.4 LIMITATION OF THE SERVICES

In the services, information about Åland Islands is only at a postal code level without any street data.

The services contain information about public postal codes.

#### 5. GERMANY ADDRESS DIRECTORY (DEUTSCHE POST DIREKT):



Licensees are not allowed to use the data to provide any services to any other third party. Licensees are especially not allowed to distribute the product any further. Licensees are only allowed to use the data for own internal validation purposes. Licensees are not allowed to use the data to provide any services to any other legal entity. If Licensee wishes to provide services to any other legal entity, Licensee is responsible for obtaining a valid license directly from the provider. Any use within another legal entity requires a separate license. Licensees are not allowed to distribute the product any further.

#### **6. HERE MAP DATA BY HERE (HERE):**

The data ("Data") is provided for Licensee's internal use only and not for resale. It is protected by copyright, and is subject to the following terms and conditions which are agreed to by you, on the one hand, HERE and HERE Suppliers on the other hand.

© 2008 HERE. All rights reserved.

The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario, © Canada Post Corporation, GeoBase© Department of Natural Resources Canada

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*Scope of Use.* Licensee agrees to use this Data together with SAP Applications solely for your internal business operations purposes for which Licensee was licensed, and not for service bureau, time-sharing or other similar purposes. Accordingly, but subject to the restrictions set forth in the following paragraphs, Licensee may copy this Data only as necessary for Licensee's business use to (i) view it, and (ii) save it, provided that Licensee does not remove any copyright notices that appear and do not modify the Data in any way. Licensee agrees not to otherwise reproduce copy, modify, decompile, disassemble or reverse engineer any portion of this Data, and may not transfer or distribute it in any form except to your affiliates, for any purpose, except to the extent permitted by mandatory laws. Multi-disc sets may only be transferred or sold as a complete set as provided by SAP and not as a subset thereof.

*Restrictions.* Except where Licensee has been specifically licensed to do so by SAP, and without limiting the preceding paragraph, Licensee may not (a) use this Data with any products, systems, or applications installed or otherwise connected to or in communication with vehicles, capable of vehicle navigation, positioning, dispatch, real time route guidance, fleet management or similar applications; or (b) with or in communication with any positioning devices or any mobile or wireless-connected electronic or computer devices, including without limitation cellular phones, palmtop and handheld computers, pagers, and personal digital assistants or PDAs.

*Warning.* The Data may contain inaccurate or incomplete information due to the passage of time, changing circumstances, sources used and the nature of collecting comprehensive geographic data, any of which may lead to incorrect results.

*No Warranty.* This Data is provided to you "as is," and Licensee agrees to use it at its own risk. HERE and HERE SUPPLIERS make no guarantees, representations or warranties of any kind, express or implied, arising by law or otherwise, including but not limited to, content, quality, accuracy, completeness, effectiveness, reliability, fitness for a particular purpose, usefulness, use or results to be obtained from this Data, or that the Data or server will be uninterrupted or error-free.

*Disclaimer of Warranty:* HERE and HERE SUPPLIERS DISCLAIM ANY WARRANTIES, EXPRESS OR IMPLIED, OF QUALITY, PERFORMANCE, MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT. Some States, Territories and Countries do not allow certain warranty exclusions, so to that extent the above exclusion may not apply to you.

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*Indemnification:* Licensee shall indemnify and save harmless HERE and HERE Suppliers, including Her Majesty The Queen, The Canada Post and the Department of Natural Resources Canada, and their officers, employees and agent: from and against any claim, demand or action, irrespective of the nature of the cause of the claim, demand or action, alleging loss, costs, expenses, damages or injuries (including injuries resulting in death) arising out of the use or possession of the data or the Data.

*Government End Users.* If the Data is being acquired by or on behalf of the United States government or any other entity seeking or applying rights similar to those customarily claimed by the United States government, the Data is a "commercial item" as that term is defined at 48 C.F.R. ("FAR") 2.101, is licensed in accordance with these Pass Through Terms, and each copy



of Data delivered or otherwise furnished shall be marked and embedded as appropriate with the following “Notice of Use,” and shall be treated in accordance with such Notice:

*Notice of Use*

Contractor (Manufacturer/ Supplier) Name: HERE

Contractor (Manufacturer/Supplier) Address: 425 W. Randolph Street, Chicago, Illinois 60606

This Data is a commercial item as defined in FAR 2.101 and is subject to these End-User Term under which this Data was provided.

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The Data may include or reflect data of licensors, including Her Majesty, Canada Post and the Department of Natural Resources Canada. Such data is licensed on an “as is” basis. The licensors, including Her Majesty, Canada Post and the Department of Natural Resources Canada, make no guarantees, representations or warranties respecting such data, either express or implied, arising bylaw or otherwise, including but not limited to, effectiveness, completeness, accuracy or fitness for a particular purpose.

The licensors, including Her Majesty, Canada Post and the Department of Natural Resources Canada, shall not be liable in respect of any claim, demand or action, irrespective of the nature of the cause of the claim, demand or action alleging any loss, injury or damages, direct or indirect, which may result from the use or possession of the data or the Data. The licensors, including Her Majesty, Canada Post and the Department of Natural Resources Canada, shall not be liable in any way for loss of revenues or contracts, or any other consequential loss of any kind resulting from any defect in the data or the Data.

End User shall indemnify and save harmless the licensors, including Her Majesty the Queen, the Canada Post and the Department of Natural Resources Canada, and their officers, employees and agents from and against any claim, demand or action, irrespective of the nature of the cause of the claim, demand or action, alleging loss, costs, expenses, damages or injuries (including injuries resulting in death) arising out of the use or possession of the data or the Data.

If Data for additional countries is included or distributed in connection with software products of SAP, or if Licensee uses data from relevant countries the following supplier terms/copyright notices shall be included in the Licensee Terms as applicable:

Territory Notice

Australia “Copyright. Based on data provided under license from PSMA Australia Limited ([www.pasma.com.au](http://www.pasma.com.au)).”

Austria “© Bundesamt für Eich- und Vermessungswesen”

Croatia, Cyprus, Estonia, Latvia, “© EuroGeographics”

Lithuania, Moldova, Poland,

Slovenia and/or Ukraine

France The following notice must appear on all copies of the Data, and may also appear on packaging: “source: © IGN 2009 – BD TOPO ®”

Germany “Die Grundlagendaten wurden mit Genehmigung der zuständigen Behörden entnommen” or “Die Grundlagendaten wurden mit Genehmigung der zustaendigen Behoerden entnommen.”

Great Britain “Based upon Crown Copyright material.”

Greece “Copyright Geomatics Ltd.”

Hungary “Copyright © 2003; Top-Map Ltd.”

Italy “La Banca Dati Italiana è stata prodotta usando quale riferimento anche cartografia numerica ed al tratto prodotta e fornita dalla Regione Toscana.”

Norway “Copyright © 2000; Norwegian Mapping Authority”

Portugal “Source: IgeoE – Portugal”

Spain “Información geográfica propiedad del CNIG”

Sweden “Based upon electronic data   National Land Survey Sweden.”

Switzerland “Topografische Grundlage:  Bundesamt für Landestopographie.”

**7. MEXICO:**

The terms and conditions of the data provider HERE listed under Section 6 of this Exhibit 5, “HERE map data by HERE (HERE)” apply as Pass Through Terms for the Directory of Mexico.

**8. NETHERLANDS (CENDRIS):**

For the purposes of these Netherlands Address Directory third party pass-through terms, “End User” shall mean the purchaser of the Package (whether directly through an SAP company or through a reseller), being the legal entity that enters into a



software license agreement with an SAP company or a reseller exclusively for the purpose of internal use of the Package; “Postcode and Address File” shall mean the file with all the cities/towns, streets and postcodes in the Netherlands, along with the corresponding house numbers or series of house numbers; and “Additional Products” shall mean products supporting the use of the Postcode and Address File.

End User is only permitted to use the Package for internal use.

End User is not permitted to deliver the Postcode and Address File and/or Additional Products (irrespective of whether they are integrated into the Package) to third parties. For the purposes of these Netherlands Address Directory third party pass-through terms, third parties includes Affiliates of the End User.

For each violation of the aforementioned terms, the End User agrees to pay Cendris a penalty of EURO 7000 which is directly payable to Cendris and cannot be set-off against any amounts owed.

#### **9. NEW ZEALAND (NEW ZEALAND POST):**

This section contains the terms and conditions specified by New Zealand Post in respect of use of New Zealand Post’s Postal Address File as part of the software supplied to you by SAP. Definitions used in this section apply exclusively to this section. In the case of conflict between the defined terms in this section and defined terms in the main body of the Use Rights document, the defined terms in this section shall take precedence solely in relation to use of New Zealand Post’s Postal Address File.

##### **Definitions**

In this section:

**Data** means the Postal Address File, as more particularly described at [www.nzpost.co.nz/sendright](http://www.nzpost.co.nz/sendright), as such description is amended from time to time.

**Documentation** means any user and technical documentation supplied by New Zealand Post with the Data to enable SAP, End Users or any of their personnel to use the Data, and any confidential information of New Zealand Post.

**End User** means any person to whom Data is permitted to be distributed, sold or made available by SAP.

**Intellectual Property Rights** includes copyright and all rights conferred under statute, common law or equity in relation to inventions (including patents), registered or unregistered trade marks, registered or unregistered designs, circuit layouts, databases, confidential information, know-how, and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields anywhere in the world, together with all right, interest or licence in or to any of the foregoing.

**Incorporated Software** means the software providing the address data services supplied to the End User by SAP which incorporates the Data.

**Licensor** means New Zealand Post Limited, at Wellington NZ.

- i. The End User (and any of its agents and sub-contractors) may only use Data in accordance with the terms of this section, for the End User’s internal purposes, and only as part of or in combination with the Incorporated Software and/or any related services provided to it by SAP. The End User must procure that any agents or sub-contractors to whom the Data is provided comply with the terms of this Agreement.
- ii. The End User agrees that the Data and the Documentation and all Intellectual Property Rights and other rights in the Data and the Documentation from time to time remain the property of New Zealand Post and its licensors (as the case may be).
- iii. The End User must not remove or tamper with any disclaimer or copyright notice attached to or used in relation to Data.
- iv. The End User has no right to use any of the trade marks, business names or logos of New Zealand Post unless expressly stated otherwise in any sub-licence granted to the End User by the SAP within the terms of any licence granted by New Zealand Post to SAP.
- v. The End User must not at any time (a) copy, reproduce, publish, sell, let, modify, extract or otherwise part with possession of the whole or any part of the Data or relay or disseminate the same to any other party; (b) other than as permitted under (i) above, provide the Data to (or allow the provision of the Data to, or access to the Data of) any agents or sub-contractors of the End User without the prior written consent of New Zealand Post; or (c) sub-licence all or any part of the Data to any person, or purport or attempt to do so, in each case, unless expressly permitted otherwise by New Zealand Post in writing.
- vi. The End User may make a reasonable number of back-up copies of the Data for security purposes. The End User may only use such back-up copies for archive retention and retrieval purposes, and only during the term of the licence.
- vii. If any licence under which a third party grants to New Zealand Post the right to incorporate the third party’s material in the Data is terminated, the licence to the End User in respect of that material terminates and the End User must, at New Zealand Post’s request, remove the same material from any copies of any Data held by the End User within 90 days.
- viii. The End User must not make any statement or claim relating to the Data being approved, recommended or endorsed by New Zealand Post or do anything similar or imply that such is the case, unless New Zealand Post has expressly given its prior written consent to the form and content of such claim.



- ix. The End User must comply with the requirements of the Privacy Act 1993 and any other applicable law or regulations relevant to its possession or use of Data.
- x. The End User must ensure that its personnel, agents and sub-contractors comply with the above terms as if they were SAP.
- xi. The End User acknowledges that New Zealand Post has made no warranty that the Data will be free from errors, omissions, inaccuracies, viruses or other destructive code, or that the Data will be fit for the End User's purpose or for use in any specific technical environment.
- xii. On receipt of an update to any Data (including as part of any update of the Incorporated Software) (such updates each being an "Update"), the End User must as soon as practicable cease use of any previous version of the Data (and must in any event cease such use by the end of the term of the licence) and commence use of the Update.
- xiii. The End User's right to use each Update shall terminate six months after the date on which such Update was released by New Zealand Post. Early termination of SAP's licence from New Zealand Post shall not affect the End User's right to use any Data provided that such early termination was not caused by or connected with any act or omission of the End User.
- xiv. The End User must keep the confidential information of New Zealand Post, including the Data, confidential.
- xv. The End User acknowledges and agrees that Land Information New Zealand ("LINZ") and the Crown hold absolutely and exclusively certain material which has been licensed to New Zealand Post and incorporated into the Data, and that LINZ and the Crown do not assign any copyright or other intellectual property rights in such material either to New Zealand Post, SAP or the End User. The End User further acknowledges and agrees that LINZ and the Crown shall not, in any circumstances, be liable for any loss or damage (even if LINZ or the Crown has been advised of the possibility of such loss or damage, and including, without limitation, any direct loss, indirect loss, consequential loss, loss of profits, business interruption loss or loss of data) suffered by the End User or any other person in connection with this Agreement. In the event that any exclusion of the liability of LINZ or the Crown set out in this clause is inapplicable, or is held unenforceable, the liability of each of LINZ and the Crown under or in connection with this Agreement, or arising out of any use, reproduction, modification, or creation of compilations or derivative works of or from the Data (by the End User or any other person), whether that liability arises in tort (including negligence), equity or any other basis, shall be limited to the fees paid by New Zealand Post for the material incorporated in the Data which gave rise to the loss or damage, exclusive of GST. For the purposes of the Contracts (Privity) Act 1982, this clause confers a benefit on, and is enforceable by, LINZ and the Crown.
- xvi. The End User agrees and represents that it is acquiring the Data and any Documentation for the purposes of a business and that the Consumer Guarantees Act 1993 (New Zealand) does not apply.
- xvii. The End User must indemnify New Zealand Post and keep New Zealand Post indemnified against any claim, proceeding, damage, liability, loss, cost or expense (including legal costs on a solicitor and own client basis), whether arising in contract, tort (including for negligence) or otherwise, arising out of or in connection with any breach by the End User of any of the above terms or the use of the Data by the End User or any other person who has obtained the Data from an End User. The End User's total aggregate liability to New Zealand Post under this clause xvii shall not exceed \$250,000.
- xviii. New Zealand Post must have rights to enforce the above terms for the purposes of the Contracts (Privity) Act 1982, and is entitled to terminate the End User's right to use any Data if the End User breaches any of those terms.

#### **10. RUSSIA:**

The terms and conditions of the data provider HERE listed under Section 6 of this Exhibit 5, "HERE map data by HERE (HERE)" apply as Pass Through Terms for the address data of Russia.

#### **11. SPAIN (DEYDE):**

Licensee acknowledges that the DEYDE-STREETFILES, which are used in the Spain Address Directory within all versions of Data Services and Data Quality Management, are the intellectual property of DEYDE.

#### **12. SWITZERLAND ADDRESS DIRECTORY (SCHWEIZERISCHE POST):**

Licensees are not allowed to extract any data provided. Licensees are only allowed to use the product for own validation purposes. Licensees are not allowed to use the data to provide any services to any other legal entity. Any use within another legal entity requires a separate license.

#### **13. TOM TOM:**

##### Third Party Restrictions

A. Additional provisions for MultiNet® data of Norway. End User is prohibited from using the MultiNet® data of Norway to create commercial general purpose printed or digital maps, which are similar to the basic national products of the Norwegian Mapping Authority.

B. Additional Provisions with respect to the data for China: End User agrees that any Licensed Product which contains data of China may be subject to additional terms and conditions which shall be provided to End User when available to TomTom. China data may not be exported from China.



C. Additional Provisions with respect to the data for India: End User agrees that any Licensed Product which contains data of India may be subject to additional terms and conditions which shall be provided to End User when available to TomTom.

D. Additional Provisions with respect to the data for Korea: End User agrees that any Licensed Product which contains data of Korea may be subject to additional terms and conditions which shall be provided to Licensee when available to TomTom. Korea data may not be exported from Korea.

E. As of the Effective Date, the following restriction applies to the Licensed TomTom Products: The 6-digit alpha/numeric Canadian Postal Codes contained in any Licensed Product cannot be used for bulk mailing of items through the Canadian postal system. Furthermore, the 6-digit alpha/numeric Canadian Postal Codes must be wholly contained in the Authorized Application and shall not be extractable. Canadian Postal Codes cannot be displayed or used for postal code look-up on the Internet, nor can they be extracted or exported from any application to be utilized in the creation of any other data set or application. Notwithstanding the above, an End User may optionally correct or derive Canadian Postal Codes using the Value Added Products, but only as part of the address information for locations (e.g.: of delivery points and depots) that have been set up in the Value Added Product, and optionally extract data for fleet management purposes.

F. Additional provisions with respect to the Premium Points of Interest North America Licensed Product: It is expressly prohibited to use the Premium Points of Interest North America for (a) telephone call routing related applications; (b) screen pop applications, (c) CD-ROM director of other derivative directory product; (d) verification services; (e) caller name services; and (f) online marketing lead verification services.

*Following restrictions will apply to usage of the Brand Icon component:*

End User agrees that the use of the Brand Icon component is subject to the terms and conditions set forth in this Agreement and that there may be additional third party terms, conditions and restrictions to which the use of the Brand Icon component will be subject and which will be provided to the End User from time to time in the product release notes.

G. Additional End User provisions:

End User shall not use the Authorized Application to create (or assist in the creation of) a digital map database. A "digital map database" means a database of geospatial data containing the following information and attributes: (x) road geometry and street names; or (y) routing attributes that enable turn-by-turn navigation on such road geometry; or (z) latitude and longitude of individual addresses and house number ranges.

End User shall not use the Authorized Application to provide competitive information about TomTom or its products to third parties.

The Authorized Application may not be used for in-flight navigation.

In the event that any End User is a government entity, include language which is substantially the same as the following:

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If End User is an agency, department, or other entity of any State government, the United States Government or any other public entity or funded in whole or in part by the United States Government, then End User hereby agrees to protect the Licensed TomTom Products from public disclosure and to consider the Licensed TomTom Products exempt from any statute, law, regulation, or code, including any Sunshine Act, Public Records Act, Freedom of Information Act, or equivalent, which permits public access and/or reproduction or use of the Licensed TomTom Products. In the event that such exemption is challenged under any such laws, this agreement shall be considered breached and any and all right to retain any copies or to use of the Licensed TomTom Products shall be terminated and considered immediately null and void. Any copies of the Licensed TomTom Products held by Licensee shall immediately be destroyed. If any court of competent jurisdiction considers this clause void and unenforceable, in whole or in part, for any reason, this agreement shall be considered terminated and null and void, in its entirety, and any and all copies of the Licensed TomTom Products shall immediately be destroyed.

Additional Licensed Product Provisions and Details

A. *Additional Provisions with respect to the MultiNet® data of Norway only.* Licensee is prohibited from using the MultiNet® data of Norway to create general purpose printed or digital maps, which are similar to the basic national products of the Norwegian Mapping Authority. (Any Authorized Application of the MultiNet® data of Norway shall be regarded as similar to the basic national products of the Norwegian Mapping Authority if such Authorized Application has a regional or national coverage,



and at the same time has a content, scale and format that are similar to the basic national products of the Norwegian Mapping Authority.)

B. *Additional Provisions with respect to the data for China:* Licensee agrees that any Licensed Product which contains data of China may be subject to additional terms and conditions which shall be provided to Licensee when available to TomTom. China data may not be exported from China.

C. *Additional Provisions with respect to the data for India:* Licensee agrees that any Licensed Product which contains data of India may be subject to additional terms and conditions which shall be provided to Licensee when available to TomTom.

D. *Additional Provisions with respect to the data for Korea:* Licensee agrees that any Licensed Product which contains data of Korea may be subject to additional terms and conditions which shall be provided to Licensee when available to TomTom. Korea data may not be exported from Korea. Data cannot be shipped to End Users in an open format (such as ESRI shapefile).

E. *As of the Effective Date, the following restriction applies to the Licensed TomTom Products:* The 6-digit alpha/numeric Canadian Postal Codes contained in any Licensed Product cannot be used for bulk mailing of items through the Canadian postal system. Furthermore, the 6-digit alpha/numeric Canadian Postal Codes must be wholly contained in the Authorized Application and shall not be extractable. Canadian Postal Codes cannot be displayed or used for postal code look-up on the Internet, nor can they be extracted or exported from any application to be utilized in the creation of any other data set or application. Notwithstanding the above, an End User may optionally correct or derive Canadian Postal Codes using the Value Added Products, but only as part of the address information for locations (e.g.: of delivery points and depots) that have been set up in the Value Added Product, and optionally extract data for fleet management purposes.

F. *Additional provisions with respect to the Premium Points of Interest North America Licensed Product:* It is expressly prohibited to use the Premium Points of Interest North America for (a) telephone call routing related applications; (b) screen pop applications, (c) CD-ROM director of other derivative directory product; (d) verification services; (e) caller name services; and (f) online marketing lead verification services. The Local Points of Interest North America cannot be licensed to the following companies, their commonly owned companies or aliases: Acxiom, Accudata, Allant, Alliance Data, eBeureau, Equifax, Experian, Knowledgebase Marketing, ChoicePoint, Harte-Hanks, Infutor, Donnelley Marketing, infoGroup, Trans Union, Transaction Network Services, and LexisNexis.

*Following restrictions will apply to usage of the Brand Icon component:*

Licensee agrees that the use of the Brand Icon component is subject to the terms and conditions set forth in this Agreement and that there may be additional third party terms, conditions and restrictions to which the use of the Brand Icon component will be subject and which will be provided to the End User from time to time in the product release notes.

G. *Copyright Notices.* Licensee shall conspicuously display each applicable then current copyright notice for the Licensed TomTom Products in accordance with Article 10.5 "Intellectual Property (rights) notice" for each Authorized Application that is based upon:

1. *MultiNet®.* As of the Effective Date, the copyright notice is: "Data Source © <current year> TomTom"; and, in addition, "based on":

(a) *MultiNet® data of Austria.* As of the Effective Date, the copyright notice is: "© BEV, GZ 1368/2003."

(b) *MultiNet® data of Denmark.* As of the Effective Date, the copyright notice is: "© DAV, violation of these copyrights shall cause legal proceedings."

(c) *MultiNet® data of France.* As of the Effective Date, the copyright notice is: [for an Authorized Application for Navigation Units: "© IGN France."] / [for an Authorized Application for Geographic Information Systems: "Georoute © IGN France."] / [for an Authorized Application for navigational products: "Michelin data © Michelin 20\_\_"]

(d) *MultiNet® data of Indonesia.* As of the Effective Date, the copyright notice is: "© Base data Bakosurtanal".

(e) *MultiNet® data of Great Britain.* As of the Effective Date, the copyright is: "Contains Ordnance Survey data © Crown copyright and database right [current year]" and "Contains Royal Mail data © Royal Mail copyright and database right [current year]"

(f) *MultiNet® data of Northern Ireland.* As of the Effective Date, the copyright notice is: "Ordnance Survey of Northern Ireland."

(g) *MultiNet® data of Norway.* As of the Effective Date, the copyright notice is: "© Norwegian Mapping Authority, Public Roads Administration / © Mapsolutions."

(h) *MultiNet® data of Russia:* As of the Effective Date, the copyright notice is: "© Roskartographia"

(i) *MultiNet® data of Switzerland.* As of the Effective Date, the copyright notice is: "© Swisstopo."

(j) *MultiNet® data of The Netherlands.* As of the Effective Date, the copyright notice is: "Topografische ondergrond Copyright © dienst voor het kadaster en de openbare registers, Apeldoorn 2013."

2. *MultiNet® North America:* As of the Effective Date, the copyright notice is: "© 2006 – 2013\_ TomTom. All rights reserved. This material is proprietary and the subject of copyright protection and other intellectual property rights owned or licensed to



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3. *MultiNet Post*: As of the Effective Date, the copyright notice is: “© 2006 – 2013\_ TomTom. All rights reserved. This material is proprietary and the subject of copyright protection and other intellectual property rights owned or licensed to TomTom. The product includes information copied with permission from Canadian authorities, including © Canada Post Corporation, All rights reserved. The use of this material is subject to the terms of a License Agreement. You will be held liable for any unauthorized copying or disclosure of this material.”

4. *Premium Points of Interest North America*: As of the Effective Date, the copyright notice is: “© 2006-2013 TomTom. All rights reserved. This material is proprietary and the subject of copyright protection, database right protection and other intellectual property rights owned by TomTom or its suppliers. Portions of the POI database contained in Local Points of Interest North America have been provided by Localeze. The use of this material is subject to the terms of a license agreement. Any unauthorized copying or disclosure of this material will lead to criminal and civil liabilities.”

#### **14. UK (ROYAL MAIL)**

##### **PREAMBLE**

The following terms constitute the end user licence agreement for PAF® Data.

Public Sector entities operating within the United Kingdom must also enter into a direct Public Sector Licence agreement with Royal Mail. SAP will require Licensee to provide evidence of such a valid licence.

Corporate Group licences are available by also entering into a direct licence agreement with Royal Mail. SAP will require Licensee to provide evidence of such a valid licence.

The End User agrees to notify Solution Provider and/or Third Party Solution Providers immediately about any licensing changes and/or exceeding of the licensed category.

##### **DEFINITIONS AND INTERPRETATION**

**In this Licence the following terms have the following meanings:**

##### **Bureau Customer**

a customer for a Bureau Service

##### **Bureau Services**

a service comprising the Data Cleansing of a Customer Database and the supply of the resulting Cleansed Customer Database back to the relevant customer

##### **Customer Database**

a database of an End User's customer

##### **Data Cleansing**

the processing of existing data records using PAF® Data:

(a) including validating, reformatting, correcting or appending additional data to those records, and

(b) including the use of PAF® Data within address capture applications, but

(c) not including Data Extraction (whether carried out by an address capture application or otherwise),

and **Cleansed** shall be read accordingly

##### **End User**

a single legal entity who a Licensee may permit to use PAF® Data through its Users in accordance with this Licence

##### **End User Terms**

the terms set out in the Licence

##### **Extracted Data**

data generated as a result of Data Extraction

##### **Licence**

these terms made up of the “Preamble” section, “Definitions and Interpretation” section and the “Licence Terms” section

##### **PAF® Data**

Royal Mail's database known as PAF®, and including the database known as the "Alias File"



## **Solution**

a product or service or other solution which benefits from or includes PAF® Data (including the provision of PAF® Data itself), in whatever form, however produced or distributed and whether or not including other functionality, services, software or data

## **Substantially All Database**

a database which on its own or as part of another database comprises all or substantially all the addresses in the United Kingdom or any of England, Wales, Scotland or Northern Ireland

## **User**

an individual authorised by an End User to use a Solution

## **LICENCE TERMS**

### **1. End Users' permitted use of Solutions**

End Users may freely use PAF® Data in Solutions in accordance with these End User Terms.

### **2. Conditions of use**

(a) End Users must not make copies of PAF® Data except as permitted by these End User Terms or reasonably necessary for back-up, security, business continuity and system testing purposes.

(b) End Users may use PAF® Data for Data Extraction but Extracted Data:

(i) may only be accessed by Users, and

(ii) must not be supplied or any access to it provided to any third party.

(c) End Users may provide Cleansed data to third parties provided that:

(i) where that supply is a Bureau Service, the End User and the Bureau Customers comply with the restrictions in Schedule 4, and

(ii) if such databases are Substantially All Databases:

(A) such databases are not represented or held out as a master, original or comprehensive address database or other similar description,

(B) the access is provided in the course of the End User's normal data supply or routine business activities and is not carried on as a business in its own right, and

(C) the provision includes a prominent notice that the relevant Cleansed data has been cleansed against PAF® Data.

(d) End Users must not permit access to, display or communicate to the public any Solutions, except for the purposes of capturing or confirming address details of third parties.

(e) Except as set out in these End User Terms, End Users must not:

(i) transfer, assign, sell or license Solutions or their use to any other person,

(ii) use Solutions to create a product or service distributed or sold to any third party which relies on any use of PAF® Data, including copying, looking up or enquiring, publishing, searching, analysing, modifying and reformatting, or

(iii) copy, reproduce, extract, reutilise or publish Solutions or any of them.

### **3. Subcontracting**

End Users may provide PAF® Data to their subcontractors who may use it to the extent necessary for:

(a) the provision of information technology services to the End User, or

(b) acting on behalf of the End User

in each case for the End User's own business purposes and not those of the sub-contractor and provided that each such sub-contractor agrees to observe the restrictions on use of PAF® Data contained in these End User Terms and that the End User is responsible for any breaches of those terms by such sub-contractor.

### **4. Personal rights**

End User rights are personal, limited and non-transferable.

### **5. Royal Mail's IPR notice**

The End User acknowledges that Royal Mail is the owner of the intellectual property rights in PAF® Data and the PAF® brand and it does not acquire and is not granted any rights to use those intellectual property rights other than as set out in these End User Terms.

### **6. Cessation of use of PAF® Data**

End Users must cease use of PAF® Data if their right to use PAF® Data is terminated and also destroy any copies of PAF® Data they hold.



## 7. PAF® use by Users

End Users must ensure that:

- (a) these End User Terms bind their Users,
- (b) only their Users exercise the use rights of Solutions and PAF® Data granted to End Users further to these End User Terms, and
- (i) in the event of termination or expiry of End Users' rights to use Solutions and PAF® Data, the rights of Users to use them also terminate.

## 15. USA – USPS SUBLICENSE AGREEMENTS

### 1. Limits on Use of Data

1.1 *USPS Certified Address Directory Option for DPV and Lacslink*. In the event Licensee activates the locking features of the Software and wishes to unlock such features, Licensee agrees to provide certain information relating to the list owner, locking record details and the origin of the locking record including but not limited to the type of list, owner of list if rented and other tracking information as requested by the Licensor or the USPS.

### 2. Geographic Specific Restrictions

- a. USPS products may only be sold in the US and are not available outside of the US.
- b. US NATIONAL DIRECTORY PRODUCTS MAY BE SOLD GLOBALLY.
- c. SPECIALIZED PRODUCTS SUCH AS LACSLINK, SUITELINK, NCOALINK, DPV, USPS DELIVERY SEQUENCE FILE – DSF2 AND RDI MAY ONLY BE SOLD TO US PERSONS OR ENTITIES FOR USE WITHIN THE US.

THE NCOALINK INTERFACE CAN ONLY BE SOLD TO PERSONS WHO ARE AUTHORIZED BY THE USPS TO PURCHASE NCOALINK DATA. (NOTE: WE ONLY SELL THE NCOALINK INTERFACE AND CUSTOMERS MUST OBTAIN THE NCOALINK DATA DIRECTLY FROM THE USPS AND MUST BE CERTIFIED TO PURCHASE SUCH DATA BY THE USPS.)

#### 15.1 USPS SUITELINK:

- 1. Licensee's right to use the CASS Certified Interface and the SuiteLink Product shall be strictly limited to use only within the United States of America;
- 2. Licensee's right to use the CASS Certified Interface and the SuiteLink Product shall be strictly limited to improving business delivery addresses in multi-occupation buildings for use on letters, flats, postcards, packages, leaflets, magazines, postcards, advertisements, books, and other printed material, and any other item that will be delivered by USPS.
- 3. Licensee have no right to sublicense, sell or otherwise distribute, reproduce, perform, or prepare derivative works of the Interface or the SuiteLink Product.
- 4. Licensee acknowledges that:
  - a. the CASS Certified Interface and the SuiteLink Product under license from USPS;
  - b. You are a sublicensee under SAP's license from USPS and obtain from Licensor no broader right than permitted under SAP's license agreement with USPS;
- 5. You shall be strictly limited to using the CASS Certified Interface and the SuiteLink Product only as a component of SAP's Data Quality or Data Services products.

#### 15.2 USPS NCOALINK

- 1. Licensee has no rights as to the NCOALink Interface under this agreement beyond using it as a component of Licensor's Data Quality and Data Services products in conjunction with the NCOALink data product to update a list, system, group or other collection of *at least 100* unique names and addresses (herein "Mailing Lists") used for addressing letters, flats, postcards, packages, leaflets, magazines, advertisements, books and other printed material, and any other deliverable item handled by the United States Postal Service (herein "Deliverables") for delivery by the United States Postal Service (herein "USPS").
- 2. Licensee has no right to develop or use any NCOALink product, service, interface, or any related item or technology to compile or maintain a list or collection of names and addresses or addresses only of new movers or to create other products or data bases or collections of information concerning new movers, histories of address changes, lists or histories of residents, or other informational or data sources based upon information received from or through the NCOALink data or technology for the purpose of renting, selling, transferring, disclosing, making available or otherwise providing such information to an entity unrelated to Licensee.
- 3. For the purposes of communicating with addressees on Licensee's Mailing Lists and for the purpose of record-keeping, however, Licensee is permitted to retain updated addresses so long as not used in violation of paragraph 2 above, for individuals and entities with whom Licensee has or had a business relationship, in connection with which Licensee will use the updated address; however, these updated addresses may only be used by Licensee and Licensee may use them only for



carrying out your organizational purposes in connection with that individual or entity and may not transfer, disclose, license or distribute to, or be used by any other entity or individual whatsoever.

4. No proprietary Mailing List that contains both old and corresponding updated address records, or any service product or system of lists that can be used to link old and corresponding updated address records, if updated by use of NCOALink, shall be rented, sold, transferred, disclosed, made available, or otherwise provided, in whole or in part to your customers or any other individual or entity.

5. Licensee's right to use the NCOALink Interface is strictly limited to use only within the United States, its territories, and possessions.

6. As to the Interface, Licensee has the right only to update Mailing Lists used to prepare Deliverables that will be deposited with the USPS.

7. Licensee has no right to sublicense, sell, assign, or otherwise transfer rights in, reproduce, perform, attempt to improve, reverse engineer, modify or otherwise change, or prepare derivative works of the Interface. Any attempt to sublicense, sell, assign, or otherwise transfer rights in, or otherwise distribute the Interface shall be void.

8. Licensee acknowledges that:

a. USPS owns the NCOALink data, technology, and system in its entirety including that used in the development of the Interface;

b. USPS owns and retains rights in the trademark of NCOALink and in the registered trademarks UNITED STATES POSTAL SERVICE®, POSTAL SERVICE®, US POSTAL SERVICE®, AND USPS® ;

c. SAP is providing the Interface as a component of its products to Licensee solely for use with the NCOALink Product under a nonexclusive, limited distribution license from USPS; and

d. the rights Licensee obtains in this license are derived from SAP's agreement with USPS and you obtain from SAP no broader right than SAP obtains from USPS, except as to Licensee's specific right to use the NCOALink Interface to access the NCOALink data.

9. Licensee is strictly limited to using the Interface only as a component of SAP's Data Quality and Data Services products.

10. Licensee acknowledges and agrees that Licensee has no right to sublicense, sell, distribute, reproduce, or display USPS trademarks or sell the Interface or other products under USPS's trademarks.

### **15.3 DPV SUBLICENSE AGREEMENT:**

This Sublicense Agreement ("Sublicense") between SAP and Licensee, its subsidiaries and affiliates, current and future ("Sublicensee") sets forth additional terms required by the United States Postal Service ("USPS") regarding Sublicensee's use of the DPV option with other SAP CASS certified software.

For purposes of this Sublicense, Delivery Point Validation ("DPV") means the new USPS proprietary technology product designed to help mailers validate the accuracy of address data, right down to the physical delivery point. The DPV process cannot assign a ZIP+4 Code nor will it respond to a non-ZIP+4 coded address.

1. Sublicensee understands that the USPS provides the DPV Product through special licensing in order to protect the USPS' proprietary intellectual property and its compliance with restrictions of Title 39 USC § 412.

2. Sublicensee acknowledges that the address information contained within the DPV Product is subject to Title 39 USC § 412. Sublicensee shall take all steps necessary to secure the DPV Product in a manner that fully complies with Section 412 constraints prohibiting the disclosure of address lists.

3. Sublicensee acknowledges that the DPV Product is confidential and the proprietary property of the USPS. Sublicensee further acknowledges that the USPS represents that it is the sole owner of copyrights and other proprietary rights in the DPV Product.

4. Sublicensee shall not use the DPV Product technology to artificially compile a list of delivery points not already in Sublicensee's possession or to create other derivative products based upon information received from or through the DPV Product technology.

5. No proprietary Sublicensee address list(s) or service products or other system of records that contain(s) address attributes updated through DPV processing shall be rented, sold, distributed or otherwise provided in whole or in part to any third party for any purpose containing address attributes derived from DPV processing. Sublicensee may not use the DPV technology to artificially generate address records or to create mailing lists.

6. The DPV Product processing requires Sublicensee to have access to address information that appears on mail pieces. To ensure the confidentiality of this address information, no employee or former employee of Sublicensee may, at any time, disclose to any third party any address information obtained in the performance of this agreement. Sublicensee agrees to control and restrict access to address information to persons who need it to perform work under this agreement and prohibit the unauthorized reproduction of this information. Due to the sensitive nature of the confidential and proprietary information contained in the DPV Product, Sublicensee acknowledges that unauthorized use and/or disclosure of the DPV will irreparably harm the USPS' intellectual property. Therefore, Sublicensee (i) agrees to reimburse the USPS for any unauthorized use and/or



disclosure at a rate of treble (3 times) the current annual fee charged to Sublicensee hereunder; and (ii) consents to such injunctive or other equitable relief as a court of competent jurisdiction may deem proper.

7. BOTH SAP AND THE USPS SHALL NOT BE LIABLE FOR ANY DESIGN, PERFORMANCE OR OTHER FAULT OR INADEQUACY OF DPV, OR FOR DAMAGES OF ANY KIND ARISING OUT OF OR IN ANY WAY RELATED TO OR CONNECTED WITH SUCH FAULT OR INADEQUACY. IN NO EVENT SHALL SAP'S OR THE USPS' LIABILITY TO SUBLICENSEE UNDER THIS AGREEMENT, IF ANY, EXCEED THE PRO RATA PORTION OF THE ANNUAL LICENSE FEE FOR DPV.

8. SAP agrees to hold harmless, defend and indemnify Sublicensee for infringement of any U.S. copyright, trademark, or service mark in the DPV provided to Sublicensee under this Agreement. The foregoing obligation shall not apply unless SAP shall have been informed within five (5) calendar days by Sublicensee of the suit or action alleging such infringement and shall have been given such opportunity as is afforded by applicable laws, rules, or regulations to participate in the defense thereof. In addition, Sublicensee agrees to hold harmless, defend and indemnify SAP and the USPS and its officers, agents, representatives, and employees from all claims, losses, damage, actions, causes of action, expenses, and/or liability resulting from, brought for, or on account of any injury or damage received or sustained by any person, persons or property growing out of, occurring, or attributable to Sublicensee's performance under or related to this agreement, resulting in whole or in part from any breach of this Agreement or from the negligence or intentional misconduct, including any unauthorized disclosure or misuse of DPV Product, including data derived from DPV, by Sublicensee, or any employee, agent, or representative of Sublicensee.

9. Sublicensee acknowledges that the USPS reserves the right to stop DPV processing in the USPS' sole discretion. SAP will not be liable or responsible for any decision the USPS makes in canceling Sublicensee's Sublicense, including, but not limited to, arbitrating the cancellation decision on behalf of the customer. In the event the USPS cancels Sublicensee's DPV processing, (i) Sublicensee shall not be entitled to any refund or credit from SAP; and, (ii) SAP will discontinue shipping DPV directories to Sublicensee.

10. Sublicensee agrees that the USPS or its designated representatives, on an announced or unannounced basis, shall have the right to visit and examine Sublicensee's sites. USPS or its designated representatives shall have the right examine, on or off Sublicensee's premises, Sublicensee's computer systems, processing files, documents, administrative records, and other materials to ensure Sublicensee's compliance with the provisions of this agreement.

11. Sublicensee further agrees that the USPS or its authorized representatives will, until three (3) years after final payment under this agreement, have access to and the right to examine any directly pertinent books, documents, papers, records or other materials of Sublicensee involving transactions related to this agreement.

12. Sublicensee shall not export the DPV Product outside of the United States or its territories without prior written approval of the USPS.

13. This Sublicense shall be governed by the federal laws of the United States of America, or, when no such law is applicable, then by the laws of the State of New York as interpreted by the United States Court of Appeals for the Second Circuit.

14. This Sublicense shall not be transferable, in whole or in part. The rights and obligations of Sublicensee shall be terminated immediately in the event of a dissolution, merger, buy-out, or transfer of any kind of the assets of Sublicensee.

15. All obligations of Sublicensee referred to in this Sublicense inure to the benefit of USPS.

#### **15.4 USPS LACSLINK SOFTWARE SUBLICENSE**

This Sublicense Agreement ("Sublicense") between SAP and Licensee, its subsidiaries and affiliates, current and future ("Sublicensee") sets forth additional terms required by the United States Postal Service ("USPS") regarding Sublicensee's use of the LACSLink option with other CASS certified software.

1. For purposes of this document, the following terms shall be defined as set forth below:

☐ "USPS" means the United States Postal Service.

☐ "Deliverables" means letters, flats, postcards, packages, leaflets, magazines, postcards, advertisements, books, and other printed material, and any other item delivered by USPS.

☐ "Interface" means one or more SAP interfaces developed for use with the LACSLink Product. "LACSLink Product" means the confidential and proprietary database concerning the conversion of existing addresses to their new or update or replacement address or the like, provide by USPS in a highly and uniquely secured environment.

2. Sublicensee's right to use the Interface shall be strictly limited to use only within the geographic boundaries governed by the Unites States, its territories, and possessions, and only for updating addresses and mailing lists used to prepare Deliverables for deposit with USPS in conformance with USPS requirements

Sublicensee shall have no right to sublicense, sell or otherwise distribute, reproduce, perform, or prepare derivative works of the Interface. Sublicensee hereby acknowledges that:

☐ USPS owns the LACSLink Product and USPS marks;

☐ SAP provides the SAP product in part under license from USPS;



☐ Sublicensee is a Licensee under SAP's license from USPS and obtains from SAP no broader right than granted to SAP in such license from USPS:

☐ Sublicensee shall be strictly limited to using the Interface only as a component of the SAP product; and Sublicensee agrees that it does not have a right to sublicense, distribute, reproduce, perform, display, or sell the Interface or USPS's marks.

3. BOTH SAP AND THE USPS SHALL NOT BE LIABLE FOR ANY DESIGN, PERFORMANCE OR OTHER FAULT OR INADEQUACY OF LACSLink, OR FOR DAMAGES OF ANY KIND ARISING OUT OF OR IN ANY WAY RELATED TO OR CONNECTED WITH SUCH FAULT OR INADEQUACY. IN NO EVENT SHALL SAP'S OR THE USPS' LIABILITY TO SUBLICENSEE UNDER THIS AGREEMENT, IF ANY, EXCEED THE PRO RATA PORTION OF THE ANNUAL LICENSE FEE FOR LACSLink BASED ON THE EFFECTIVE DATE OF CANCELLATION WITHIN THIRTY (30) CALENDAR DAYS OF THE DATE OF CANCELLATION.

4. SAP agrees to hold harmless, defend and indemnify Sublicensee for infringement of any U.S. copyright, trademark, or service mark in the LACSLink Product provided to Sublicensee under this Agreement. The foregoing obligation shall not apply unless SAP shall have been informed within five (5) calendar days by Sublicensee of the suit or action alleging such infringement and shall have been given such opportunity as is afforded by applicable laws, rules, or regulations to participate in the defense thereof. In addition, Sublicensee agrees to hold harmless, defend and indemnify SAP and the USPS and its officers, agents, representatives, and employees from all claims, losses, damage, actions, causes of action, expenses, and/or liability resulting from, brought for, or on account of any injury or damage received or sustained by any person, persons or property growing out of, occurring, or attributable to Sublicensee's performance under or related to this agreement, resulting in whole or in part from any breach of this Agreement or from the negligence or intentional misconduct, including any unauthorized disclosure or misuse of LACSLink Product, including data derived from LACSLink Product, by Sublicensee, or any employee, agent, or representative of Sublicensee.

5. Sublicensee acknowledges that the USPS reserves the right to stop LACSLink Product processing in the USPS' sole discretion. SAP will not be liable or responsible for any decision the USPS makes in canceling Sublicensee's Sublicense, including, but not limited to, arbitrating the cancellation decision on behalf of the customer. In the event the USPS cancels Sublicensee's LACSLink Product processing, (i) Sublicensee shall not be entitled to any refund or credit from SAP; and, (ii) SAP will discontinue shipping LACSLink Product directories to Sublicensee.

6. Sublicensee agrees that the USPS or its designated representatives, on an announced or unannounced basis, shall have the right to visit and examine Sublicensee's sites. USPS or its designated representatives shall have the right to examine, on or off Sublicensee's premises, Sublicensee's computer systems, processing files, documents, administrative records, and other materials to ensure Sublicensee's compliance with the provisions of this agreement.

7. Sublicensee further agrees that the USPS or its authorized representatives will, until three (3) years after final payment under this agreement, have access to and the right to examine any directly pertinent books, documents, papers, records or other materials of Sublicensee involving transactions related to this agreement.

8. Sublicensee shall not export the LACSLink Product outside of the United States or its territories without prior written approval of the USPS.

9. This Sublicense shall be governed by the federal laws of the United States of America, or, when no such law is applicable, then by the laws of the State of New York as interpreted by the United States Court of Appeals for the Second Circuit.

10. This Sublicense shall not be transferable, in whole or in part. The rights and obligations of Sublicensee shall be terminated immediately in the event of a dissolution, merger, buy-out, or transfer of any kind of the assets of Sublicensee.

11. All obligations of Sublicensee referred to in this Sublicense inure to the benefit of USPS.

#### **15.5 DSF2 Interface (USPS Delivery Sequence File - DSF2 )**

1. Sublicensee has no rights as to the DSF2 Interface under this agreement beyond using it in conjunction with the DSF2 data product to update a list, system, group or other collection of addresses (herein "Mailing Lists") used for addressing letters, flats, postcards, packages, leaflets, magazines, advertisements, books and other printed material, and any other deliverable item handled by the United States Postal Service (herein "Deliverables") for delivery by the United States Postal Service (herein "USPS").

2. Sublicensee's right to use the DSF2 Interface is strictly limited to use only within the United States, its territories, and possessions.

3. As to the Interface, Sublicensee has the right only to sequence and/or update Mailing Lists used to prepare Deliverables that will be deposited with the USPS.

4. Sublicensee has no right to sublicense, sell, assign, or otherwise transfer rights in, reproduce, perform, attempt to improve, reverse engineer, modify or otherwise change, or prepare derivative works of the Interface. Any attempt to sublicense, sell, assign, or otherwise transfer rights in, or otherwise distribute the Interface shall be void.

5. Sublicensee acknowledges

a. that USPS owns the DSF2 data, technology, and system in its entirety including that used in the development of the Interface;



- b. that USPS owns and retains rights in the trademark of DSF2 and in the registered trademarks UNITED STATES POSTAL SERVICE®, POSTAL SERVICE®, US POSTAL SERVICE®, AND USPS® ;
  - c. that Licensee is providing the Interface to Sublicensee solely for use with the DSF2 Product under a nonexclusive, limited distribution license from USPS; and
  - d. that the rights Sublicensee obtains in this license are derived from Licensee's agreement with USPS and Sublicensee obtains from Licensee no broader right than Licensee obtains from USPS, except as to Sublicensee's specific right to use the DSF2 Interface to access the DSF2 data.
6. Sublicensee is strictly limited to using the Interface only with the DSF2 Product; and
7. Sublicensee acknowledges and agrees that Sublicensee has no right to sublicense, sell, distribute, reproduce, or display USPS trademarks or sell the Interface or other products under USPS's trademarks.

#### **Exhibit 6 – SAP Business One Software**

##### **PREAMBLE**

The minimum license requirements for a SAP Business One installation is one (1) SAP Business One Starterpackage User or one (1) SAP Business One Professional User.

1. As part of SAP Business One software SAP provides preconfigured SAP Crystal Reports and SAP Crystal Dashboards. Such reports and dashboards are available without additional license fee (see SAP Crystal Versions for SAP Business One).
2. SAP Business One software requires a database. Such data base can be licensed via SAP, it's authorized reseller or direct via the database vendor or it's authorised reseller.

##### **1. SAP Business One Integration for SAP NetWeaver**

- 1.1 SAP Business One integration for SAP NetWeaver is part of the SAP Business One license, except for the Starter Package User.
- 1.2 *SAP Business One Integration for SAP NetWeaver® Integration Packages.* SAP Business One integration for SAP NetWeaver Integration Packages are provided without additional charge; use is subject to separate use terms.

##### **2. SAP Business One Starter Package User**

- 2.1 Minimum license requirement: One (1) SAP Business One Starter Package User.
- 2.2 Maximum number of licenses is limited to five (5) SAP Business One Starter Package Users.
- 2.3 If licensee requires more than the maximum number of five (5) SAP Business One Starter Package Users, all users need to be licensed as SAP Business One Professional or Limited Professional User.
- 2.4 The following product options can be added to the SAP Business One Starter Package:
  - SAP Business One Option for SAP HANA
- 2.5 The SAP Business One Starter Package User cannot be combined with any other SAP Business One Named User type or with other SAP Business One product option.

##### **3. SAP Crystal Versions for SAP Business One**

- 3.1 SAP provides preconfigured SAP Crystal Reports and SAP Crystal Dashboards as a part of SAP Business One.
- 3.2 Such SAP provided reports and dashboards are available to all SAP Business One Named Users without additional license fee.
- 3.3 A single SAP Business One system includes one (1) user for SAP Crystal Reports, without additional license fee.
- 3.4 For additional dashboards, the appropriate SAP Crystal Dashboard Design software license is required to view, use and modify.
- 3.5 SAP Crystal product versions for SAP Business One (i) are restricted for Use with the SAP Business One application data; (ii) are further subject to the terms and conditions applicable to SAP Crystal as stated in the SUR; and (iii) cannot be in deployed in a standalone environment.
- 3.6 *SAP Crystal Reports, version for the SAP Business One application.* SAP Crystal Reports version for the SAP Business One application provides a single user license that grants access rights to use SAP Crystal Reports, version for SAP Business One. Prerequisite: One Professional User or one Limited User or one Indirect access User required for each option licensed.
- 3.7 *SAP Crystal Dashboard Design, version for the SAP Business One application.* SAP Crystal Dashboard Design, version for the SAP Business One application provides a single user license that grants access rights to use SAP Crystal Dashboard Design for SAP Business One. The SAP Crystal Dashboard Design, version for SAP Business One license does not include the rights granted under a SAP Crystal Dashboard Design license. One named user license of the SAP Crystal Dashboard Viewing, version for the SAP Business One application is included with the SAP Crystal Dashboard Design, version for SAP Business One license. Prerequisite: One Professional User or one Limited User or one Indirect access User required for each option licensed.



*3.8 SAP Crystal Dashboard Viewing, version for the SAP Business One application.* SAP Crystal Dashboard Viewing, version for the SAP Business One application license provides a single user license that grants rights to view dashboards created using the SAP Crystal Dashboard Design, version for SAP Business One software. Prerequisite: One Professional User or one Limited User or one Indirect access User required for each option licensed.

#### **4. SAP Business One Software Development Kit (SDK)**

The SAP Business One Software Development Kit (SDK) is a development toolkit that allows programmers to interface 3rd party applications with SAP Business One both, at the database level and/or at the user interface level. The development tools consist of tools and interfaces to access SAP Business One from 3rd party applications and vice versa. Each SAP Business One Software Development Kit license allows rights of use for a maximum of twenty (20) SDK programmers. Prerequisite: One Professional User required for each SDK programmer.

#### **5. SAP BusinessObjects Lumira for SAP Business One application**

SAP BusinessObjects Lumira, version for SAP Business One provides a single user license that grants access rights to use this product solely in conjunction with a SAP Business One license. Prerequisite: One Professional User or one Limited User or one Indirect access User required for each option licensed.

#### **6. Integration Framework of SAP Business One**

The Integration Framework of SAP Business One is the integration platform for SAP Business One. The predefined standard integration scenarios delivered by SAP and the required instances (systems) can be used without additional license fee.

The right to run integration scenarios developed by partners or customers with instances (systems) in the system landscape directory of the Integration Framework of SAP Business One can be acquired for an additional fee per instance (system). Existing SAP Business One customers, contract date before July 15th 2013, can continue to use the Integration Framework without additional cost.

**7. SAP Business One Option for SAP HANA** is an option authorized to perform analytics content provided by the licensed SAP Business One Analytics software used solely in conjunction with SAP Business One. Prerequisite: One SAP Business One Engine for SAP HANA per contract. When this option is selected, all Professional, Limited and Starter Package users must also be licensed.

**8. SAP Customer Checkout** is a Point Of Sales solution. No prerequisite

#### **9. SAP Business One Metrics.**

##### **SAP Business One Named Users**

**SAP Business One Professional User** is a Named User who performs operational related roles supported by the SAP Business One Software. The SAP Business One Professional User license is needed to administer a SAP Business One installation and work with production and Material Resource Planning (MRP). The SAP Business One Professional User does include the rights granted under a SAP Business One Limited CRM User, SAP Business One

Limited Financial User, SAP Business One Limited Logistic User and SAP Business One Indirect Access User license. The SAP Business One Professional User does not include the rights granted under a SAP Business One Web CRM User license.

**SAP Business One Limited User** is a Named User who has access rights to the SAP Business One functionality to support operational processing and information requirements in a specific role. Each Limited User can be requested as one of these roles: CRM, Financial or Logistic. The SAP Business One Limited User license does include the rights granted under an SAP Business One Indirect Access User license.

**SAP Business One Limited to SAP Business One Professional User** is a Named User authorized to perform SAP Business One Professional User related roles supported by the licensed Software provided such Named User is also an individual licensed from SAP as an SAP Business One Limited User and both such Users are licensed for the same runtime database, if any. If receiving support under the license agreement, Licensee must be subscribed to and fully paid on support for both this User and the underlying SAP Business One Limited User for so long as Licensee continues to receive support under the license agreement. This allow the upgrade from: SAP B1 Limited CRM User to SAP B1 Professional User; SAP B1 Limited Financial User to SAP B1 Professional User; SAP B1 Limited Logistic User to SAP B1 Professional User; SAP B1 Limited to SAP B1 Professional User; SAP B1 CRM Sales User to SAP B1 Professional User; SAP B1 CRM Service User to SAP B1 Professional User.

**SAP Business One Mobile Application User** is a Named User who has access rights to the 'SAP Business One Sales (mobile app)' only.

**SAP Business One Indirect Access User** is a Named User authorized to access Software Solution Provider (SSP) solutions only. An SAP Business One Indirect Access User does not have authorization right to any functions (forms) in SAP Business One itself. Each user can access unlimited number of SSP solutions. Connections can be created through the DI-API and the Service Layer. Separate license is required for connections through the Integration Framework of SAP Business One.

**SAP Business One Starter Package User** is a Named User who performs operational related roles supported by the SAP Business One Starter Package Software. The SAP Business One Starter Package User license does include the rights granted



under an SAP Business One Indirect Access User license. The SAP Business One Starter Package User license does not include the rights granted under a SAP Business One Professional User.

**SAP Business One Starter Package to SAP Business One Professional User** is a Named User authorized to perform SAP Business One Professional User related roles supported by the licensed Software provided such Named User is also an individual licensed from SAP as an SAP Business One Starter Package User and both such Users are licensed for the same runtime database, if any. If receiving support under the license agreement, Licensee must be subscribed to and fully paid on support for both this User and the underlying SAP Business One Starter Package User for so long as Licensee continues to receive support under the license agreement.

**SAP Business One Starter Package to SAP Business One Limited User** is a Named User authorized to perform SAP Business One Limited User related roles supported by the licensed Software provided such Named User is also an individual licensed from SAP as an SAP Business One Starter Package User and both such Users are licensed for the same runtime database, if any. If receiving support under the license agreement, Licensee must be subscribed to and fully paid on support for both this User and the underlying SAP Business One Starter Package User for so long as Licensee continues to receive support under the license agreement.

#### 10. Remaining SAP Business One Metrics

**Cores** are the number of cores in CPUs that are available for use by the licensed software. The number of Core licenses must be an integer. When counting physical Cores, each Core of a physical CPU that runs at least parts of the licensed software, including those that are temporarily assigned or scheduled to cover peak processing, is considered and counted.

When counting virtual Core's, each virtual Core that runs at least parts of the licensed software, including those that are temporarily assigned or scheduled to cover peak processing, is counted.

If the licensed Software will run in a pure virtual environment, physical Cores will not be counted. For purposes of clarification, "Core" as defined in this metric definition is different from "core" as referenced in the metric definition for any Software licensed on a CPU basis (if any), and therefore is not applicable in that context.

**Contract price** is the net value of the license contract. Contract price for partners refers to partner buy price depending on the support delivery model

**Devices** are any piece of equipment or hardware and include but are not limited to: a workstation, terminal, point of sale terminal, notebook, handheld, tablet, PDA, smartphone, internet connected television, scale devices, devices installed in a vehicle (on-board units) or other networked devices. The application itself defines the type of devices that are used and therefore counted for the price list item (e.g., Sybase SQL Anywhere Database for Use with SAP POS for Retail devices are defined as those devices accessing data from SQL Anywhere Database or e. g. SAP Mobile Order Management devices are all devices installed as on-board units in a vehicle).

**Flat fee** are fixed package license fees for the software.

**Gigabytes of memories** are the total amount of memory (measured in gigabytes) that may be used by the SAP HANA Software.

**Instances** are unique connections to a single specified application or technology type.

(Instances in the context of the Integration Framework of SAP Business One are sending or receiving systems defined in the system landscape directory used in active integration scenarios. One unique instance is counted only one time.)

**MSRP** (Manufacturer Suggested Reselling Price) is the list price minus volume discount.

**Users** are individuals who Use the Software.

Below are Product Specific Terms and NOT metrics

#### **SAP Business One DI Server**

The DI-Server enables business partners to develop SOAP-based solutions to read, write, update, and remove data objects on the database level. It provides a suitable infrastructure for server-oriented partner solutions. The DI-Server is a license per Core on a CPU, not as a Named User. The core count is defined by the number of cores available in the Operating System used by the DI-Server or the Service layer. Note, the underlying core can be a physical, logical or virtual. Connections can be created through the DI-Server and the Service Layer. Separate license is required for connections through the DI-API and Integration Framework of SAP Business One.

#### **SAP Business One Engine for SAP HANA**

SAP is licensing the SAP Business One, version for SAP HANA Engine as a runtime restricted license database for SAP Business One and certified SAP Business One Add-ons, including certified SAP Business Add-ons created by SAP partners or SAP Business One Add-ons created by Licensee. Licensee shall only use the SAP Business One, version for SAP HANA Engine in connection with SAP Business One Software and the aforementioned SAP Business One Add-ons and only for the purposes of its own internal data processing which includes access of third party user such as contractors, supply chain vendors or suppliers, customers, or third party individuals authorized by Licensee. Any access to the SAP Business One, version for SAP HANA Engine,



including but not limited to data loading, modeling, reporting and distribution, must take place via SAP Business One or the aforementioned SAP Business One Add-ons.

The SAP Business One, version for SAP HANA Engine includes a runtime license of HANA Studio and access is solely to administer and manage the SAP Business One, version for SAP HANA Engine, or for system administration tasks and data modeling for reporting requirements. The SAP Business One, version for SAP HANA Engine cannot be deployed on the same installation as any other SAP HANA software. The SAP Business One, version for SAP HANA Engine is licensed for addressable RAM memory and can only run on SAP certified hardware and with the supported operating system(s). All individuals Using the SAP Business One, version for SAP HANA Engine, also through other reporting tools, require an SAP Business One Named User license or a licensed SAP Business One connector.

The SAP Business One, version for SAP HANA engine includes a runtime license for the all the SAP HANA components included in the packages SAP Business One analytics powered by SAP HANA , SAP Business One, version for SAP HANA and SAP HANA Platform Edition Revision Packages for SAP Business One

**MSRP** - Manufacturer Suggested Reselling Price is the list price minus volume discount.

\*\*Support for SAP Business One is subject to conclusion of a support schedule to the license agreement.

## **12. Localizations.**

Licenses for SAP Business One software can be used on any of the localizations supported by SAP Business One software. However, for SAP Business One software licensed after 01.01.2010, the license key will be issued 'per localization'. By default the localization of the requested software country version will be released. Each licensed Named User can only access the localization for which the license key was issued. Employees that require access to two or more localizations will require two or more Named User licenses.

## **13. Intercompany Integration Solution for SAP Business One**

The Intercompany Integration Solution for SAP Business One software may include certain third party open source and/or other components.

Partner needs to take into consideration the Additional License Principles for the Intercompany Integration Solution for SAP Business One set out in the SAP Pricing & Licensing Principles when licensing the Intercompany Integration Solution for SAP Business One to End Users. The Named User license requirements apply also to the Use of the Intercompany Integration Solution for SAP Business One. Partner shall inform End Users accordingly. Prerequisite: One Professional User or one Limited User required for each option licensed. When this option is selected, all Professional and Limited users must also be licensed

## **14. Fail-over Server**

For any operating system environment in which Licensee runs installations of SAP Business One software, Licensee may run up to the same number of passive fail-over installations of SAP Business One software in a separate operating system environment for temporary support. Licensee may run the passive fail-over installation of SAP Business One software on a hardware server other than the licensed hardware server.

## **15. Test Installations**

A customer is entitled to run one SAP Business One software installation for internal testing purposes. For such test installation, the customer may use same users which customer has licensed for productive use of SAP Business One software.

### **Exhibit 7 – DELIBERATELY LEFT BLANK**

### **Exhibit 8 – Terms relating to Third Party Web Services**

Third Party Web Services are defined in Section 1.2.6 of the Preamble to these Use Terms and examples of Third Party Web Services include services such as: Facebook, Evernote, Gigya, Twitter, Google Maps and other such services (non-exhaustive list for the purpose of examples – please refer to the definition of Third Party Web Services for precise definition). The following terms apply to all Third Party Web Services:

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- Use of the Third Party Web Service's API is subject to Licensee's acceptance of the Third Party Web Service's terms and conditions, which must be obtained from the Third Party Web Service provider. SAP is not a party to the agreement between the Licensee and the Third Party Web Service provider.
- The Third Party Web Service's API and the Third Party Web Service are excluded from all SAP representation, warranties, indemnifications and support obligations.
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- SAP may throttle, suspend or terminate the Licensee's access to the Third Party Web Service's API through the Product if Licensee violates or causes SAP to violate Third Party Web Service provider's terms of service or other applicable Third Party Web Service provider agreements or policies (including, without limitation, exceeding any data or usage limits).



ATTACHMENT 1.g TO EXHIBIT A  
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#### **Your Use of MapQuest Wireless Services**

##### **Disclosures about Location and Other Information**

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**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **7**

to

Contract Number **071B4300137**

<b>CONTRACTOR</b>	CGI Technologies and Solutions Inc
	300 S. Washington Square
	East Lansing, MI 48933
	Jon Jasper
	(248) 496-4336
	jon.jasper@cgi.com
	CV0059354

<b>STATE</b>	<b>Program Manager</b>	Ruth Schwartz	DTMB
		(517) 284-7585	
		schwartzr1@michigan.gov	
	<b>Contract Administrator</b>	Garrick Paraskevin	DTMB
		(517) 284-6993	
		paraskeving@michigan.gov	

**CONTRACT SUMMARY**

ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AND MAINTENANCE AGREEMENT

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

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**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		September 30, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$59,839,517.00	\$6,517,198.00	\$66,356,715.00		

**DESCRIPTION**

Effective 9/28/2018, this Contract is increased by \$6,517,198.00 for SIMGA Supplemental Support for use DTMB Statewide, relating to the attached SOW.

This proposal will allow for SIGMA Subject Matter Experts from CGI to work on-site alongside State staff to mentor and support the State staff to take over SIGMA Operations Support and Implementation Services over the course of 3 years.

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on 9/25/2018.



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

for

**SIGMA Project Additional Managed Services**

**STATEMENT OF WORK for Contract Change Notice No. 007**

This Statement of Work for Contract Change Notice No. 007 ("Statement of Work") is entered into by the Department of Technology, Management and Budget ("DTMB" or "State") and CGI Technologies and Solutions Inc. ("Contractor" or "Vendor") under the terms of the Hosting and Managed Services Agreement (Contract #071B4300137) ("Agreement"), dated June 25, 2014, between DTMB and Contractor in accordance with Section 2.024 of the Agreement and Exhibit 2-1 to the Agreement.

**Project Title:**

Supplemental Support Services

**Period of Performance:**

10/01/2018 – 9/30/2021

**DTMB Deputy Project Director:**

Lisa Evani

EvaniL@michigan.gov

(517) 284-7586

**Contractor Project Manager:**

Bill Hutchinson

w.hutchinson@cgi.com

(717) 421-0153

**1. OVERVIEW AND BACKGROUND**

Additional support services are being requested due to the dynamic nature of SIGMA support needs from year to year. These services may include, but are not limited to:

- (1) Operations support for SIGMA Centers of Excellence (COEs);
- (2) Operations support for the SIGMA Business Operations and New Development (BOND);
- (3) Implementation services for implementing expanded SIGMA; and
- (4) Implementation services in support of implementing minor or major releases, not otherwise included in other provisions of the Agreement.

**2. OBJECTIVES OF STATEMENT OF WORK**

Provide the following resources for basic support requirements while also including a flex team (Flex Team) capability for additional services, if needed:

- (1) One additional onsite named resource to provide senior business analyst services.
- (2) Based on a resource plan jointly created to address needs for the upcoming fiscal year, additional support services addressing the following needs, within a defined budget:



- Operations support for SIGMA Centers of Excellence (COEs)
- Operations support for the SIGMA Business Operations and New Development (BOND)
- Implementation services for implementing expanded SIGMA.
- Implementation services in support of implementing minor or major releases, not otherwise included in other provisions of the Agreement.
- End User Support services for the SIGMA user community
- Other SIGMA related services as may be agreed to by the parties in writing

### 3. SCOPE OF WORK

Attachment 4: Key Personnel is replaced in its entirety with the following. Changes are highlighted in yellow.

#### Attachment 4: Key Personnel

The Contractor shall provide qualified resources to fill the positions listed below. All candidates must be reviewed and approved by the State Project Director and State Project Executives before becoming active in these required roles.

#### **Contractor Key Personnel**

The following personnel have been designated as Key Personnel and are subject to the provisions of Article 2-Sections 2.062 and 2.243 covering Key Personnel and Service Level Credits.

#### **A. On-Site Project Executive**

Bidder must identify a Project Executive (PE) that will be considered the Contractor's Single Point of Contact (SPOC). This individual must be located in Lansing, Michigan. The duties of the SPOC shall include, but not be limited to:

1. Supporting the management of the Agreement
2. Facilitating dispute resolution
3. Advising the State of performance under the terms and conditions of the Agreement
4. Develops long and short term goals for meeting and improving delivery of service to the State
5. Anticipates and analyzes future problems, needs and opportunities, determines probable effects of various alternatives and recommends a course of action to obtain the desired results
6. Works closely with the Client Service Director to ensure activities are consistent with department priorities and IT strategic plans

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.

#### **B. On-Site Operations Manager**

Once operational, the Contractor must provide a full time On-site Operations Manager, located in Lansing, Michigan, who will serve as the initial point of contact for the State on all operational matters throughout the Agreement. The Contractor's operations manager responsibilities include, at a minimum:

1. Manage all defined Contractor responsibilities in this Scope of Services.
2. Manage Contractor's subcontractors, if any.
3. Serve as the point person for all operational issues.
4. Coordinate and oversee the day-to-day operational activities.



5. Coordinate and oversee the hosting service desk.
6. Assess and report operational feedback and status.
7. Escalate operational issues, project risks, and other concerns.
8. Review all operational deliverables and provide feedback.
9. Proactively propose/suggest options and alternatives for consideration.
10. Utilize change control procedures.
11. Prepare project documents and materials.
12. Manage and report on the operational budget.
13. Conduct weekly operational update meetings.
14. Provides all reports as identified in Exhibit F: Required Reports

### **C. Delivery Project Executive**

Once operational, the Contractor must provide a Delivery Project Executive (DPE). The Delivery Project Executive will be the On-Site Project Executive's counterpart and will have similar responsibilities.

### **D. Service Delivery Manager**

Once operational, the Contractor must provide a Service Delivery Manager (SDM). The Service Delivery Manager will be the On-Site Operations Manager's counterpart and will have similar responsibilities.

### **E. Data Base Administrator**

Once operational, the Contractor must provide a Data Base Administrator. The Contractor's Data Base Administrator (DBA) responsibilities include, at a minimum:

1. Maintains all databases required for development, testing, education and production usage
2. Performs capacity planning required to create and maintain databases
3. Performs ongoing tuning of all development, testing, education and production databases
4. Evaluates new releases of database software and its tools to ensure the hosted site is running on products that are most appropriate
5. Plans and implements back-up and recovery of the databases
6. Administers all database objects, including tables, views, indexes, sequences, packages and procedures
7. Troubleshoots problems regarding the databases..
8. Evaluates user requests for modified database components to determine feasibility, time required, compatibility with current systems, and computer capabilities.
9. Provides technical support to application development team.

### **F. Disaster Recovery Lead**

Once operational, the Contractor must provide a Disaster Recovery Lead. The Contractor's Disaster Recovery Lead responsibilities include, at a minimum:

1. Serve as the point person for all Disaster Recovery related issues working in conjunction with the On-Site Operations Manager.
2. Coordinate and oversee the Disaster Recovery activities including planning, testing, and execution of the Disaster Recovery Plan.
3. Assess and report Disaster Recovery feedback and status.
4. Escalate Disaster Recovery issues, project risks, and other concerns.
5. Review all Disaster Recovery deliverables and provide feedback.
6. Proactively propose/suggest options and alternatives for consideration.
7. Utilize change control procedures.
8. Prepare project documents and materials..
9. Conduct periodic Disaster Recovery update meetings.

### **G. On-Site ERP Application Maintenance Lead**



Once operational, the Contractor must provide a full time on-site ERP Application Maintenance Lead, located in Lansing, Michigan, who will serve as the ERP subject matter expert and single point of contact for application maintenance for ERP and any third party application software for the State throughout the Agreement. The Contractor's ERP Application Maintenance Lead will work with approval from the State Project Director and responsibilities will include, at a minimum:

1. Serve as the point person for all application issues.
2. Assist the State in establishing priorities for all pending work, projects, and actions.
3. Coordinate and oversee the day-to-day application activities.
4. Coordinate and oversee the third party software support, if any.
5. Coordinate all application break/fix, application patch management, major and minor upgrades to the ERP and any third party application software.
6. Coordinate impact analysis on site specific customization and interfaces due to enhancements, upgrades, break/fix, patches, and large projects.
7. Coordinate work efforts managed through the discretionary services hours or large projects.
8. Coordinate with the Help Desk for application related incidents.
9. Escalate application issues, project risks, and other concerns.
10. Proactively propose/suggest options and alternatives for consideration.
11. Utilize change control procedures.
12. Prepare project documents and materials.
13. Manage and report on the discretionary services hours and budget.
14. Manage and report on the Service Level Agreements related to Managed Services
15. Conduct weekly operational update meetings.

On-Site Project Executive	TBD subject to the approval of the State	Part Time	October <u>2018</u>
On-Site Operations Manager	<u>Vigna Nalliah</u>	Full Time	October <u>2018</u>
Delivery Project Executive	Danna Westcott	Part Time (25%)	September 2018
Service Delivery Manager	Patricia Lang	Full Time	March 2015
Data Base Administrator	Shared Resource	Full Time across Shared Resources	March 2015
Disaster Recovery Lead	Shared Resource Assigned/designated to coordinate Disaster Recovery testing or in the event of an actual Disaster	Part Time across Shared Resources /	March 2015
On-Site ERP Application Maintenance Lead	TBD subject to the approval of the State	Full Time	October <del>2017</del> <u>2018</u>

**Named Personnel**

On a fiscal year basis, CGI will provide the onsite resources listed below, in addition to those currently provided for in Attachment 4 of the Contract. The onsite resources listed below shall be named resources, identified prior to the start of each year and subject to review and approval by the State. Work shall be completed on-site unless the State provides prior approval for work to be completed remotely to the project site.



## H. On-Site Senior Business Analyst

The Contractor will provide a full time on-site Senior Business Analyst, working in Lansing, Michigan, who will provide operations support to SIGMA Centers of Excellence (COEs), the SIGMA Business Operations and New Development (BOND) organization, and/or other organizations in support of the SIGMA system, as may be agreed to between the Contractor and the State. The Contractor's ERP Onsite Senior Business Analyst will work with approval from the State Project Director.

All personnel may be subject to the State's interview and approval process. Any Key Personnel substitution must have the prior approval of the State.

Normal State working hours are 7:00 a.m. to 5:00p.m. ET, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.

The Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

Should the State of Michigan issue an Executive Order thru the Office of State Employer mandating DTMB furlough days, the Contractor will not seek additional costs from the State for project schedule extensions to the extent such extensions are needed due to Contractor's inability to complete deliverables and milestones in accordance with the project schedule as a result of the above mentioned furlough days. In every case possible the State and the Contractor will work towards completing respective tasks and deliverables in such a manner as to minimize any extension to the project schedule caused by furlough days.

When requested by the State, the Contractor must provide an organizational chart indicating lines of authority for personnel involved in performance of this Agreement 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.

Section 21.0 Discretionary Services is replaced in its entirety with the following. Changes are highlighted in yellow.

### **21.0 Discretionary Services**

Contractor shall be responsible for making minor alterations or enhancements as mutually agreed to Applications within the scope of the Managed Services. Due to the sporadic nature of these requirements (e.g., minor display field changes, edits, reports, etc.), the State may require the Contractor to provide these services as needed. The Contractor must include, for each year of the Agreement, a pool of four thousand (4,000) hours per year, to be used for such services. The Contractor and the State agree that, in the event there are insufficient hours available in the Development Pool of Hours in the Implementation Services Agreement, Contract number 071B4300138 and in accordance with its provisions, the State may elect to use these hours during the implementation of Phase 2. Dependent on the nature of work, the Contractor will ensure appropriately skilled resources are leveraged to conduct the work. Such hours will not be used to address defects in the delivered software nor to correct variances from approved designs or concept papers. The Contractor must also provide tracking and reporting of hours used and remaining available within a given year. Upon receipt of an approved request from the State, the Contractor shall:

- A. Prepare and deliver a proposal that includes the following:
  1. A Project Plan including project schedule
  2. Delivery cost and resource estimates for each phase of the Project



3. Cost estimates for the ongoing maintenance resource and infrastructure requirements and costs for the solution(s) post-implementation
  4. Provisions for project management due diligence including:
    - a. Preparation and maintenance of project plans and schedules using Microsoft Project or other tool as may be required by State standards at the time
    - b. Preparation and maintenance of project organization and staffing chart
    - c. Status reports and weekly status meetings
    - d. Issue identification, logging, review, escalation, and resolution
    - e. Monitoring, reporting, and analyzing actual results versus forecasted results including budget, hours, milestone achievement, estimates to complete, key dependencies, key quality or acceptance gates and any other items the Contractor or State deems necessary to deliver the Project
- B. For each proposed project approved by the State, the Contractor shall:
1. Deliver Projects in a manner that is designed to help minimize disruption to the State business environment.
  2. Balance Project scope, quality, effort, schedule, budget, and resource risks or conflicts jointly with the State.
  3. Develop and report business and technical risk and impact analyses.
  4. Conduct post-delivery analysis, documenting preferred experiences, and compiling recommendations for purposes of continuous service improvements.

Section 39.0, Confirmation of Discretionary Services, is replaced in its entirety with the following. Changes are highlighted in yellow.

**39.0 Confirmation of Discretionary Hours**

The Contractor has confirmed that their fixed price proposal includes the proposed 8000 hours of discretionary services per year. In addition, the Contractor has confirmed that the limit of 100 hours per request has been removed from the Discretionary Services pool of hours. As agreed with Contract Change Notice 7, the amount of discretionary hours has been changed from 8000 hours to 4000 hours.

**4. PROJECT SCHEDULE**

The schedule for performance of the Services is specified in the Integration Master Schedule (IMS), Agency Implementation Plan, and Agency Technical Schedule. The high level project schedule dates are included below.

Key Date	Date
Project Start Date	07/01/2014
Phase 1.5: Budget Preparation Implementation Date	08/01/2016
Phase 2 Implementation Dates	
<ul style="list-style-type: none"> <li>• Budget Preparation</li> </ul>	07/31/2017
<ul style="list-style-type: none"> <li>• Procurement &amp; VSS Functionality</li> </ul>	07/31/2017



Key Date	Date
<ul style="list-style-type: none"> <li>Core Financials</li> </ul>	10/01/2017
<ul style="list-style-type: none"> <li>Time, Expense, Leave, and Labor Distribution</li> </ul>	10/16/2017
Start Date for Phase 1.5 Post Implementation and Production Support	08/01/2016
Start Date for Phase 2 Post Implementation and Production Support	10/01/2017
End of Phase 1.5 and Phase 2 Production and Post Implementation Support	09/30/2018

**5. PROJECT STAFFING**

Contractor will provide the individual resources/roles specified in this Section 5 for performance of the Services. The State is requesting:

- (1) One (1) Senior Business Analyst to perform services as described in Section 3, Scope of Work.
- (2) Agreed upon Flex Team resources to perform services as defined in Section 3, Scope of Work.

**6. COMPENSATION AND PAYMENT**

The Named Personnel will be provided on a fiscal year basis, starting on October 1 and ending on September 30. CGI will provide these Named Personnel on a fixed fee basis. CGI will invoice a quarterly fixed fee of \$82,250.00. The total annual cost for these resource(s) is \$329,000.00. The proposed quarterly fixed fee is based on the labor categories proposed and the associated rates in the approved rate schedule, Price Table 4: Rates for Additional Services and Larger Projects, specified in Attachment 3 of the Contract. The fees are based on 1880 hours per year, normalized to 156 hours per month.

The parties acknowledge and agree that incremental compensation paid pursuant to this Contract Change Notice shall not be included in (i) the calculating limitations on Contractor’s liability pursuant to Section 2.221 of the Agreement or (ii) in calculating the amount of service level credits for which Contractor is liable pursuant to Section 2.243 of the Agreement.

Attachment 3: Payment Schedule is replaced in its entirety with the following. Changes are highlighted in yellow.

**Attachment 3: Payment Schedule**

Summary Price Table: Software License, Maintenance, Hosting and Managed Services

	Prior to CCN 1	Change for Procurement	Change for MIDB	12 Month Ext	CCN 4, 5, 6	Supplemental Support Services	New Total
CGI Advantage® Software License Fees	\$9,627,744	\$1,283,694	\$0	\$0		\$0	\$10,911,438
Bundled Software Products Fees	\$962,716	\$23,400	\$807,269	\$0		\$0	\$1,793,385
CGI Advantage® Annual Maintenance Fees (7 Year Total)	\$5,587,969	\$638,765	\$0	\$0		\$0	\$6,226,734
Other Proposed Application Software	\$2,083,167	\$97,897	\$1,151,401	\$0	\$12,250	\$0	\$3,344,715





Line No.	Service Category	Initial Year through 09/30/15	Year 2 10/01/15 through 09/30/16	Year 3 10/01/16 through 09/30/17	Year 4 10/01/17 through 09/30/18	Year 5 10/01/18 through 09/30/19	Year 6 10/01/19 through 09/30/20	Year 7 10/01/20 through 09/30/21	Seven Year Total
16	Break Fix Support				\$749,271	\$749,271	\$749,271	\$749,271	\$2,997,086
17	Help Desk Support				\$214,405	\$214,405	\$214,405	\$214,405	\$857,618
18	Managed Services Operations and Production Support (Incremental Difference between Managed Services Job Setup and Scheduling as described in Section 23 of Attachment F and Hosting Job Setup and Scheduling as described in Section 10 of Attachment F.	\$88,286	\$310,453	\$414,622	\$401,288	\$401,288	\$401,288	\$401,288	\$2,418,513
19	Major and Minor Upgrades				\$169,315	\$363,172	\$1,572,213	\$363,172	\$2,467,872
20a	Discretionary Services (based on 4000 hours of Service, per full year)				\$1,032,000	\$516,000	\$516,000	\$516,000	\$2,580,000
20b	Named Personnel					\$329,000	\$329,000	\$329,000	\$ 987,000
21	Total Managed or SaaS Services (Not Including Hosting) (sum of lines 16 to 20)	\$88,286	\$310,453	\$414,622	\$2,566,279	\$2,573,136	\$3,782,177	\$2,573,136	\$12,308,089
22	Total Hosting, Managed Services, or SaaS Services (sum of lines 14 and 21)	\$2,349,356	\$3,898,693	\$2,964,695	\$5,147,888	\$5,298,023	\$6,560,191	\$5,473,770	\$31,692,616
23	Additional network connection to Comerica Bank	\$26,427 (\$9,879 setup fee due at start of year)	\$16,548	\$16,548	\$16,548	\$16,548	\$16,548	\$16,548	\$125,715
24	Revised Total Hosting, Managed Services, or SaaS Services and additional network connection (sum of lines 14 and 21 and 23)	\$2,375,783	\$3,915,241	\$2,981,243	\$5,164,436	\$5,314,571	\$6,576,739	\$5,490,318	\$31,818,331
25	Hosted Business Objects Enterprise / infoAdvantage Environment to support a Business Intelligence infrastructure using the databases on the Phoenix data center network.	\$649,571	\$199,571	\$199,571	\$199,571	\$199,571	\$199,571	\$199,571	\$1,847,000
26	Hosting and Managed Services for CGI Advantage Procurement and VSS	\$70,136	\$59,828	\$69,052	\$67,293	-	-	-	\$266,309
27	Revised Total Hosting, Managed Services, or SaaS	\$3,095,490	\$4,174,640	\$3,249,866	\$5,431,300	\$5,701,142	\$6,963,310	\$5,876,889	\$34,492,640



Line No.	Service Category	Initial Year through 09/30/15	Year 2 10/01/15 through 09/30/16	Year 3 10/01/16 through 09/30/17	Year 4 10/01/17 through 09/30/18	Year 5 10/01/18 through 09/30/19	Year 6 10/01/19 through 09/30/20	Year 7 10/01/20 through 09/30/21	Seven Year Total
	Services and additional network connection (sum of lines 14, 21, 23, 25 and 26)					\$5,514,142	\$6,776,310	\$5,689,889	\$33,931,640
28	12 month Extension			\$1,000,000			(\$1,000,000)		\$0
29	Baseline Fee (estimated date; payable fully upon installation of the Advantage 3.11 Software and Source Code)			\$1,500,000					\$1,500,000
30	MiLogin (estimated dates; payable in 3 parts as follows: \$500,000 upon initiation (plan), \$432,708 upon system test completion, and \$432,708 upon UAT completion)		\$500,000	\$865,416					\$1,365,416
31	Revised Total Hosting, Managed Services, or SaaS Services and additional network connection (sum of lines 14, 21, 23, 25, 26, 28, 29, and 30)	\$3,095,490	\$4,674,640	\$6,615,283	\$5,431,300	\$5,514,142	\$5,776,310	\$5,689,889	\$36,797,054
32	Flex Team Allotment for Additional Services FY2019-21					\$7,078,200			\$7,078,200
33	Revised Total Hosting, Managed Services, or SaaS Services and additional network connection (sum of lines 14, 21, 23, 25, 26, 28, 29, 31 and 33)								\$43,875,254

Note: Additional storage for up to 100GB for 10 years associated with MI Localities use of Procurement and VSS is \$39,557. Optional storage including additional backup requirements is available at \$25.32 Gb/year.

***Hosting and managed services will be invoiced and paid on a quarterly basis in advance and all invoices will be in aggregate for the Total Hosting and Managed Services fees and not include the allocation of fees to the State's categories represented above***



Price Table 2: Hosting and Managed Services Fixed Price Options for Three Additional Years

Line No.	Service Category	<u>Optional Year 1</u> October 1, 2021 to September 30, 2022	<u>Optional Year 2</u> October 1, 2022 to September 30, 2023	<u>Optional Year 3</u> October 1, 2023 to September 30, 2024	Total
1	Hosting	\$3,031,791	\$3,148,290	\$3,259,120	<b>9,439,201</b>
2	Managed or SaaS Services (if applicable)	\$2,217,385	\$2,234,633	\$2,266,556	<b>\$6,718,574</b>
3	Flex Team Allowance (Optional)	\$2,430,182	\$2,503,087	\$2,578,180	<b>\$7,511,449</b>
4	Total (sum of lines 1, 2, and 3)	<b>\$7,679,358</b>	<b>\$7,886,010</b>	<b>\$8,103,856</b>	<b>\$23,669,224</b>

*Contractor will perform additional technical Minor Release Upgrades as defined in Section 20.B of this Agreement during the original term or optional years immediately above for the added price of \$2.5M per technical Minor Release Upgrade. State recognizes that CGI implementation services of new features available from the release are not included. Includes code merge of Michigan extensions into the new release, delivery of system tested software of the CGI Advantage Software (not including Michigan interfaces, reports, forms), and software delivery of merged code to State.*

*Note: Line 2 of Price Table 2 includes Named Personnel, Flex Team services and the agreed upon reduction in Discretionary Hours.*

Price Table 3: Option for Hot Site

Line No.	Service Category	<u>Initial Year</u> through 09/30/15	<u>Year 2</u> 10/01/15 09/30/16	<u>Year 3</u> 10/01/16 through 09/30/17	<u>Year 4</u> 10/01/17 through 09/30/18	<u>Year 5</u> 10/01/18 through 09/30/19	<u>Year 6</u> 10/01/19 through 09/30/20	<u>Year 7</u> 10/01/20 through 09/30/21	<u>Seven Year Total</u>
1	Warm Site Disaster Recovery Site and Services (Must match line 13 of Table 5)	\$140,006	\$256,061	\$295,116	\$334,759	\$376,276	\$420,291	\$465,434	<b>\$2,287,942</b>
2	Optional Hot Site Disaster Recovery Site and Services	\$1,613,981	\$556,946	\$541,451	\$580,183	\$622,235	\$669,423	\$717,433	<b>\$5,301,652</b>
3	Incremental Difference Between Hot Site and Warm Site Price	<b>\$1,473,976</b>	<b>\$300,885</b>	<b>\$246,336</b>	<b>\$245,424</b>	<b>\$245,959</b>	<b>\$249,132</b>	<b>\$251,999</b>	<b>\$3,013,710</b>



Difference in the Disaster Recovery Site and Services

For Contractor's Hot DR services, the Contractor's primary production site is located in Phoenix, AZ and our secondary site, located in ~~Andover, MA~~ Philadelphia, PA will be used for Disaster Recovery. Data and servers will be replicated across these two geographically diverse locations, thereby mitigating the risk of a regional disaster impacting both data centers.

The disaster facility will have a full replication of physical and virtual servers, network (LAN, WAN and Internet), security and storage infrastructure to accommodate a full production workload and have the ability to continue to meet SLA's during a disaster scenario.

The disaster Oracle database cluster will be kept up to date with the production Oracle database cluster utilizing Active Dataguard to provide a continuous asynchronous feed of data as changes occur in real-time across an inter-data center replication circuit. This will provide a disaster recovery database with near zero data loss.

The virtual web and application servers are deployed on a VMware cluster and will utilize Site Recovery Manager as the method replicating production virtual servers to the disaster recovery facility. In the event of a disaster, the database and supporting application servers will be available and will meet the State's stated RTO/RPO objectives.

Price Table 4: Rates for Additional Services and Larger Projects\*

The work shall be completed on-site unless the State provides prior approval. The State does not compensate Contractors for premium overtime or holiday pay. The rates shall be firm, fixed for the duration of the Agreement. The rates are inclusive of any travel or other expenses as described in Section 1.600. The State reserves the right to negotiate lower rates and to seek a fixed price for any larger efforts it may wish to undertake using Contractor staff. For option years, Annual price increases for such services shall not exceed the lesser of 3% or the percentage increase in the Consumer Price Index published by the US Bureau of Labor Statistics for the preceding year once the initial Maintenance Period explicitly listed has passed.

Professional Service Category (e.g. Programmer/Analyst)	Hourly Rate
Project Manager	\$260
Deputy Project Manager	\$235
Subject Matter Expert	\$245
Security Lead	\$300
Security Specialist	\$220
Technical Architect	\$245
Technical Lead	\$195
Team Lead	\$195
Senior BA	\$175
BA	\$135
Senior PA	\$175
PA	\$135
Change Management/Communications	\$175
Tester	\$120
Trainer	\$135
System Administrator	\$135
Operations Support	\$135
Technical Writer	\$95
Project Assistant	\$70



### **Allotment for Additional Services (Flex Team)**

Prior to the start of each fiscal year, the State and CGI will assess additional support needs above and beyond the fixed price scope of services of the Agreement for the upcoming year and create a resource plan (Resource Plan) to address those needs and create a Flex Team of agreed upon resources to provide the mutually agreed additional support. Each month during the course of the fiscal year the State and CGI will jointly review the Resource Plan and adjust it as may be required and mutually agreed to. Flex team resourcing shall be subject to the following provisions:

- (1) Once agreement is reached on the Resource Plan, CGI shall have six (6) weeks to identify and staff required resources.
- (2) During the course of the fiscal year, the State and CGI may agree to revise the Resource Plan to add resources. Once the Resource Plan is so revised, CGI shall have six (6) weeks to identify and staff the additional resources.
- (3) During the course of the fiscal year, the State may terminate the services of one or more Flex Team resources prior to the dates specified in the Resource Plan by giving four (4) weeks advance written notice.

The Contractor will provide a monthly status report identifying activities performed by Flex Team resources, including items completed and items planned for the upcoming month. Monthly status reports will be provided within 10 business days following the end of the month. The monthly status reports will confirm that the services performed by the Flex Team during the applicable period do not include services otherwise required to be performed by CGI as part of the fixed price scope of the Agreement.

Flex Team services will be provided on a fiscal year basis, starting on October 1 and ending on September 30. CGI will submit an invoice quarterly for these services, based on resource labor category and hours worked by each assigned resource. CGI will not invoice the State for Flex Team services, if any, that are otherwise included in the fixed price scope of the Agreement.

Flex Team resources will be limited to a 3 year allowance of \$7,078,200.00 for the period FY2019-21. The three year allowance is the equivalent of the following resources at 1880 hours per year for 3 years, per the Contract approved rate schedule – 1 Subject Matter Expert, 2 Technical or Team Leads, 2 Senior Programmer Analysts or Senior Business Analysts, and 2 Programmer Analysts or Business Analysts; however, the State may use any labor category mix, provided the 3 year allowance is not exceeded.

Additional option years may be added by mutual agreement subject to the terms of the Contract and this proposal. CGI will submit an invoice quarterly for these services, based on resource labor category and hours worked by each assigned resource. The fee schedule for Flex Services for FY2019 through FY2021, plus three option years is specified in the table below.

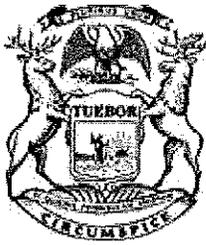


Fiscal Year	Flex Team Allowance*
FY2019	\$7,078,200.00
FY2020	
FY2021	
<b><u>Optional Year 1 –</u></b> October 1, 2021 to September 30, 2022	\$2,430,182.00
<b><u>Optional Year 2 –</u></b> October 1, 2022 to September 30, 2023	\$2,503,087.00
<b><u>Optional Year 3 –</u></b> October 1, 2023 to September 30, 2024	\$2,578,180.00

\*Note – The Flex Team Allowance is not to be included in the calculation of the limits on Service Level Credits provided in Sections 2.243 and 2.221 of the Contract.

Price Table 5: Procurement and VSS Hosting and Managed Services Fixed Price Options for Six Additional Years

Line No.	Service Category	<u>Optional Year 1</u> 10/01/2018 through 09/30/19	<u>Optional Year 2</u> 10/01/19 09/30/20	<u>Optional Year 3</u> 10/01/20 through 09/30/21	<u>Optional Year 4</u> 10/01/21 through 09/30/22	<u>Optional Year 5</u> 10/01/22 through 09/30/23	<u>Optional Year 6</u> 10/01/23 through 09/30/24	<u>Total</u>
1	Hosting	\$44,191	\$57,755	\$37,229	\$38,091	\$38,996	\$39,946	<b>\$256,208</b>
2	Managed or SaaS Services (if applicable)	\$42,349	\$43,718	\$44,691	\$46,179	\$47,191	\$48,048	<b>\$272,176</b>
3	Total (sum of lines 1 and 2)	<b>\$86,540</b>	<b>\$101,473</b>	<b>\$81,920</b>	<b>\$84,270</b>	<b>\$86,187</b>	<b>\$87,994</b>	<b>\$528,384</b>



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

**CONTRACT CHANGE NOTICE**

Change Notice Number 6  
 to  
 Contract Number 071B4300137

<b>CONTRACTOR</b>	CGI Technologies and Solutions Inc
	300 S. Washington Square
	East Lansing, MI 48933
	Jon Jasper
	(248) 496-4336
	jon.jasper@cgi.com
	CV0059354

<b>STATE</b>	Program Manager	Ruth Schwartz	DTMB
		(517) 284-7585	
		schwartzr1@michigan.gov	
	Contract Administrator	Mike Breen	DTMB
		(517) 249-0428	
		breenm@michigan.gov	

CONTRACT SUMMARY				
ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AND MAINTENANCE AGREEMENT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2021	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		September 30, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$59,736,328.00	\$103,189.00	\$59,839,517.00		
DESCRIPTION				
Effective with mutual signature the contract is amended to add funding (\$103,189.00) to support the acquisition of additional PatternStream software licenses by Agency request (per attached documentation [amendment and quote]). All other terms and conditions remain the same.				



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
for  
SIGMA Project**

**CONTRACT CHANGE REQUEST No. 6**

This Contract Change Request is submitted by the Department of Technology, Management and Budget ("DTMB" or "State") under the terms of the Contract #071B4300137 ("Contract") dated June 25, 2014, between DTMB and CGI Technologies and Solutions, Inc. ("Contractor" or "Vendor") in accordance with Section 2.024 and Exhibit 2-1 of the Contract.

**Contract:**

ERP Hosting, Managed Services, Software License and Maintenance Agreement

**Period of Coverage:**

June 25, 2014 – September 30, 2021

Contract No. 071B4300137

**Requesting Party:**

CGI

**Submission Date:**

\_\_\_\_\_, 2018

**Project Manager of Requesting Party:**

William Hutchinson

**Phone:**

717.421.8391

**1. OVERVIEW AND BACKGROUND**

This Contract Change Request (CCR) is to effect addition of additional Bundled Software Product licenses and associated maintenance support to the Agreement.

**2. OBJECTIVES OF REQUESTED CHANGES**

The purpose of this CCR is to effect addition of additional Bundled Software Product licenses to and associated maintenance support to the Agreement.

**3. CHANGES IN SCOPE**

Addition of services to install and shakedown additional Bundled Software Products added through this CCR to four (4) State personal computers.

**4. PROPOSED PROJECT SCHEDULE CHANGES**

None.

**5. PROPOSED PROJECT STAFFING CHANGES**

None.

**6. PROPOSED COMPENSATION CHANGES**

As more fully specified in Sections 7.1 of this CCR, this CCR results in the following compensation changes:

- A one-time license fee of \$66,426, which is due and payable upon execution of this CCR
- Associated annual maintenance fees totaling \$22,723 to be paid in accordance with the schedule specified in Attachment 6 to the Agreement as amended by Section 7.1.3 of this CCR
- A one-time services fee of \$14,040 to be invoiced upon completion of the services specified in Section 3 of this CCR

**7. PROPOSED CHANGES TO OTHER CONTRACT TERMS AND CONDITIONS**

**7.1. Attachment 6 (Contractor Licensed Software)**

The Advantage Toolkit Modules list is amended and restated in its entirety as specified in Section 7.1.1. The license and maintenance fees specified in Attachment 6 are amended and restated in Section 7.1.2 and 7.1.3, respectively.

**7.1.1. Advantage Toolkit Modules**

The table in Attachment 6 specifying the Advantage Toolkit Modules licensed under the Agreement is amended and restated in its entirety as follows:

Advantage Toolkit Product Component Name	Type of License	License Agreement Duration	Quantity
Versata Logic Server	Site	Perpetual	1 site license
Versata Logic Studio	Named User	Perpetual	3 named users
IBM WebSphere App Svr Network Deployment –Sub Capacity	Processor Value Units	Perpetual	10,000
IBM WebSphere App Svr Proc (Build Machine)	Processor Value Units	Perpetual	400 PVUs
IBM Process Server	Processor Value Units	Perpetual	100 PVUs
Pervasive Data Integration Universal Engine - Production	Cores	Perpetual	1 license 4 cores
Pervasive Data Integration Universal Engine-Non-Production	Cores	Perpetual	1 license 4 cores4
Pervasive Data Integration Universal Developer	Named User	Perpetual	5 authorized users

Advantage Toolkit Product Component Name	Type of License	License Agreement Duration	Quantity
Eclipse BIRT Engine - Production	Core	Perpetual	4 cores
Eclipse BIRT Engine- Non-Production	Core	Perpetual	4 cores
Finite Matters PatternStream w/Framescript	Named User	Perpetual	45 named users
Adobe FrameMaker	Named User	Perpetual	45 named users
Adobe Acrobat Pro	Named User	Perpetual	5 named users
Adobe RoboHelp	Named User	Perpetual	1 authorized user
Pitney Bowes Group Production	Transactions per Year	Perpetual	< 3 million transactions per year
Pitney Bowes Group Non-Production	Transactions per Year	Perpetual	< 3 million transactions per year
DeltaXML	Named User	Perpetual	1 site license
Perforce	Named User	Perpetual	20
Jira	Named User	Perpetual	100
Convey TaxPort – Unlimited Users	Unlimited Users and Limited Transactions	Perpetual	25K Transactions
Jmeter	Open Source	Perpetual	Open Source
Liason	Punch Out Vendors	Perpetual	Up to 5 Punch Out Vendors

### 7.1.2. License Fee

The license specified in Section 1 of Attachment 9 to the Agreement is granted to Client for a License Fee of \$12,771,249. This License Fee includes the following Software.

Licensed Software	License Fee
CGI Advantage® Software	\$10,911,438
Bundled Software Products	<u>\$1,859,811</u>
Total License Fees	<u>\$12,771,249</u>

### 7.1.3. Maintenance Fees

The maintenance fee for the initial Maintenance Period and three (3) one-year option periods are defined in Attachment 6, Contractors Licensed Software, Section 2, Maintenance Fees.

Maintenance Fee Schedule				
Maintenance Period	Advantage Maintenance	Third Party Software Maintenance	Additional Third Party Maintenance	Total Maintenance Fees

July 1, 2014 – September 30, 2014	\$207,934	\$24,182		\$232,116
October 1, 2014 – September 30, 2015	\$942,340	\$510,990		\$1,453,330
October 1, 2015 – September 30, 2016	\$1,027,569	\$529,706		\$1,557,275
October 1, 2016 – September 30, 2017	\$1,058,397	\$549,151		\$1,607,548
October 1, 2017 – September 30, 2018	\$1,090,149	\$569,358	\$3,661	\$1,663,168
October 1, 2018 – September 30, 2019	\$936,130	\$564,021	\$2,828	\$1,502,979
October 1, 2019 – September 30, 2020	\$964,214	\$585,057	\$3,880	\$1,553,151
October 1, 2020 – September 30, 2021 *	\$993,141	\$606,930	\$3,997	\$1,604,068
October 1, 2021 – September 30, 2022 *	\$993,141	\$629,676	\$4,117	\$1,626,934
October 1, 2022 – September 30, 2023 *	\$993,141	\$653,332	\$4,240	\$1,650,713

\* Annual price increases for such maintenance services shall not exceed the lesser of 3% or the percentage increase in the Consumer Price Index published by the US Bureau of Labor Statistics for the preceding year once the initial Maintenance Period explicitly listed has passed.

## **7.2. Attachment 9 (Proprietary Software License Agreement)**

Attachment 9 is amended as specified in Section 7.2.1.

### **7.2.1. Replacement of Exhibit A to Attachment 9**

Exhibit A to Attachment 9 is amended and replaced by Exhibit A to this CCR.

**EXHIBIT A TO CONTRACT CHANGE REQUEST No. 6**

**Attachment 9, EXHIBIT A**

**CGI Technologies and Solutions Inc.**

**Proprietary Software License Agreement**

1. **Licensed Software.** CGI is licensing to Client the following computer software components, comprising the Software:

CGI Advantage® Financial Management Base System 3.10 (Redhat/Oracle) including but not limited to:

- Advantage Asset Management
- Advantage Grant Lifecycle Management
- Advantage Cash Management
- Advantage Procurement/VSS
- Advantage Performance Budgeting & Formulation (includes Salary and Benefits Forecasting)
- Advantage Labor Distribution
- Advantage Travel and Expense Management
- Advantage infoAdvantage
- Advantage infoAdvantage Dashboard
- Advantage FileNet Integration Adapter
- Advantage Documentum Adapter
- Advantage Transparency Portal
- Advantage HRM Base System (restricted use)
- Advantage HR Self-Service (restricted use – functions beyond time and labor and expense reimbursement are not in scope)
- Advantage Inventory
- Advantage VSS Mobile
- Advantage Procurement/VSS – Locality License

CGI will provide one (1) electronic copy of the Software to the Client.

Optional CGI Advantage® software components available to the State are specified in Attachment 2 to this Agreement.

1. **Licensed Documentation.** The Specifications for the Software are as set forth in the documentation, which is available for download on the CGI website and which is collectively referred to in this Agreement as the "Documentation":

- Documentation for Advantage Financial
- Documentation for Advantage Human Resource Management
- Documentation for Advantage Performance Budgeting
- Document for Advantage Administration

CGI will provide Client access to its Documentation on the CGI website,  
<https://sc.cgi.com/advantage/>

Documentation for Bundled Software or Additional Third Party Software is available on the applicable third party website.

2. **License Type.** The Software is licensed to Client on the following basis:

The Advantage Software described in Paragraph 1 above is licensed to the Client as an enterprise license.

**Site License.** Client is permitted to use the Software at the computer facility or facilities listed below with the exception of CGI infoAdvantage which is a named user license (or server license if Server Bundle). In the event of the failure of the computers at the listed location(s), Client may use the Software at a back-up computer facility in the same country until operations at the primary facility have been restored.

CGI Phoenix Data Center

Should the Client elect to discontinue Hosting and Managed Services, the Software may be used in accordance with Section 1.B of Attachment 9: Software License Agreement.

Should Client desire to use the Software for additional named users or at additional facilities, as the case may be, Client may purchase additional licenses at CGI's then-current prices.

**Locality License.** Each participating Locality, as defined in the Statement of Work, will be given two Advantage Procurement/VSS system users.

3. **Work That May Be Processed.** Client may only use the Software for its own business purposes.

4. **License Fee.** The license specified in Section 1 of this Exhibit is granted to Client for a License Fee specified in Attachment 6, Contractor Licensed Software, Section 1, License Fees.

5. **Bundled Software Products.** Included in the license fees set forth in Section 5 of this Exhibit A are the license fees for certain bundled software products (the "Bundled Software Products") required to be used in connection with Advantage Software, unless otherwise noted. CGI is providing the following Bundled Software Products to Client:

Adobe RoboHelp – 1 Authorized User

Eclipse BIRT Engine – Production – 4 Core

Eclipse BIRT Engine – Non-Production – 4 Core

**\*\* Unlimited copies of BIRT Designer come with BIRT modules\*\***

Pervasive Data Integrator Universal Edition Engine – 1 License – 4-cores  
Pervasive Data Integrator Universal Edition Engine (non-prod) – 1 License – 4-cores  
Pervasive Data Integrator Universal Edition Developer – 5 Authorized Licenses  
Stream

Finite Matters, Pattern Stream – 54 Named User Licenses

Adobe FrameMaker® - 54 Named User Licenses for use with Pattern Stream  
Adobe Acrobat Pro – 5 Named User Licenses

Versata Logic Server - 1 Site license  
Versata Designer Studio – 3 Named User License

IBM WebSphere Application Server Network Deployment –10,000 IBM  
Processor Value Units (PVU) - Sub-Capacity  
IBM WebSphere Application Server Processor – 400 IBM Processor Value Units

Monsell EDM DeltaXML – 1 Site License

BA&T SAP BusinessObjects Business Intelligence Platform – 175 concurrent sessions  
BA&T SAP BusinessObjects Web Intelligence – 175 concurrent sessions  
BA&T SAP BusinessObjects Dashboard – 175 concurrent sessions  
BA&T SAP BusinessObjects Explorer - 175 concurrent sessions  
BA&T SAP BusinessObjects Crystal Reports – 25 concurrent sessions  
BA&T SAP BusinessObjects Business Int. Platform Mobile add-on - 150 concurrent sessions  
BA&T SAP BusinessObjects Analysis Edition for OLAP - 25 concurrent sessions  
BA&T SAP BusinessObjects Analysis Edition for Office - 25 concurrent sessions  
SAP Application Standalone Business Analytics Professional User & BI Platform – 20 Named Users  
SAP Application Standalone BI Limited User & BI Platform – 380 Named Users

### **Annual Subscription Products**

Convey Taxport- unlimited users based on 25,000 of documents created [*Annual service, governed by Shrink-wrap License*]  
Liaison punch-out – up to 5 vendors

### **Additional Third Party Software Products**

Pitney Bowes Group 1 – 1 Prod & 1 Non Prod – Enterprise  
Perforce – 20 Named User Licenses

Jira – 100 Named User Licenses  
jMeter [www.jmeter.apache.org]

With regard to the Third Party Software Products specified in this Section 6, applicable product-specific license terms of the Third Party Suppliers are attached to Exhibit A to the Agreement as indicated below:

- Attachment 1.a – Adobe License Terms
- Attachment 1.b – IBM Sub-Capacity License Terms
- Attachment 1.c – Perforce License Terms (requires State signature)
- Attachment 1.d – Pervasive License Terms
- Attachment 1.e – Pitney Bowes License Terms

All rights of Client in and to the Bundled or Additional Third Party Software Products will be governed by the terms and conditions of this Agreement, the Managed Services Agreement, the Maintenance Agreement, and the Implementation Services Agreement, unless otherwise specified above. CGI does not itself give or make any warranty of any kind with respect to the Bundled Software Products. Changes in the Software which CGI may make from time to time may make it necessary for Client to acquire, at its own expense, updated versions of the Bundled Software Products or Additional Third Party Software.

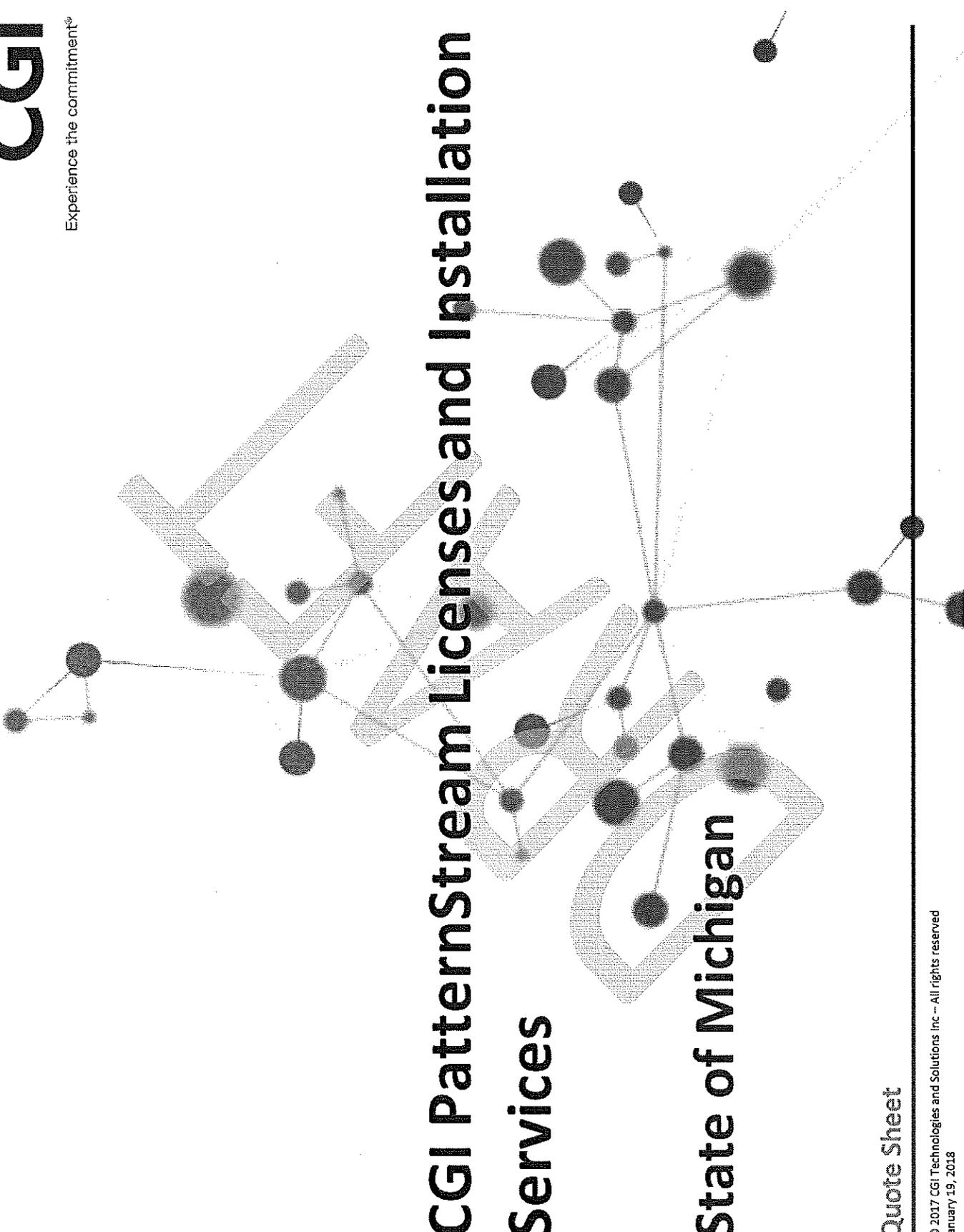
Agreed to and initialed for identification by:

\_\_\_\_\_  
(Client)

\_\_\_\_\_  
(CGI)



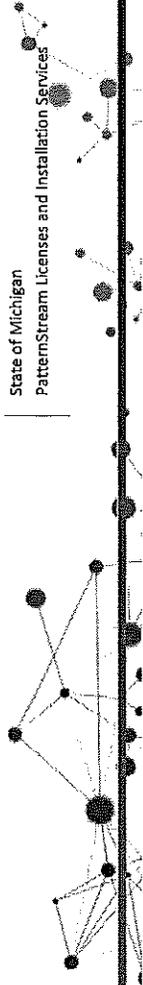
Experience the commitment<sup>®</sup>

A background network diagram featuring a central cluster of nodes connected by lines, with several lines extending outwards to other nodes. The nodes are represented by circles of varying sizes, and the connections are thin lines. The overall structure is a complex web of interconnected points.

# CGI PatternStream Licenses and Installation Services State of Michigan

Quote Sheet

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January 19, 2018



**1. INTRODUCTION AND BACKGROUND**

CGI is pleased to present this budgetary proposal to provide for additional Pattern Stream Licenses and Installation services to the State of Michigan. This budgetary estimate is valid for 30 days from the date of issuance. The estimates contained in this budgetary proposal are based on the terms and assumptions specified within, are subject to further due diligence, and will become binding upon the parties entering into a formal Change Notice under Section 2.024 and Exhibit 2-1 of the Implementation Services Contract (“Contract”).

**2. OBJECTIVE**

To support the Office of Financial Management (OFM) and the State Budget Office (SBO) in their need of additional licensed versions of the Pattern Stream bundle of products for the creation of the CAFR and Budget Book.

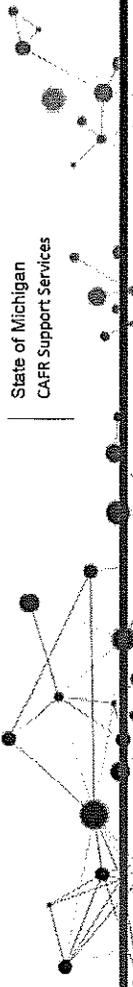
**3. SCOPE OF WORK**

The Contractor will deliver the software and perform the services specified in this Section 3 (“Scope of Work”) at the rates specified in Section 6 of this Statement of Work. The schedule for performance of the Services is specified in Section 4. Contractor is not responsible for the completion of Deliverables under this Statement of Work.

The Contractor will deliver the following Vendor Products:

<b>Vendor Products</b>	<b># or Type of Licenses</b>
Finite Matters PatternStream w/FrameScript	4
Adobe FrameMaker®	4
Acrobat Pro DC 2015 (Perpetual)	5

*(Note: The 5<sup>th</sup> Acrobat Pro license is to update an existing laptop configured with Pattern Stream.)*



A Subject Matter Expert will be expected to assist OFM and SBO with the Installation of the software on the State-provided computers (PCs). These PCs are required to have Oracle 12 Client – 32bit already installed. Installation services include, but are not limited to, the following:

- Install the products on each of the 5 PCs
- Provide Shakedown Testing, including
  - Validation of the data connection to the required database(s)
  - Confirmation that the data download takes place into the PatternStream host, using previously-created PatternStream Set Template (PSET)

---

#### 4. PROJECT SCHEDULE

The schedule for performance of the Services will be determined at an agreed-to timeframe within 90 days of the signing of this agreement.

---

#### 5. PROJECT STAFFING

Contractor will provide the individual resources/roles specified in this Section 5 for performance of the Services.

- (1) **Services**– The State is requesting one (1) resource to be assigned as a Subject Matter Expert. The Subject Matter Expert will be assigned to perform the installation and shakedown testing during a mutually agreed to timeframe prior to February 28, 2018.
- 

#### 6. COMPENSATION AND PAYMENT

- (1) **Software License and First Year Maintenance Fees**     \$70,086.73
  - Software License fees for the Vendor products listed in Section 3 of this Quote Sheet are \$66,425.93
  - First Year Maintenance for the Vendor products listed in Section 3 of this Quote Sheet are \$3,660.80
-

**(2) Ongoing Maintenance Fees**

Additional Software Maintenance fees will be added to the Annual Maintenance Fee Schedule as follows:

Maintenance Fee Schedule		Additional 3rd Party Maint
Maintenance Period		
July 1, 2014 – September 30, 2014		
October 1, 2014 – September 30, 2015		
October 1, 2015 – September 30, 2016		
October 1, 2016 – September 30, 2017		
October 1, 2017 – September 30, 2018		\$3,660.80
October 1, 2018 – September 30, 2019		\$2,827.97
October 1, 2019 – September 30, 2020		\$3,880.45
October 1, 2020 – September 30, 2021 *		\$3,996.86
October 1, 2021 – September 30, 2022 *		\$4,116.77
October 1, 2022 – September 30, 2023 *		\$4,240.27

**(3) Services**                      **\$14,040**

For the services to be provided, CGI is proposing a fixed price model that would establish a fee of:

- \$3,510 per PC installation and shakedown



**STATE OF MICHIGAN  
ENTERPRISE PROCUREMENT**

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

**CONTRACT CHANGE NOTICE**

Change Notice Number 5  
to  
Contract Number 071B4300137C

<b>CONTRACTOR</b>	CGI Technologies and Solutions Inc
	300 S. Washington Square
	Lansing, MI 48933
	Jon Jasper
	(248) 496-4336
	jon.jasper@cgi.com
	*****6778

<b>STATE</b>	<b>Program Manager</b>	Ruth Schwartz	DTMB
		(517) 284-7585	
	schwartzr1@michigan.gov		
	<b>Contract Administrator</b>	Mike Breen	DTMB
(517) 284-7002			
breenm@michigan.gov			

**CONTRACT SUMMARY**

**ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AND MAINTENANCE AGREEMENT**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 25, 2014	September 30, 2021	1000 - 1 Year	September 30, 2021

**PAYMENT TERMS**

**DELIVERY TIMEFRAME**

**ALTERNATE PAYMENT OPTIONS**

**EXTENDED PURCHASING**

P-Card       Direct Voucher (DV)       Other       Yes       No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		September 30, 2021

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
\$59,634,328.00	\$102,000.00	\$59,736,328.00

**DESCRIPTION**

Effective with mutual signature the contract is amended to add funding (\$102,000.00) to support the ERP system to document adopt the PreAudit Transparency Portal solution after successful implementation and testing by the project team. All other terms and conditions remain the same.

**Draft Summary of Transparency Portal and Expanded CAFR Support**  
Subject to CGI corporate review and approval

**Transparency Portal**

Services to complete the following. Items #1 and #2 are included in the ISA contract, but are described here as justification to support the additional PSMAG hosting services described in item #3.

**(1) Pre-Audit Process** - Modify the Advantage Transparency Portal to support a pre-Audit process. This will be accomplished by leveraging the existing Transparency Portal staging tables.

- **Development**: Create custom copies of the existing TP Universes, TP Reports (5 reports & 2 Explorer Spaces) and Data Filtering/Masking Script to point to Transparency Portal "Staging" tables.
- **Configuration**: Establish a separate Sub-Folder (only accessible by OFM) in BusinessObjects from where the new "TP Pre-Publishing Audit Reports" can be run.
- **Operations**: Update Transparency Portal ETL Batch job to only run Script 1 (of 2) that loads the "Staging" tables. Subsequent run of Script 2 would be an "on-demand" request to PSMAG once pre-audit was completed and the portal content approved by OFM.

**(2) Pre-Audit Reports** - Provide 2 "reconciliation" reports:

- A report to identify, or assist in identifying if it can't be done directly, Object/Object Groups in the Transparency Portal that were not accounted for in the data filtering / masking process.
- A report to compare at a high level InfoAdvantage data warehouse amounts vs. Transparency Portal Data Mart amounts. This may require 2 reports due to the complexity of combining 2 different data sources.

Services include design, development, unit testing, documentation updates, and support for user testing.

**(3) PSMAG Hosting Services** - PSMAG will adopt the solution after successful implementation and testing by the project team. PSMAG will perform ongoing monthly operations for running the multi-step pre-audit solution. PSMAG services are based on a 48 month term, starting 10/1/2017 and ending 9/30/2021.

**Draft Summary of Transparency Portal and Expanded CAFR Support**  
Subject to CGI corporate review and approval

Compensation and Payment as follows:

**(2) PSMAG Hosting Services            \$102,000**

48 month term, starting 10/1/2017 and ending 9/30/2021

includes up to 240 hours of professional services to support the pre-audit process and address minor changes

monthly fee of \$2,125 per month

DRAFT



# STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget

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

## CONTRACT CHANGE NOTICE

Change Notice Number 4

to

Contract Number 071B4300137

<b>CONTRACTOR</b>	CGI Technologies and Solutions Inc
	2651 Coolidge Road
	East Lansing, MI 48823
	Jon Jasper
	(248) 496-4336
	jon.jasper@cgi.com
	*****6778

<b>STATE</b>	Program Manager	Ruth Schwartz	DTMB-IT
		(517) 284-7585	
		schwartzr1@michigan.gov	
	Contract Administrator	Jarrod Barron	DTMB
		(517) 284-7045	
		barronj1@michigan.gov	

### CONTRACT SUMMARY

ERP HOSTING, MANAGED SERVICES, SOFTWARE LICENSE AND MAINTENANCE AGREEMENT			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 25, 2014	September 30, 2021	100 - 0 Year	September 30, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME	
		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

### DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		September 30, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$59,622,078.00	\$12,250.00	\$59,634,328.00		

### DESCRIPTION

Effective 7/10/2017, the State add funding per the attached SOW to move the AT&T circuit and for the execution of the first Disaster Recovery Test within 9 months of the Phase 2 'Go-Live' date. All other terms, conditions, specifications, and pricing remain the same. Per Contractor, Agency, and DTMB Procurement approval.



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
for  
SIGMA Project Additional Implementation Services  
Service Request**

This Service Request is entered into by the Department of Technology, Management and Budget (“DTMB” or “State”) and CGI Technologies and Solutions Inc. (“Contractor” or “Vendor”) under the terms of the Managed Services Agreement (Contract #071B4300137) (“Agreement”), dated June 25, 2014, between DTMB and Contractor in accordance Exhibit 2-1 Contract Change Management Process.

**Project Title:**

Additional ERP Implementation Services

**Period of Performance:**

7/1/2017 – 12/31/2017

**Project Director:**

Ruth Schwartz

SchwartzR1@michigan.gov

(517) 284-7585

**Contractor Project Manager:**

Bill Hutchinson

w.hutchinson@cgi.com

(517) 703-6664

**1. OVERVIEW AND BACKGROUND**

The State and CGI have agreed to:

- (1) Relocate the AT&T circuit that connects the State’s network to CGI’s Phoenix Data Center. The circuit will be moved  
From: 430 W Allegan St, Lansing, MI 48933  
To: 530 W Allegan St, Lansing, MI 48933
- (2) Conduct the first Disaster Recovery Test within 9 months after the Phase 2 'Go-Live' date (currently expected to be October 1, 2017).

**2. OBJECTIVES OF SERVICE REQUEST**

Complete the circuit move per the costs Section 6 of this Change Notice.

Update the Contract to reflect agreed upon timing for the Disaster Recovery Test.

### 3. SCOPE OF WORK

Contractor will perform the task and other services specified in this Section 3 (“Services”) at the rates specified in Section 6 of this Statement of Work. The schedule for performance of the Services is specified in Section 4. Contractor is not responsible for the completion of Deliverables under this Statement of Work.

The Scope of Work is as follows:

1. A one-time effort to move the AT&T circuit from: 430 W Allegan St. Lansing, MI 48933 to: 530 W Allegan St. Lansing, MI 48933.
2. Conduct the first Disaster Recovery Test for SIGMA within 9 months after the Phase 2 'Go-Live' date (currently expected to be October 1, 2017). Replace Section 16.0(Z) in its entirety with the following:

The Contractor must conduct a Disaster Recovery Test in accordance with the approved Disaster Recovery Test Plan every 12 months, beginning within ~~3~~ 9 months after the Phase 2 'Go-Live' date (currently expected to be October 1, ~~2016~~ 2017) that will adequately demonstrate the Contractor's ability to recover the Data Center Services and critical ERP Applications, transfer of operations to a Recovery Center and communicate with the State's ODFI. State staff will be actively involved in executing the disaster recovery test. The Dates for the Disaster Recovery Tests will be mutually agreed upon by the State and Contractor. For the initial test, the Contractor will provide assistance to the State in organizing for and conducting the State's role in such testing.

### 4. PROJECT SCHEDULE

The schedule for performance of the Services is specified in the Integration Master Schedule (IMS), Agency Implementation Plan, and Agency Technical Schedule. The high level project schedule dates are included below.

Key Date	Date
Project Start Date	07/01/2014
Phase 1.5: Budget Preparation Implementation Date	08/01/2016
Phase 2 Implementation Dates	
• Budget Preparation	07/31/2017
• Procurement & VSS Functionality	07/31/2017
• Core Financials	10/01/2017
• Time, Expense, Leave, and Labor Distribution	10/16/2017
Start Date for Phase 1.5 Post Implementation and Production Support	08/01/2016
Start Date for Phase 2 Post Implementation and Production Support	10/01/2017
End of Phase 1.5 and Phase 2 Production and Post Implementation Support	09/30/2018
Post Implementation Stabilization	12/31/2018

### 5. PROJECT STAFFING

There are no specific staffing requirements for this Change Notice.

## 6. COMPENSATION AND PAYMENT

- The activities described in this Service Request fall within the definition of a “Change” as set out in Section 3.2 of Exhibit 2-1 Contract Change Management Process.
- CGI has informed the State that this Service Request constitutes a Contract Change Request and has provided explanation of the basis on which CGI has made the determination.
- The State Project Executives have delegated review and approval of this service request to the State Project Director via email on July 25, 2016.
- The State Project Director acknowledges and agrees that the Service Request constitutes a Contract Change Request.
- The State Project Director has submitted the Contract Change Request.

CGI will complete the specified one-time circuit move for a fixed price as follows:

Payment Milestone 1 - \$12,250

Due upon completion and activation of the circuit at 530 W Allegan St, Lansing, MI 48933

The circuit move is required to be completed before December 31, 2017. The scope of work is predicated upon the following assumptions:

- Prices are based on requirements and assumptions per Sections 3 and 6 in this document. Changes to either will result in changes to the pricing which will be presented as change requests.
- Terms of services are applicable to the duration of time to complete the aforementioned circuit move.
- There is up to a 99 day lead time for this change once the request is submitted to AT&T.
- Execution of this Change Notice is required prior to submitting the request for change to AT&T and any delays in the same will result in an extended wait time with AT&T in addition to the 99 days mentioned above.

There are no payment milestones associated with the change in timing for the Disaster Recovery Test.

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. 3**  
 to  
**CONTRACT NO. 071B4300137**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR		PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 300 S Washington Square, Suite 405 Lansing, MI 48933		Daniel Keene	daniel.keene@cgi.com
		PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
		(248) 496-4336	6778

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	SBO	Ruth Schwartz	(517) 284-7585	schwartzr1@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Simon Baldwin	(517) 284-6997	baldwins@michigan.gov

**CONTRACT SUMMARY**

**DESCRIPTION:** ERP Implementation Services Agreement

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 25, 2014	September 30, 2021	Indefinite Number of Periods	September 30, 2021

PAYMENT TERMS	DELIVERY TIMEFRAME
Net 45	N/A

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

N/A

**DESCRIPTION OF CHANGE NOTICE**

EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	September 30, 2021

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
\$56,756,662.00	\$2,865,416.00	\$59,622,078.00

**DESCRIPTION:** Effective October 13, 2015, this Contract is hereby increased by \$2,865,416.00 per the attached, revised Statement of Work. Please note, the Contract Administrator has been changed to Simon Baldwin, the Contractor address has changed and the Primary Contact for the Contractor has been changed to Daniel Keene. Except as modified above and within the body of this Contract Change Notice, all other terms, conditions, specifications, and pricing remain the same, per Contractor and Agency agreement, DTMB Procurement approval and State Administrative Board approval on October 13, 2015.

RED/ SHADED TEXT REFLECTS PRIOR CONTRACT CHANGE NOTICE (CONTRACT NOTICE NO. 1). BLACK/ HIGHLIGHTED TEXT REFLECTS CURRENT CONTRACT CHANGE NOTICE (CONTRACT NOTICE NO. 3).

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

**1.002 BACKGROUND**

Section 1.002 is hereby deleted in its entirety and replaced with the following:

The following separate agreements support the State’s ERP Implementation Project:

- An Agreement for Implementation Services that provides for ERP Implementation services as well as project technical environment hosting until full hosting services are provided through this Agreement.
- This Agreement provides for hosting and disaster recovery facilities and services and includes ERP application maintenance, development, other services, Software License and Maintenance Agreements for the ERP and for third party application software.

The Contractor will provide services necessary to conduct the State’s ERP Project and to design, configure, extend, modify, and implement the ERP software and ~~to update MIDB, the State’s existing administrative info~~ Advantage, the ERP data warehouse.

The ERP Implementation Project phasing, implementation, and final post implementation support schedule is as follows:

	Date
<b>Project Start Date:</b>	July 1, 2014
<b>Phase I Budget Preparation Implementation</b> <ul style="list-style-type: none"> <li>▪ Begin production use of new Budget Preparation Module on <del>August 1</del> October 5, 2015 and December 1, 2015 in accordance with the rolling implementation schedule and scope defined and agreed to by the project governance board.</li> <li>▪ To prepare the budget for the 2016-17 fiscal year which begins October 1, 2016</li> </ul>	<del>August 1, 2015</del> October 5/December 1, 2015
<b>Phase 1.5 Budget Preparation</b> <ul style="list-style-type: none"> <li>▪ Implement Phase 1.5 which includes the upgrade of PB to Advantage 3.11 and deferred Phase 1 functionality</li> </ul>	August 1, 2016
<b>Phase 2 Core Financial Implementation</b> <ul style="list-style-type: none"> <li>▪ Phase 2 is expected to start at the beginning of the project and run concurrently with Phase 1</li> <li>▪ Implement Budget Phase 2.0, including the process to format and load appropriations and allotments to SIGMA Financial, by August 1, 2017</li> <li>▪ Begin production use of Core Financials in alignment with the State’s fiscal year beginning October 1, <del>2016</del> 2017. This includes the following distinct cutovers: <ul style="list-style-type: none"> <li>○ Procurement and related VSS functionality, July/August 2017</li> <li>○ Core Financials October 1, 2017</li> <li>○ Time, Employee Expense, Leave, and Labor Distribution first full pay period in October, 2017 (possibly second, subject to conversion and interface design)</li> </ul> </li> </ul>	October 1, <del>2016</del> 2017  (first day of new State fiscal year)

	Date
<p>The Advantage 3.11 Software to support the implementation of phase 1.5 and phase 2 of the project is expected to be delivered with the General Availability release anticipated at the end of February, 2016 (the scope of which has been mutually agreed upon by the State and CGI and documented in Attachment 10 within this change notice). The items identified as 'Post GA' will be delivered before the completion of System Test with sufficient time to configure and test as applicable.</p> <p>InfoAdvantage 3.11 will be available 1 month after the General Availability of Advantage 3.11 Software.</p>	February, 2016
<p><b>Post Implementation Support</b></p> <ul style="list-style-type: none"> <li>From the Phase 1 implementation and continuing until 12 months after the final implementation</li> </ul>	Through September 30, 2017

In addition to replacing functionality in systems slated for replacement as part of the ERP Implementation Project, the State has identified a number of areas in which significant improvements are expected. This Agreement will create, maintain, and support a hosting environment and managed services team designed to facilitate the objectives listed and described below:

**Objective**

**Description**

**Automate and Streamline Budget Preparation**

The State's current budget process is largely manual and uses Excel Spreadsheets to collect budget requests which must be compiled via a combination of macros and manual work. The ERP system project scope includes automation and streamlining of the budget preparation and budget book creation process. Key requirements for the system include:

- Automated loading of prior year budget/'actuals' information to provide a starting point for new year budgeting
- Automated tools to increment or decrement budget lines
- Automated 'What if' analysis
- Ability to create and save scenarios and alternative scenarios
- Electronic submission of agency requests
- Tracking of budget, appropriation level, and detailed expense budget level budgets
- Ability to set, control, and manage budget phases (e.g.

**Objective**

**Description**

Guidelines, Agency Requests, Legislative, Final)

- Automated loading of ERP with approved budget at the appropriation, agency budget, and allotment levels
- Ability to integrate text, graphics, and budget lines to assist in budget book creation.
- Automated publication of Executive Budget and Final Budget
- Ability to associate statistical targets and actuals with separately budgeted line items
- Ability to support full performance budgeting at a future time.
- Ability to upload legislative budget information in the initial implementation but allow for full use of automated budget preparation features by the legislature in the future.

**Chart of Accounts Reform/Uniform Coding Block Usage**

Michigan has clear objectives for improving both its reporting and the level of transparency in its accounting and financial reporting. The ERP Project will provide the State with an opportunity to:

- Standardize use of coding block/ chart of accounts elements used in budgeting
- Simplify and streamline fund accounting
- Standardize expenditure classifications used across agencies
- Reduce or eliminate the use of ARFs (Administrative Revolving Funds) and the need to reclassify expenditures in a separate step.
- Coordinate legacy interface design and development to provide and post detailed transactions that are consistent with the elimination of ARFS and as needed to provide detail for the new Transparency & Accountability Website.

**Transparency & Accountability Portal**

The State plans to replace its existing Transparency & Accountability Portal and streamline the process to provide the public with an increased level of information regarding the operation and management of government; demonstrate efficient use of taxpayers' money and to hold agencies accountable for the services that Michigan provides.

**Support for Debt Reporting**

The Michigan Treasury is responsible for managing and accounting for the State's debt. Part of that responsibility involves tracking expenditures involving debt proceeds for IRS reporting purposes. The ERP project is targeting improvements that will allow expenditures to be automatically identified with the debt issuance to

**Objective**

**Description**

	improve this reporting.
<b>Support for Investment Accounting</b>	The Michigan Treasury invests available cash for all agencies in a common investment pool and periodically apportions earnings to participating funds. The ERP project seeks to automate accounting for this process. Note that individual investments will continue to be tracked outside the system.
<b>Management Information Database (MIDB) Data Currency and Reporting</b>	<p>The MIDB is the State's administrative data warehouse and combines data from MAIN (RSTARS and ADPICS), DCDS, and HRMN. MAIN and DCDS updates to MIDB are made once a week (bi-weekly for payroll data) and data within MIDB is made available for reporting in application data formats (with appended descriptions to eliminate some table lookups for those performing ad hoc queries). Going forward, there are three opportunities for improving MIDB as part of the ERP Project:</p> <ul style="list-style-type: none"><li>• Increasing the data refresh rate. This will allow ad hoc reporting to use more current data</li><li>• Data synchronization should improve as MAIN and DCDS are replaced with a single, integrated ERP application using a single database</li><li>• Chart of accounts improvements and coding block standardization should allow for better reporting particularly when cross agency and statewide level reports are needed.</li></ul>
<b>Project and Grant Reporting/Budgeting/ Processing</b>	The new ERP system is expected to provide improved project and grant budgeting, accounting, billing, and reporting. In combination with improved cost allocation capabilities, this should allow for replacement of many agency systems now devoted to these functions. The ERP system will also consolidate grantor processing for the State.
<b>Cost Allocation</b>	The MAIN cost allocation function was never implemented. As such, cost allocations occur outside of MAIN. Implementation of the new ERP cost allocation function will allow for a greater degree of automation as well as more streamlined reporting and billing using allocated account distributions.
<b>Bank Reconciliation</b>	The Michigan Treasury currently does not have automated bank reconciliation functionality available to it in MAIN. The new ERP system is intended to provide this functionality. With Treasury managing approximately 60 bank accounts, this new functionality is

**Objective**

**Description**

expected to provide significant time savings.

**Reduction in the Number of Applications Supported and Interfaced**

Currently, Michigan administrative processing is fragmented across several systems including RSTARS, DCDS, ADPICS, and numerous agency systems. A number of problems are evident:

- Few of these systems are vendor supported or upgradeable
- Posting lags and timing synchronization issues occur due to batch interfaces
- Data cannot be efficiently aggregated for reporting across the various data stores
- IT resources cannot be efficiently deployed across the application set due to technology differences and the need for specialized skill sets.

The new ERP system will be vendor supported, upgradeable, and will consolidate processing onto a single platform and database. While there will still be administrative applications running on different platforms after the ERP system is implemented (e.g. E-Procurement and HRMN), substantial consolidation will nevertheless have been achieved.

**Move to Vendor Supported, Upgradeable COTS Solution**

Implementation of the new ERP will allow the State to shift much of its critical processing from internally supported applications based on aging technology to vendor supported and upgradeable software that is protected against technological obsolescence and updated based on ongoing vendor research and development.

**Automate BAI Interfaces with Banks**

The state currently receives a number of Bank Administration Institute (BAI) files from its banks that contain information on warrant clearing, debit and credit advices, NSF checks, and other information. Currently, this information must be heavily manipulated before it can be captured in MAIN. Going forward the plan is to automate BAI based interfaces for capture and processing in the ERP.

**Warrant Writing**

The new ERP will absorb the warrant writing function currently provided by Treasury's Warrant Writing System operating on the UNISYS platform. Inclusion of this function in the ERP will consolidate and simplify interfaces that post warrant requests. Going forward, there will be one set of interfaces for warrants, EFTS, and accounting entries from each feeding system. In the past these

**Objective**

**Description**

required separate interfaces.

**Implementation of Positive Pay Banking**

The Treasury Department currently uses the 'Reverse Positive Pay' method which requires state personnel to verify each cleared warrant to ensure it matches with the recorded disbursement amount. The State intends to explore the feasibility of implementing 'Positive Pay' Banking. If determined feasible, the State would implement this approach wherein Banks would receive disbursement files from the State and take responsibility for matching recorded disbursements against the warrants presented for payment.

**Automate Vendor File Synchronization**

The current plan for the E-Procurement (Buy4Michigan) project calls for independently maintained procurement and accounts payable vendor files. The plan is to include automated synchronization of these files when the ERP system is implemented.

**Automate and Streamline CAFR Production**

The State currently has a substantially manual process for Comprehensive Annual Financial Report (CAFR) production that uses a combination of mainframe reports, Excel Spreadsheets, Microsoft Word, and PDF files to create and publish its CAFR reports. The State intends to automate and streamline the CAFR process as part of the ERP project. The intent is to perform all elimination and reclassification entries within the ERP, and to then produce camera ready CAFR reports directly from the new system or from a CAFR tool that imports data from the ERP.

**Increase Accounting Detail Posted From Agency Systems**

Currently, many agency systems post summarized accounting information in the State's financial system via automated interface. Going forward, the intent is to capture detailed postings to improve reporting and level of detail available to the public on the Transparency & Accountability Website.

**1.101 SCOPE**

Section 1.101 is hereby deleted in its entirety and replaced with the following:

The State requires the ERP application to be hosted at a Contractor provided, secure facility that includes all required infrastructure components including: hardware, data storage, DBMS, system software and other production environment tools, software, components, security, and network connections needed for the State to access and use the ERP software for ongoing operations and reporting. A disaster recovery site and disaster recovery services must also be included. The Contractor is also required to provide ERP application related maintenance and other services (Managed Services).

The below listed items are considered in scope for this Agreement. A more complete description of the software and/or services sought for this project is provided in Section 1.104. The Contractor must provide the following software/services for the complete and successful support of Michigan's ERP solution.

- All hardware, network infrastructure, software and hosting services for the identified applications to the active site and disaster recovery site
- Maintenance and on-going support of infrastructure
- Maintenance and on-going support of middleware
- Maintenance and on-going support of the ERP application
- Consulting services
- Documentation

Services under this Agreement commence as indicated below:

Aspect of Service	Service Commencement Date
Project Hosting	No later than March 1, 2015
Production Hosting	Phase 1 Implementation Date - August 1, 2015
Operations Services	Phase 1 Implementation Date - August 1, 2015
Disaster Recovery Services	Phase 1 Implementation Date - August 1, 2015
Application Maintenance (if applicable)	End of Project - September 30, 2017 October 2018

### 1.105 ERP PROJECT GOVERNANCE

Section 1.105 is hereby deleted in its entirety and replaced with the following:

The project will adhere to governance structure with four-five key levels to provide project oversight and an issue escalation path for issues and needed decisions.

- The State Project Director will provide day-to-day management and guidance for the project and will approve project deliverables for review with the State Project Executive(s). The project director may name designees in instances where either a dispute requires resolution and the Project Director is not available or for specific instances in regard to particular delegated deliverables or deliverable groups.
- The State Project Executives will approve all deliverables on the project, approve key communications, and will be able to resolve issues not involving scope, budget, or timeline changes. The State Project Executives may delegate any of these approvals (or subsets thereof) to the State Project Director.
- A Governing Board has been established that represents control agencies and operating departments of the executive branch and provides guidance on overall strategic direction. It will consist of the State CIO, Chief Deputy State Budget Director and representatives from each of the executive groups. The Governing Board will approve all milestones, review all change requests, and act to clear obstacles to project success. The Governing Board will meet monthly and at milestone boundaries. The Governing Board may delegate any of these approvals to the State Project Executives or the State Project Director.

- The Executive Sponsor for the STATE is John S. Roberts, State Budget Director. He will have overall authority over the ERP Project.
- An Executive Steering Committee comprised of the Executive Sponsor, Governing Board Co-Chairs, Project Executives, State Project Director, CGI President of U.S. Operations, CGI Executives, and CGI Project Manager will meet on a periodic basis as requested by the State Executive Sponsor to address project organizational, operational, and resourcing concerns.

The following procedure shall be followed if resolution is required for any dispute between the parties related to this Agreement.

- The State Project Director shall be notified of the dispute and will meet with the Contractor Project Director to discuss and resolve the issue. If the issue cannot be resolved within five (5) business days or an alternative time frame agreed to between the parties, the State Project Director will escalate the dispute to the State Project Executives who shall make a determination regarding the dispute within ten (10) business days. If the issue remains unresolved, either the State Project Executives or Contractor Project Director may escalate the issue to the State Project Sponsor (or Governing Board if more appropriate) for resolution. The State Project Sponsor shall have 10 business days to make a determination regarding the dispute. If the dispute is still not resolved, then either Party may seek available contractual remedies in accordance with Article 2 of this Agreement.
- The State Project Director and the State Project Executives may make reasonable request for additional documentation or analysis be prepared by the Contractor and submitted to them before meeting to discuss the dispute. In addition, the Contractor Project Director may make reasonable request for additional documentation pertinent to the dispute before meeting to discuss the dispute. The Parties shall have two (2) business days or an alternative time frame agreed to between the parties to prepare and provide any needed documentation to the other party. The time frame for resolution at any level will begin at the point that such documentation is submitted.

#### **1.204 OTHER ROLES AND RESPONSIBILITIES**

Section 1.204 is hereby deleted in its entirety and replaced with the following:

- The Contractor shall provide all required cooperation and support needed including sharing of all plans, work products, status reports, deliverables, analysis, and presentations; providing access to software and technical environments; and answering questions that the Quality Assurance or PMO vendor(s) may have. In addition, the monthly QA report will be shared by the 15<sup>th</sup> of each month, and CGI will provide an appropriate response, within 10 days of receipt, which may include a plan of action, agreement, or disagreement to address the QA report. The response will be subject to the review and approval of the State Project Director.

## Attachment 2: Hosting and Managed Services Statement of Work

Attachment 2 is hereby deleted in its entirety and replaced with the following: (Exhibits associated with Attachment 2 are NOT replaced by the following and are retained as stated in the original contract or as modified through previous change notices.)

### 1.0 General

Contractor shall design and implement a computing environment to support implementation and operations of the State's ERP system as required by the ERP Project Implementation Schedule. This environment will be supplemented with functionality provided by Punch-Out Catalog Subscription Product (s) (e.g., Liaison), which are external to the ERP and CGI's accreditation boundary. The Liaison "punch out" functionality is subject to meeting the requirements of section 2.095 PCI DATA Security Standard by or before 12/1/2015. Unless specifically noted herein, the remaining terms of Attachment 2 are not applicable to Punch-Out Catalog Subscription Product (s) such as Liaison and any other product identified as a Punch-Out Catalog Subscription Product by the State Project Director. This will include the implementation of the State's single-sign-on solution, MILogin. MILogin is an enterprise single sign-on and identity management solution which enables the State to establish, manage, and authenticate user identities for State Information Technology systems. The MILogin solution leverages various IBM Identity and Access Management (IAM) software components to address State of Michigan's identity, credential and access management related requirements. The following IAM software components provide business functions to support integration with MILogin\*:

- IBM Security Identity Manager (ISIM)
- IBM Security Access Manager for Web (ISAM)
- IBM Tivoli Federated Identity Manager (TFIM)

\*Note: the list above may not be all inclusive.

- A. Contractor shall establish and provide a primary ERP production site hosting at a Tier 3 compliant facility (as defined by the Uptime Institute, self-assessed by Contractor, and with respect to Tier 3 standards of material importance to successful delivery of Hosting and Managed Services under the Agreement) for the State ERP Solution as configured, extended, and modified for the State. The ERP Solution includes site specific code, reports, interfaces, forms, and other application components.
- B. In conjunction with the provision of such hosting, the Contractor shall establish and maintain a 'Production Ready' ERP Production Environment and Production QA environment that meets the capacity, processing, security, and other standards documented in Attachment 5: Capacity, Processing, and Other Standards and Section 1.106: Environment by March 1, 2015. Except for not being available on the Internet and sharing certain non-enterprise-wide third party licensing with other non-production environments, the Production QA environment will mirror the Production environment and will have equal capacity so as to allow the State to:

1. Test application and other software updates in an otherwise identical environment
  2. Fail over to the Production QA environment without loss of performance, throughput, or responsiveness
  3. Process large input files in the QA environment first to verify that the data is acceptable and that processing can occur within the State's batch window.  
Note: The State intends to continue processing production-volume end-to-end payroll testing bi-weekly on an on-going basis. This will include testing the ERP components of the end-to-end processes.
- C. The Contractor shall own or lease all hardware, system software, third party tools, and network components necessary for supporting the solution. Contractor ownership of hardware, system software, third party tools, and network components requires that the Contractor assume all responsibility for future replacements, upgrades, or expansions to these owned components to provide reliable service, manage risk of failure or outage, replace components as recommended or required by manufacturers based on age or time in service or to maintain agreed to standards for performance, throughput, responsiveness, and availability given expected increases in State processing needs and volumes over time.
- D. The Contractor will procure and maintain licenses for the system software and supporting tools as identified in Attachment 6 and not procured in connection with the Implementation Project. The Contractor shall procure the license for the monitoring tools used by the Contractor to monitor the system.
- E. All specialized software components (application/business logic) and business applications shall be owned or licensed by the State. Ownership of all application data shall be retained by the State.
- F. The Contractor shall establish and maintain a dedicated connection between the primary production site hosting facility and the State's LMAN that:
1. Provides optimal performance.
  2. Ensures a highly secure connection to the State' network.
  3. Provides full end-to-end redundancy so no single point of failure will prevent normal operations.
- G. The connection between the Contractor's hosting facility and the State's network shall occur in the State's DMZ or using an alternative means that improves performance and/or security and has been approved by the State.
- H. The Contractor's infrastructure shall integrate with State intranet and public facing web components, as needed.
- I. The hosting environment, including air conditioning and other application system equipment, shall meet all published manufacturer's guidelines and manufacturers' recommendations during the term of this Agreement.

J. The hosting environment shall be equipped with Uninterruptible Power Supply (UPS) protection and back-up generation capability throughout the entire term of this Agreement. Such protection shall cover the entire server operations area including climate control system, lighting, consoles, LAN, WAN, and phone system, and shall meet all manufacturers' requirements. The UPS provided will be sufficient to allow the Contractor to manage power during a short term outage and to provide several hours of emergency power to the most critical systems.

K. The Contractor shall house the ERP Hosting Environment for the State in a facility with Controlled Access to ensure physical site security.

L. The hosting environment shall have:

1. The State will have approval over firewall rules that impact their environment. Specific firewall rules required to enable communications between Contractor and the State will be jointly determined during the setup and transition process and an overview describing the final firewall approach will be provided to the State as a confidential work product.
2. Connectivity for EDI processing
3. A network architecture that isolates State traffic from any other Contractor client's traffic and that is designed to be 'Security Rich'. The State's environment will be deployed with its own dedicated application and database instances to maintain complete segregation of the State's data, Contractor may not isolate the State's traffic at all times and if so, shared traffic would be limited to traversing core leveraged equipment with strong security standards and protections. Further, Contractor will provide an overall network architecture that includes numerous monitoring and active protection tools that meet the State's specific security requirements.

To the extent Contractor's network architecture does not isolate State traffic from other Contractor client traffic in the limited case noted above, the following would apply where the State's traffic is not isolated:

- State data on any shared network segments must be encrypted
- Shared network segments will not mix data of different security levels unless the internal traffic is encrypted in a layer 3 tunnel. That is internet traffic (untrusted) will not traverse the same segments as trusted (internal State communications) or FISMA traffic will not traverse the same network as non-FISMA traffic.
- Systems not a part of the State's environment will have no access to systems that are a part of the State's environment.

M. The Contractor must maintain a secure network connection directly from the ERP hosting environment to the State of Michigan's ODFI bank (currently Comerica). **The Contractor must maintain a network connection to both the Comerica Primary site (Auburn Hills) and the Comerica Secondary site (Livonia).** At a minimum the Contractor shall:

1. Provide one point-to-point encrypted connection with back-up between the ERP hosting environment to the State of Michigan's ODFI bank.
  2. Provide one point-to-point encrypted connection with back-up between the ERP Disaster Recovery hosting environment to the State of Michigan's ODFI bank.
  3. Provide all equipment necessary to meet this requirement.
  4. Manage proactive and reactive network processes
- N. The physical/geographic location of the active hosting center and all related services must be based in the continental United States of America.
- O. The physical location shall not have a negative effect on system performance. This will be validated by the Contractor meeting the SLAs (in Exhibit A).
- P. Contractor is providing a leveraged platform in a Managed Services model for the State's ERP Solution as defined in Exhibits D and E and within the sizing parameters specified in Attachment 5. Physical data centers and hardware, including storage, backup, and network infrastructure, as well as hypervisor/virtualization technology, the RBDMS, and supporting tools and services are not State-Specific. Virtualized servers including the operating system and all software installed above it as well as the respective database server/instances are State-Specific in providing the State's specific ERP environments. Therefore, throughout this Agreement, only State-Specific elements are subject to State approval and as and where applicable throughout Attachment 2. All commitments to provide adequate capacity and performance without additional fees are conditioned on the State remaining within the sizing parameters specified in Attachment 5 and any growth rates specified in the Agreement.
- Q. Contractor will provide CGI infoAdvantage (including the requisite Business Objects licensing) for the Production, Production QA and the Development environments (i.e., not all non-production environments) due to licensing considerations. The Development environment database will be sized for a sample dataset of up to 100GB. Concurrent Business Objects users across the non-production environments simultaneously cannot exceed that licensed for the Production environment.
- R. SLA Standard 3: Online Response Time shall not apply to reports run through CGI infoAdvantage. The Parties agree to design and develop up to six (6) reports using Business Objects that will serve as benchmarks for 'ad hoc' query performance. These reports will be representative of the range of expected reasonable production 'ad hoc' queries in terms of size, complexity, and result sets. This set of reports is not intended to be representative of the largest ad hoc queries that the State might create but rather the range of query sizes that are typical of State use in a given month. These benchmark reports and the performance standards for each will be mutually agreed upon by the State Project Director and the CGI Project Manager during the project and will be included in performance testing to validate that the standards are reasonable and can be met.

Once the Advantage software is implemented and being used in the production environment, the State will be able to submit and run the benchmark reports periodically and record the results. If standards for the benchmark reports are not met, then CGI agrees to work with the State to address any performance issues. CGI will have access to, and the right to periodically run the benchmark reports as a basis for proactively monitoring report performance and response times or in an attempt to validate State reported performance issues.

If the State observes that benchmark performance is not being met on a consistent basis over a 30 day period the State will notify CGI of the performance issue. If CGI does not address the issue in a manner that is mutually agreed to be satisfactory, then the Parties agree to create a new service level agreement related to ad hoc query performance and to include it in the Managed Services Agreement via a change order within 15 business days of the State's request.

## **2.0 Hardware, System Software, and Infrastructure Maintenance and Support**

The Contractor shall provide maintenance and support for hardware, system software, production environment tools, and non-application software this maintenance and support shall include:

- A. Providing replacement copies or correction services to correct any error, malfunction, or defect in the System Software, as required by this Agreement.
- B. Hardware and system resource monitoring, allocation, and management.
- C. Disk space partition and usage management.
- D. Hardware failure determination and resolution.
- E. Hardware maintenance as required; diagnosis and repair of defective hardware by replacing parts; correction services to correct any error or malfunction; and installation of hardware upgrades and new systems
- F. Installation, testing, and deploying new releases of operating system, other system or operating environment software, DBMS, and security software.
- G. Updating versions of the System Software, DBMS, Security Software, or other operating environment software for improvements, extensions, maintenance releases and updates, error corrections or other changes that are logical improvements or extensions of the original software supplied to the State.
- H. Monitoring, maintaining and managing system availability, stability, and performance

- I. Monitoring the availability of System Software, DBMS, and other non-ERP application fixes and implementing such fixes as appropriate
- J. Implementing and maintaining database security (create and maintain users and roles, assign privileges)
- K. Performing database tuning and performance monitoring
- L. Maintaining all virtualization and technical environments, as mutually agreed
- M. Performing Documentation updates.
- N. Providing remote technical support.
- O. A configuration management plan and process for hardware and software maintenance for all hosted environments.
- P. Establishing hardware maintenance schedules and performing hardware maintenance according to those schedules.
- Q. Establishing hardware refresh schedules and replacing hardware according to those schedules.
- R. An Annual Technology Plan identifying upgrades for input from and approval by the State.
- S. Making technical support requests to applicable software or other vendors when appropriate under the terms of licensing and support agreements for products licensed or owned by the Contractor.
- T. Adding hardware and storage capacity as required in the Capacity Plan or as needed to meet agreed to performance standards in Attachment 5.
- U. Establishing an Asset Management Tracking system that records all hardware (physical and virtual) including equipment and software procured, operated and supported by the Contractor for use by the State, as set forth in the agreement.
  - 1. The Contractor shall produce a report of all hardware (physical and virtual) including Manufacturer, Model/Type, Year, Storage Disk Space, RAM, Tape Management, Processor, Operating System, Server monitoring software, Database and Version, All Software & Versions, Vulnerability Scans (frequency and types), Current Physical Location, and ERP Environment ~~within 30 days of the ERP environment implementation~~ as designated by the ERP go-live for each project Phase or Release.

2. Asset tracking information (as defined in Subsection U.1) will be provided to the State for all elements of the solution that are dedicated State assets. The Contractor leverages a shared platform on which the State would be one of several clients and thus the asset data set for the entire shared infrastructure would materially exceed the resources needed for a dedicated State system. As part of the implementation, the Contractor will provide an asset management inventory of what would be needed to deploy the solution specifically for the State (i.e. on premise) and the Contractor will maintain that inventory on an ongoing basis. The Contractor can also provide more information on the implemented architecture and approaches of the purpose-built cloud that will be used to operate the State's hosted ERP solution should the State require additional information.

### **3.0 Hardware, System Software, and Infrastructure Maintenance Timeliness, Tracking, Scheduling**

Contractor shall schedule all system software, infrastructure and hardware maintenance in advance and will make such during off-peak hours as approved by the State. As noted in Section 38 of this Agreement, Contractor's maintenance window is 7:00 p.m. Friday ET (once nightly cycle processing has concluded) until 7:00 p.m. Sunday ET on the second weekend of every month. The Contractor will include exceptions to the maintenance window that will allow the State to meet its processing and system availability needs for time and attendance reporting. The Contractor does not usually take all available maintenance windows nor does the window generally last the entire scheduled time.

- A. The Contractor shall apply updates to the system in response to software updates introduced by the publisher or manufacturer of the software with 90 days advance notice to the State.
- B. The Contractor must ensure software compatibility with ERP software patches and service packs with 30 days advance notice. The Contractor must give 6 months advance notice of major operating system updates.
- C. All proposed software updates shall be documented and must be approved by the State Project Director. Proposed software updates must identify at a minimum:
  1. The reason for the update.
  2. The plan to ensure recoverability.
  3. The off-line test plan and test results.
  4. Actions to roll back the update if errors or problems are encountered.
  5. Verification procedures to demonstrate the success of the update and that no other systems or subsystems are adversely affected.
  6. The proposed schedule for the update addressing critical processing needs and associated risks
  7. Notification recipients.

D. The Contractor shall provide:

1. A process for reporting and tracking problems, and applying software maintenance updates and bug fixes.
2. A process for receiving, estimating, and scheduling State-requested software upgrades.
3. Electronic access to an archive of all past monthly maintenance activity reports.

E. The Contractor shall work with the State to plan and conduct an acceptance test for all changes made to hardware, infrastructure, system software, and other non-application software tools or components. The planning, execution, and verification of such testing shall be a joint responsibility of the Contractor and the State. Final acceptance will be determined by the State.

The State will:

1. Provide all WAN support and the necessary network connectivity up to the Contractor Service Delivery Center demarcation point, as agreed to by the Parties; and
2. Provide additional WAN capacity for any supported server resource that has reached critical usage levels and is impacting the Contractor's ability to provide the Services or relieve the Contractor of any affected Service Levels until such time as the required capacity is installed.
3. Assist the Contractor in developing procedures for handling all planned and unplanned outages affecting the environment including review, approval, communication and proper documentation; and
4. Notify the Contractor of any planned or emergency changes to the State's environment affecting the Contractor's provision of the Services.

#### **4.0 Capacity, Availability, and Performance Management**

The Contractor shall monitor, plan, provide, and perform capacity, availability, and performance management as described below:

- A. The Contractor shall accommodate the ERP application's initially planned use and capacity as well as an expected growth rate of 5% per year of CPU usage. The infrastructure must be scalable by design in order to accommodate changing capacity as necessary. Adding of processing capacity beyond the expected growth rate may have implications on State provided Software licensing and will be done using the Change Request process.
- B. Contractor shall meet the performance, throughput, responsiveness, availability, and capacity as documented in Attachment 5.

- C. Definition and maintenance of the Capacity Management process shall be a joint effort between the State and the Contractor as described below:
1. State staff will be responsible for defining application plans and identifying capacity requirements for ERP Application Software on a quarterly basis (unless needed more frequently). The Contractor shall monitor and assess capacity requirements, changes, and/or requests that may impact capacity and make recommendations to the State, as applicable.
  2. The Contractor shall maintain sufficient resource capacity as necessary to provide the ERP Hosting Services including CPU, data storage and tape resources.
  3. The Contractor shall analyze any State requests for additional capacity and determine action needed to provide needed capacity to meet State Requirements. The Contractor shall obtain the State's approval for any actions to be taken in response to State requests.
  4. The Contractor shall perform load balancing, performance tuning, and configuration adjustments to optimize existing Hardware/environment after consultation with the State and as needed to meet Contractor's obligations in this Agreement.
  5. The Contractor must implement system performance improvements (e.g. hardware upgrades) needed to meet agreed to SLAs. The contractor confirms that in the event that they are unable to meet performance and throughput commitments, based on the statistics provided in Attachment 5, due to a lack of the proposed Hosting Solution, the Contractor will provide additional hardware and/or processing capacity to meet those commitments at no additional cost to the State.
  6. The Contractor shall increase capacity up to 5% upon request from the State within ten (10) business days, unless otherwise agreed to at the time of the request. Increases in processing capacity will use the Change Request process.
  7. The Contractor must provide performance statistics reporting tools to allow the State to tune the ERP Software. Under Managed Services the Contractor is responsible for performance tuning.
  8. The Contractor will work with the State on a case-by-case basis to address specific ERP application performance problems.

## **5.0 Service Level Agreement Documentation and Reporting**

- A. The Contractor shall maintain the service level agreement documentation. Periodic reviews of the service level agreement requirements must occur at a minimum annually and both parties must approve any changes.

- B. The Contractor shall provide monthly reports with approved format and content to the State showing its performance against all aspects of the Service Level Agreement included in Exhibit A.
- C. The Contractor must utilize tools to achieve real time performance monitoring of the service level agreements and make such information available to the State.
- D. The Contractor shall notify the State of any performance, availability, reliability, capacity, and other issues related to service level agreements within 24 hours or sooner if immediate action is required.

## **6.0 Change Management and Tracking**

- A. The Contractor shall provide, maintain, and utilize a State approved tool to manage and track Changes. State staff must have access to utilize this software tool. During the implementation effort, the State will have access to the Perforce tool. For production Managed Services, the Contractor will provide the State with access to the Advantage Support Center portal, which is supported by an underlying Remedy software tool for change management tracking.
- B. The Contractor must track Systems Software, hardware, infrastructure, and other non-application software changes.
- C. The Contractor shall promote all software changes to the test and production regions. State staff shall create the ERP application software package to be promoted. All other change packages shall be created by the Contractor. Under this Agreement, the Contractor is responsible for creating the application software packages and promotion.
- D. The Contractor must report on change results.
- E. The Contractor and the State are both responsible for new technology/product research. The Contractor must provide technical guidance regarding products/systems selection and the Contractor must implement the technology solution that has been approved by the State.

## **7.0 Operations and Production Support**

The Contractor shall provide operations and production support, as follows:

- A. The Contractor must implement, execute and maintain overall processing schedules as directed by the State:
  - 1. Run production jobs in accordance with the state approved processing schedules
  - 2. Monitor processing for adherence to processing schedules
  - 3. Complete processing within mutually agreed-upon time periods
  - 4. Respond to new processing requests and requirements

- B. The Contractor must complete scheduled batch processing jobs in accordance with the scheduled processing specifications (e.g. times, dependencies, etc.).
- C. The Contractor shall perform all system console operations.
- D. The Contractor shall manage machine resources.
- E. The Contractor shall assure platform product availability within the parameters of the service level agreement as defined in Exhibit A.
- F. The Contractor shall develop and maintain the Tape Library System, if a tape library system is included in the ERP solution.
- G. The Contractor shall perform all tape mounts, if a tape library system is included in the ERP solution.
- H. The State will provide support for printing at State local printers.
- I. The Contractor must follow documented restart procedures or notify the State's On-Call staff member within 10 minutes of an abnormal ending of a state-owned or Contractor-owned job. Additional on-call procedures including escalation procedures must be mutually agreed upon between the Contractor and the State.
- J. The Contractor must address abends or abnormal job terminations in accordance in accordance with State policies and direction.
- K. Contractor shall provide sufficient appropriately certified operations staff to manage the environment, and must ensure all staff are adequately trained and technically qualified.
- L. The Contractor shall execute reruns as requested by the State as reasonable in the normal course of operating an ERP application or to correct Issues or failures resulting from Contractor's failure to satisfy its responsibilities under the Agreement and perform job restarts in accordance with requirements provided by the State.
- M. The Contractor shall provide timely notification of the potential to miss Critical Batch Job schedule deadlines.
- N. The Contractor shall develop and document operations standards and procedures with input from the State.
- O. The Contractor shall perform automated report distribution operations using the ERP Report Distribution software as further defined and mutually agreed upon during the ERP application implementation.
- P. The Contractor will maintain this Report Distribution system while the State will maintain administrative privileges on this system to define new reports, access controls, and forms.

Q. The Contractor shall provide system, ERP application, and data backups. Such backups will include:

1. System and other non-application software backups as per agreed upon schedule
2. Application software backups as per agreed upon schedule
3. Full volume application data back-ups on a weekly basis and incremental back-ups before and after each batch cycle.
4. Other scheduled application data backups
5. On-request back-ups as needed to meet the SLA and Disaster Recovery requirements in this Agreement or as mutually agreed.

R. The Contractor shall provide all system, application, and data restoration and recovery to provide for the recovery of application, data, and system, as needed for Contractor to meet the requirements of this Agreement.

## 8.0 System Installation

In association with the ERP System Implementation:

A. The Contractor shall install, configure, and verify the operational readiness of all hardware, system software, security, data base management system software, third party tools, and other components as required to establish a complete ERP production and operations environment and a complete production QA environment that mirrors the production environment, **except for not being available on the Internet**. This task shall be completed by a date approved by the State Project Director that allows for timely completion of all required ERP environment verification review, testing, performance testing, acceptance testing, and implementation activities associated with the phase 1 implementation of the ERP System for the State.

B. The Contractor shall provide the ERP production hardware, system software, database management system software, third party tools, and other components, as required to establish the complete ERP production and operations environment and a complete production QA environment needed to support phase 2 ERP implementation (and continuing production operations from previous implementations). **This includes the necessary tasks, in coordination with the State, to implement MiLogin**. This task shall be performed for phase 2 implementation on dates approved by the State Project Director that allows for timely completion of all required ERP environment verification review, testing, performance testing, acceptance testing, and implementation activities associated with the phase 2 implementation of the ERP System for the State.

C. **The Contractor shall work with the State Project Director, Contractor Project Manager, and State's PCO to ensure key interdependencies between activities associated with this contract are clearly reflected and managed within the project schedule and**

integrated master schedule for the implementation project.

**C.D.** The Contractor shall install the State approved, configured, extended, and tested ERP software application complete with all reports, interfaces, and other site specific code and loaded production parameters or any additions or changes required for each ERP Project Implementation Phase as specified in the Implementation Services Agreement.

**D-E.** After the scheduled ERP Implementation has been completed the Contractor shall coordinate, install, configure, maintain, upgrade, and uninstall System Software, DBMS Software, and any other non-application software, or third party products or tools as required to maintain capacity, performance, and availability or as required for the ERP technical and operations environment, or as agreed to by the parties.

## **9.0 Database Support**

The Contractor shall provide ERP Application Data Base Management System (DBMS) maintenance and support as follows:

- A. Installing, configuring, maintaining, and upgrading Database System Software and associated program products upon State approval
- B. Installing and applying Database fixes as requested by the State or as identified by Contractor if under a Managed Services model and per update/upgrade requirements and Section 20 in this Agreement.
- C. Identifying and resolving Database and Database subsystem problems and/or related database problems
- D. Providing ongoing Database subsystem performance management
- E. Providing physical database design, review, and support, as required
- F. Providing DBMS performance utilization tracking
- G. Table reorganization synchronization, and compression activities, as needed, to ensure optimum application performance per Contractor's obligations in this Agreement
- H. Table space and directory structure management activities
- I. Ongoing data integrity maintenance at the database table level
- J. Any other activities, as needed, to ensure the integrity and optimal performance of the database

## **10.0 Reserved**

## **11.0 Security**

- A. The Contractor shall deploy commercially reasonable, up-to-date security processes and resources in an effort to prevent unauthorized access to the State of Michigan's IT equipment to support confidentiality, availability, and integrity of not only the physical equipment, but also the data and transmission of data between those systems. The Contractor will accomplish this through infrastructure protection services. **The Contractor will develop an infrastructure protection services plan and include it in the material that is verified by the annual MCS security review and annual third-party review as defined in Attachment 2 - Section 11.0 - Paragraph G.**
- B. Infrastructure protection services shall include the physical and logical security components for the facilities and networks in Contractor sites and non-Contractor managed sites **which the Contractor owns, operates or sub-contracts.** Physical access control requirements will be applicable to CPUs, channel attached devices, and physical system and master consoles (such as interactive devices providing a command interface to the operating system without having identification and authentication of the operator), portable media storage, and print output.
- C. The Contractor shall ensure that all sensitive data is encrypted at rest and in transit.
- D. The Contractor shall ensure that the provided network meets all State telecom interface standards as referenced in Section 1.106. **This will be verified by the Michigan Network and Telecommunications Services group signoff of the Network Interface Connection Form.**
- E. Contractor shall ensure that:
1. The network is protected by server and desktop anti-virus enterprise software. Anti-virus software must be updated with the latest virus definitions as they are released by the software publisher.
  2. Any Contractor workstations not used on the State network will be scanned by the Contractor.
  3. Any Contractor workstations used on the State network will be scanned by the State and approved prior to being attached to the network for the first time.
  4. The network is protected from hacking by firewalls and intruder detection software, and manual monitoring of incoming traffic as requested.
- F. The Contractor must ensure documentation, electronic files, and data are developed, used, and maintained in a secure manner, protecting the confidentiality of all materials, records, and files.
- G. The Contractor shall obtain and provide a third-party certification annually regarding the level of security practiced by the Contractor and based on the COBIT framework which may include the following:
1. Information Security Risk Assessment
  2. Digital Signatures
  3. Intrusion Detection
  4. Viruses and other Malicious Logic
  5. Control Risk Self-assessment
  6. Firewalls
  7. Irregularities and Illegal Acts
  8. Security Assessment (penetration testing, data encryption effectiveness, vulnerability analysis, and effectiveness of controls)

Annual third-party certification will be done prior to go-live events, June 2015 (Phase 1), August 2016 (Phase 2), and annually in August thereafter.

- H. The Contractor shall provide an annual independent Type 2 SSAE-16 (SOC 1) report and an annual independent Type 2 SOC 2 attestation report specific to the State's ERP application and its operating environment as part of the proposed fixed price. The specific scope and control objectives will be reasonable and must be annually approved by the State prior to commencement of the SOC-related services.
- I. The Contractor shall perform system security subsystems administration and execution as defined in the infrastructure protection services plan, which will be verified by the annual MCS security review and annual third-party review as defined in Attachment 2 - Section 11.0 - Paragraph G.
- J. User-IDs for the State employees and resources will be managed by the State Security administrator. System IDs and Contractor resource IDs will be managed by the Contractor.
- K. The Contractor shall establish and maintain compliance with the following Federal and State security policies as identified in Section 1.106 Environment.
- L. All proposed hosting solutions must be compliant with the Federal Information Security Management Act (FISMA) and with security policies of the State as listed in Section 1.108 of this Agreement. FISMA compliance for the environment where the State's solution will be hosted is required prior to March 1, 2015 regardless of the extent to which sensitive, personal, or other covered data may or may not be captured, stored, or used in the proposed solution. For the environment where the State's solution will be hosted, FISMA/FedRAMP cCompliance must be verified annually by one of the two following options:
  - 1) obtaining validation of FISMA Compliance from a Federally Accredited 3<sup>rd</sup> Party Assessment Organization that is approved by the State and providing the State a copy of the full Certification & Accreditation (C&A) preparation package, or
  - 2) obtaining a FEDRAMP provisional ATO.
- M. The Contractor must provide encryption at the disk and database levels for all production and non-production environments including databases, backup disks, tapes and any media where the State's data or files are stored and/or accessed.

The State shall:

- I. Develop, maintain and update the State IT Security Policies, including applicable State information risk policies, standards and procedures
- II. Provide a State Single Point of Contact with responsibility for account security audits
- III. Support intrusion detection and prevention and vulnerability scanning pursuant to State IT Security Policies
- IV. Provide the State security audit findings material for the Services based upon the security policies, standards and practices in effect as of the Effective Date and any subsequent updates
- V. Assist the Contractor in performing a baseline inventory of access IDs for the systems for which the Contractor has security responsibility

- VI. Authorize User IDs and passwords for the State personnel for the Systems software, software tools and network infrastructure systems and devices under Contractor management
- VII. Approve non-expiring passwords and policy exception requests, as appropriate.

## **12.0 EDI Responsibilities**

- A. The Contractor must provide, maintain, and upgrade all required EDI software to ensure full required functionality per industry standards.
- B. The Contractor will provide the system software support for the EDI product and the State staff will provide support services for the application objects.
- C. The Contractor must provide EDI software access to authorized State personnel.
- D. The Contractor must provide EDI operations: EDI Development, EDI Test, and EDI Production environments consistent with its integration with the ERP application.
- E. The Contractor, with assistance from State staff, must perform version control migrations of EDI components (e.g. trading partner transactions (maps), application data formats, validation/translation tables etc.) into Test and Production.

## **13.0 RESERVED**

## **14.0 Additional Services**

The Contractor shall provide additional services not covered under this Agreement using the rate card identified in Attachment 3.

## **15.0 On-Going Governance**

The Contractor shall provide Issue Escalation & Resolution procedures and submit them for the State Project Director's review and approval. Once finalized the Contractor shall be responsible for identifying, monitoring, tracking, reporting, and escalating issues that require decisions. The Contractor shall also be responsible for providing any required analysis, identification of required alternatives, and recommendations.

At a minimum, the meetings defined in Section 1.302 must be held between appropriate representatives of the Contractor and the State to review the Contractor's performance under the Agreement. The meetings will be held in Lansing, Michigan, or by teleconference, as mutually agreed by the State and the Contractor. The Contractor must publish meeting agendas distributed sufficiently in advance of the meeting to allow meeting participants a reasonable opportunity to prepare for the meeting.

## **16.0 Disaster Recovery**

- A. The Contractor shall provide a disaster recovery facility (DR facility) to be implemented with the Phase 1 implementation of the State's ERP Project, currently planned for August 1, 2015. The DR facility shall logically mirror the primary production site, meet capacity and throughput requirements as specified in the Service Level Agreement, adhere to all security, connectivity, and interface requirements for the primary site. The DR facility must:
1. Be a 'warm site' that can recover critical elements of the ERP and other applications during a declared disaster within Recovery Time and Recovery Point Objectives specified in section 16.0 Q and R.
  2. Be electronically accessible to the State within the documented Recovery Time Objective (RTO) after Declaration of a disaster;
  3. Continue to operate (after a disaster) site until such time that an active site is reestablished and fully operational.
  4. Be on a different power grid and in a different geographic location than the Primary Production site. The recovery site must be a minimum distance of 40 miles from the active site.
- B. The Contractor must have all necessary legal rights to deploy all hardware components necessary for the Disaster Recovery facility and solution. Contractor shall be responsible for future upgrades, system replacement or the addition of processing power to satisfy demands for increased performance at the disaster recovery site.
- C. The Contractor shall procure licenses for the system software and supporting tools. The Contractor will procure the license for the monitoring tools used by the Contractor to monitor the system.
- D. All specialized software components (application/business logic) and business applications will be owned or licensed by the State. Ownership of all application data and intellectual property will be retained by the State

- E. When the Disaster Recovery site is active following a declared disaster, the physical location shall not have a negative effect on application and network performance. This will be validated by the Contractor meeting SLA Standards 3 and 4 provided in Exhibit A, on a consistent basis.
- F. The Contractor must establish and maintain a dedicated connection between the disaster recovery facility and the State's LMAN that meet these three requirements:
  - i. It must provide optimal performance per Contractor's obligations under this Agreement.
  - ii. It must ensure a highly secure connection to the State' network.
  - iii. It must provide full end-to-end redundancy so no single point of failure would prevent normal operations.
- G. The cost for implementing any high-speed telecommunication circuits between the disaster recovery facility and the State's LMAN shall be borne by the Contractor.
- H. The connection between any disaster recovery facility and the State's network must occur in the State's DMZ. The Contractor may propose alternative methods for connecting to the LMAN that will improve performance but must demonstrate that the security concerns of the State are not compromised. The State must approve any alternative method.

#### **Maintenance and On-Going Support of Infrastructure and Associated Software**

- I. The Contractor must provide maintenance and support for hardware and software as required to keep the Disaster Recovery environment synchronized with the Primary Production Site environment as required to meet the specified RPO and RTO, or as required during any periods when the Disaster Recovery site has become active following a disaster. This maintenance and support shall include, as needed for Contractor to satisfy the foregoing requirement and Contractor's SLA obligations in this Agreement:
  - 1. Providing replacement copies or correction services to correct any error, malfunction, or defect in the System Software.
  - 2. Providing replacement hardware or correction services to correct any error, malfunction, or defect in the hardware.
  - 3. Updated versions of the System Software that are improvements, extensions, maintenance releases and updates, error corrections or other changes that are logical improvements or extensions of the original software supplied to the State.
  - 4. Documentation updates.
  - 5. Access to remote technical support.
  - 6. Provide change management plan and process for hardware and software maintenance for all hosted environments.
  - 7. The Contractor must establish and maintain the hardware maintenance schedules.
  - 8. Contractor must provide and annual plan for technology upgrades for input and approval by the State.

9. As the Contractor is licensing the system software on behalf of the State, the Contractor will open technical support requests with the system software vendors when appropriate under the terms of licensing and support agreements for the product.
  10. Propagating any changes made to the Disaster Recovery site during its active use following a declared disaster back to the Primary Production site as needed for full synchronization prior to the Primary Production being reactivated.
- J. All maintenance updates to the software and hardware must be scheduled in advance and take place during off-peak hours as approved by the State when the Disaster Recovery site is operational and active. See the Service Level requirement relating to the maintenance window in Exhibit A.
  - K. The Contractor shall provide the State with an annual technology plan for the Disaster Recovery Site infrastructure to keep it consistent with the Primary Processing Site infrastructure. This plan will detail the major infrastructure upgrades planned for the year along with a high level schedule, which will be developed with the State's assistance.
  - L. The Contractor shall provide electronic access to an archive of all past monthly maintenance activity reports as applicable to meeting the RTO and RPO in this Agreement in the absence of the Disaster Recovery being active. These reports must show all updates and other changes to the hardware and software environment needed to maintain capacity, access, and synchronization with the Primary Processing Environment.

#### **ERP Application Maintenance**

- M. The Contractor shall perform all maintenance and updates to the ERP and other application software at the Disaster Recovery Site to keep it synchronized with the Primary Production Site.
- N. During any period where the Disaster Recovery site has become active following a declared disaster, the Contractor shall perform all ERP software maintenance required including any upgrades, software patches, software fixes, and technical configuration changes that may be required to address issues, problems, or meet software vendor support requirements per Contractor's obligations in this Agreement. The Contractor shall also propagate any changes made initially to the Disaster Recovery site to the Primary Production Site (as required to achieve full synchronization) prior to that site being reactivated.

#### **Disaster Recovery Plan and Guide**

- O. The Contractor shall create an initial Disaster Recovery Plan that is approved by the State, update it annually (or more often, if needed), store the plan at the Disaster Recovery Site and provide the State with a separate copy. The plan will include a review of recovery configurations to ensure there is adequate capacity to meet the requirements of the State in the event of a Disaster. The state will approve the initial plan and each annual update. The State will be responsible for entering the plan into the Living Disaster Recovery Planning System. In addition, the Contractor shall also produce a Disaster Recovery Guide that specifies roles and responsibilities of the Contractor and the State in the event of a disaster and that documents procedures to be followed.

### **Update Disaster Recovery Configurations**

- P. The Contractor must update the recovery configuration(s) at the Disaster Recovery Center as required by the approved Disaster Recovery Plan.

### **Recovery Time Objective (RTO)**

- Q. The Contractor will recover the critical ERP and other applications within 48 hours of a disaster being declared using the approved declaration process.

### **Recovery Point Objective (RPO)**

- R. The Contractor must meet an RPO of no greater than 24 hours prior to the disaster being declared.

### **Contractor Staffing**

- S. The Contractor must provide and maintain resources sufficient to enable Disaster Recovery Services.
- T. The Contractor must provide qualified staff to perform disaster recovery planning, testing, required maintenance and upgrades, and to perform required services in the event that the disaster recovery site is needed for processing after an outage at the Primary Processing Site as specified in Section 16.0 DD. The State shall have the right to request replacement of any Contractor staff member, who in the reasonable view of the State, is not sufficiently skilled or has not demonstrated adequate performance.
- U. The Contractor must supply the personnel necessary for the maintenance of the Disaster Recovery Plan, testing of the Disaster Recovery Services and provision of services related to a disaster which requires activation and use of the disaster recovery site. Such personnel shall include the roles specified in Attachment 4 Key Personnel and shall meet the qualifications specified for such personnel in that section.

### **Backups and Archival**

- V. **Disaster Recovery Back-ups - System**  
The Contractor must maintain weekly encrypted back-ups of all System Software, Configurations, and other Critical Software.

**W. Disaster Recovery Back-ups - Application**

When the Disaster Recovery site becomes active following a declared disaster, the Contractor must schedule and execute encrypted back-ups for data and for application software source and object libraries. This will include those in the State production environment libraries once the Disaster Recovery site is active and test, and development environment libraries if after a protracted period of time these environments are established and the Disaster Recovery site therefore becomes the Primary site.

**X. Off-site media storage**

The Contractor must develop, maintain, and execute off-site media storage procedures for archival and recovery purposes, utilizing an industry standard off-site third-party contractors, for all back-up media, including:

1. Log and track media both on and off-site
2. Perform required rotation of media
3. Pay all fees and costs associated with off-site media storage

All archival data included shall be encrypted.

**Disaster Recovery Test Planning and Testing**

- Y. The Contractor, with input from the State, must create and maintain a test plan for conducting Disaster Recovery Tests for the State ERP System. The state will approve the test plan approximately 6 months preceding the Disaster Recovery Test. The initial plan will be created three months in advance of the Phase 1 'Go-Live' date (currently expected to be August 1, 2015).
- Z. The Contractor must conduct a Disaster Recovery Test in accordance with the approved Disaster Recovery Test Plan every 12 months, beginning within 3 months after the Phase 2 'Go-Live' date (currently expected to be October 1, 2016 2017) that will adequately demonstrate the Contractor's ability to recover the Data Center Services and critical ERP Applications, transfer of operations to a Recovery Center and communicate with the State's ODFI. State staff will be actively involved in executing the disaster recovery test. The Dates for the Disaster Recovery Tests will be mutually agreed upon by the State and Contractor. For the initial test, the Contractor will provide assistance to the State in organizing for and conducting the State's role in such testing.
- AA. The Contractor must provide a Disaster Recovery test platform sufficient to execute the DR Test Plan and test the recovery of Configurations, Critical Software, and related Application Software data.
- BB. The Contractor, with approval from the State, must schedule the disaster recovery test dates. The State requires forty-eight (48) hours of test time per year after the site is prepared and all pre-conditions for testing have been established.
- CC. During the scheduled test the Contractor must perform the following tasks:
1. Conduct testing by performing test recovery of designated configurations and critical software as defined in the Disaster Recovery Test Plan

2. Communicate with recovery site as required before, during, and after completion of testing to adequately conduct and document testing
3. Test and verify environment integrity and functionality – The State will be involved in testing functionality as well
4. Provide written confirmation that the software and files from the Recovery Site were synchronized from the active site production environment.
5. Document and track findings to closure, and provide post test results to the State – The State will be involved in documenting findings as well.
6. Create and execute an action plan addressing any problems identified in the execution of the DR Test Plan, and provide the State a copy of such plan.
7. Provide a Final Report on the DR Test to the State.

#### **During a Declared Disaster**

DD. During a declared disaster the Contractor must perform the following tasks:

1. Provide immediate notice of any Disaster which has occurred, which Contractor expects to occur, or of events which may lead to a Disaster, via verbal contact with one or more of the State's designated representatives, so that the parties may determine when and whether to declare a Disaster and may do so expeditiously to receive priority Disaster Recovery Services.
2. Take immediate action to prepare the Recovery Center for use and provide the resources necessary for recovery of the Configurations and Critical Software; utilizing capacity which is equivalent to the current State configuration or better.
3. Provide sufficient office space and equipment for 25 State staff at an off-site location outside of Lansing, MI to support the application in addition to space needed for Contractor's staff.
4. Reroute the affected data communications circuits to the Recovery Center.
5. Provide all other network connectivity to the Recovery Center, as specified in the configuration specifications.
6. Provide operational and technical service and assistance sufficient to restore and operate all critical ERP applications as defined within the Disaster Recovery Plan.
7. Deliver to the Recovery Center all off-site back-up media necessary to perform Disaster Recovery.
8. Deliver to the Recovery Center off-site back-up media necessary to allow the Contractor to recover Application Software data within the recovery time objective.
9. Operate the Critical Software on the Configuration at the Recovery Center.
10. Furnish all supplies and storage media which are included in the scope of DR or the Agreement.
11. Pay all costs associated with off-site back-up media, including transportation to and from the storage facility and the Recovery Center.

12. Pay all travel and living expenses incurred by Contractor personnel in the performance of the Contractor's Disaster Recovery responsibilities.

EE. The Contractor shall provide operational and technical service, and assistance sufficient to restore and operate all critical ERP applications as defined by the Disaster Recovery Plan. Critical applications include the following:

1. ERP solution including 3<sup>rd</sup> party proposed software
2. Application configuration management tools specific to the State
3. ODFI Bank connection
4. EDI Software
5. Problem and Request (change) management tools specific to the State

#### **'Failback' or Reversion of Processing Back to the Primary Production Site**

FF. The Contractor shall provide all required services, hardware, software, repairs, and maintenance needed to restore the Primary Production Site and to re-establish State ERP processing consistent with specifications, requirements, and service levels in this Agreement or will establish an equivalent Primary Production Site that is fully compliant with the requirements and specifications for such a site included in this Agreement.

GG. The re-activation of the Primary Production Site shall be coordinated with and at the mutual agreement of the parties and will be done in a manner that causes as little disruption as possible. The Contractor shall ensure that any updates or maintenance done to the Disaster Recovery Site while active has been propagated to the Primary Production Site prior to its reactivation and that the two sites are completely synchronized.

HH. Once the Primary Production Site has been reactivated and is being used for the full range of State ERP processing, the Disaster Recovery Site will revert to secondary site status and Contractor will resume maintenance, upkeep, and other services required under this Agreement applicable to the DR site when it is not the active site used for processing.

### **17.0 Establish, Maintain, and Operate a Hosting Service Desk**

The Contractor shall establish, maintain, staff, and operate a Hosting Service Desk that provides a single point of contact for day-to-day communications between the State key personnel/IT staff and Application Administrators. Initial calls from standard State Users will go to the State's Help Desk (level 1). Escalated level 2+ requests and incidents are reported by a select number of State Users to the IT organization through the Service Desk in accordance with the documented procedures. It is the single contact point for select State Users to record their level 2+ problems and requests related to the supported servers and the Applications on those supported servers. If there is a direct solution then the Service Desk will provide immediate resolution, if not then it shall create an incident report. Incidents will initiate the appropriate chain of processes:

Incident Management, Problem Management, Change Management, Release Management and Configuration Management. This chain of processes shall be tracked using a trouble ticketing system provided by the Contractor, which records the execution of each process, quality control point, and stores the associated output documents for traceability. Such processes and procedures will be documented by the Contractor, reviewed with the State, and must be approved by the State to the extent they are State-Specific. Contractor responsibilities shall also include:

- A. Handling incidents and requests through full life cycle management of all service requests as set forth in the Run Book or other supporting documents.
- B. Provide a Single Point of Contact for entry and exit to the service process and providing an interface essential to the service processes specific to the Contractor's 3<sup>rd</sup>-party providers for the ERP solution as defined in Attachment 6.
- C. Providing ease of use and a good customer experience for the State Users interacting with the Hosting Service Desk.
- D. Maintaining security and assuring data integrity as required in this Agreement.
- E. Providing timely and effective communication which keeps the State Users informed of progress and of appropriate advice on workarounds.
- F. Maintaining documentation of all incidents, services requests, change and release packages, and environment updates and deployments
- G. Maintain synchronization between technical environments as required to allow for timely and effective testing.
- H. Categorize and document the relative importance of each incident according to the severity levels as agreed to by the Parties.
- I. Monitor and manage each incident, including incidents associated with changes, and report on the status of resolution efforts until it is corrected or resolved and an authorized User confirms such resolution, as set forth in the Run Book or other supporting documents.
- J. Assist the State with the prioritization and maintenance of outstanding work logs
- K. Implementing measures to help avoid unnecessary recurrence of incidents, by performing root cause analysis and event correlation.
- L. To the extent an incident is due to errors or bugs in software licensed either by the State or the Contractor, referring such incident to the licensing entity or other entity responsible for resolution and performing all coordination, follow-up, and required actions to resolve the incident.

## **Managed Services Components**

### **18.0 Break Fix Support**

The Contractor will provide 'break fix' support starting 12 months after the final ERP Implementation. This support shall include all actions required to return the ERP solution to working order with accurate data after a failure or problem has occurred. Such support will include identification, analysis, and correction of software and data defects directly related to a software defect in the ERP solution including those related to programming, configuration, scripting, job streams, data conversion or data inaccuracy caused by or allowed by a software or technical configuration defect. It shall also include rectification of any problems that cause ERP components to perform below agreed to standards for availability, online performance, or batch performance. Break fix support shall include all work required to investigate, correct, test, and deploy software, data (as coordinated with the State) or other 'fixes'. This shall include the application of any patches to application software, DBMS, operating system, or other components required to rectify a production incident. This service will be substantially delivered in coordination with the State Help Desk operation.

### **19.0 Help Desk Support**

The Contractor shall participate in the operation of the State Help Desk by:

- A. Receiving and providing triage, investigation, technical, functional, operations, warranty, and break fix support as described above via the Help Desk organization using its procedures. Specific areas of responsibility would include:
  - 1. All ERP solution components (as enhanced and configured for the State by or jointly with the Contractor as a part of the Implementation Services Agreement).
  - 2. All ERP interfaces, reports, workflows, and forms
- B. Provide status reporting to Help Desk and State management related to ERP Solution incidents, pending solutions, completed fixes, and scheduled deployments to implement the fixes.
- C. Supporting needed communications with State Agencies related to reported problems, workarounds, choices related to solutions, State and Contractor actions required to implement the solutions, operations impacts of any solutions, and scheduled release dates for fixes and solutions.

The State will provide all level 1 (Initial Triage) Help Desk support for all incidents including Hosting infrastructure and the proposed ERP solution. The State will be responsible for receiving and logging incidents and resetting passwords (level 1), providing functional explanations in response to user questions (level 2), closing incidents, and communicating 'work arounds' and fix schedules to the broad user community. The Contractor will be responsible for level 3 support related to application technical configuration and programming (including that related to interfaces and ERP

Solution reports). It shall also rationalize, streamline, and consolidate (where necessary) procedures regarding and services provided by the Contractor Hosting Services Desk. In all instances, hosting related level 2+ resolutions will be the obligation of the Contractor. Level 2+ application related problem resolutions will be provided by the Contractor.

The State will:

- I. Be responsible for all end-user training (hardware and software)
- II. For in-scope State-retained systems, provide systems status information to the Contractor Service Desk and updates as they occur. The Contractor will maintain such information as set forth in the production schedule or other supporting documents
- III. Maintain and distribute a State contact list, including names and telephone, mobile/pager and fax numbers, for use by Contractor Help Desk staff to contact appropriate State personnel for problem determination assistance and escalation and ensure such personnel are available as required
- IV. Assist the Contractor in establishing call prioritization guidelines and escalation procedures
- V. Ensure end-users have a basic level of understanding of the Contractor Service Delivery processes and adhere to such processes for accessing the Services
- VI. Communicate support responsibilities and procedures to the State Single Point of Contact and Third Party service providers (for example, providing call status and resolution to the Contractor Help Desk) and ensure adherence to such procedures
- VII. Assist the Contractor, as requested and in a time frame commensurate with the assigned problem Priority Code and associated Service Level commitment, in the resolution of recurring problems.
- VIII. Be responsible for the resolution or closure of all calls related to products and services that are not within Contractor required services.

## **20.0 Major and Minor Technical Upgrades and Updates**

This section defines the technical upgrade and update activities that will be performed by the Contractor under the terms of this Agreement.

- ▶ A Patch is a correction to the Advantage ERP Software application specific to one (or a very small set of tightly related) Issue(s), independent of Issue Severity.
- ▶ A Hot Fix is the application of a Patch intended to update the existing customer software in a quick turnaround to support Critical (Severity 1) Issues and Serious (Severity 2) Issues as defined in Exhibit B. Delivery of Hot Fixes is typically undertaken on an as-needed basis given the criticality of the required Issue correction in order to meeting Contractor responsibilities under the SLA.
- ▶ A Patch Set is a select, client-specific group of Patches intended to update the existing customer Advantage Software in a longer turnaround time than what is described for the

single Hot Fix above as it tends to principally address Moderate Issues, as defined in Exhibit B. Generally delivery of a Patch Set is a scheduled event containing a pre-defined set of Hot Fixes. A set typically contains between ten (10) and twenty (20) resolutions, but may contain only one resolution (for example, for resolutions of Critical Issues). Patch Sets can typically be tested in a client test environment and moved to production without any additional implementation efforts (e.g. upgrading the underlying software or full regression testing)

- ▶ Minor releases include new product functionality requested by the user community or necessitated by legislative and regulatory changes as well as resolutions to software incidents reported from the prior release. A minor release enhances the application's functional and technical capabilities without introducing a wholesale change in the software or its underlying technical architecture.
- ▶ Major Releases occur infrequently and contain significant functional enhancements that span the product line and are accompanied by major changes in technical architecture.

**A. Implementation of Patch Sets:**

1. With the exception of Hot Fixes required to meet the Contractor's Issue Resolution obligations under the SLA, Advantage ERP Software updates for the State between Minor Releases will be implemented via Patch Sets.
2. During regular meetings, the State and the Contractor will agree to the timing and schedule of Patch Set implementation.
3. The number of patches included in a Patch Set is expected to be between fifteen (15) and twenty (20).
4. The patches included in a Patch set will be selected by the State, in consultation with the Contractor.

**B. Implementation of Minor Releases:**

1. Contractor anticipates and has included provisions for the technical implementation of up to one (1) additional Minor Release during the term of this Agreement.
2. The timing and scheduling of the implementation of a Minor Release Upgrade will be based upon mutual agreement. Deferral of a Minor Release Upgrade is at the State's option provided it does not prevent remaining current on the System and thereby undermining the Contractor's ability to support the State.
3. In advance of a Minor Release Upgrade, the Contractor will track requested Patches of more immediate importance to the State. Provided the State is operating within the general service limits defined in this Agreement and absent other voluntary extensions in the Contractor's scope of services, the Contractor is willing to coordinate inclusion of a small number of patches identified during the Contractor's internal Minor Release Upgrade planning efforts without additional fees. The total number to be included is expected to be less than the number defined for a Patch Set in this Agreement.
4. The elapsed duration for any Minor Release Upgrade will be as proposed by the Contractor and agreed to mutually with the State.

5. The Contractor will provide technical project management services associated with the Minor Release Upgrades at no additional cost.

Contractors are to comply with the following:

- A. The State's requirement is to always operate on a set of Application and Technical Infrastructure components that are on the current support model and terms as provided by the underlying software or Hardware provider. (e.g., production ERP modules must be on the ERP Software Vendor's then current supported version listing)
- B. As part of annual planning and coincident with monthly governance review meetings, the Contractor is to inform State of any software, hardware or infrastructure components that are moving beyond a current support model and the Contractor's plan to implement the required updates in a controlled manner to the applicable State environments to maintain compliance with software vendor support models without disrupting the State's operational needs. In addition, the Contractor is to inform the State of any software upgrades that are available but not yet required to maintain compliance with the software vendor support models. An explanation of the features, changes, and benefits available with such upgrades will be provided to the State so that a decision can be made as to whether the upgrade shall be implemented prior to any requirement for compliance with the software vendor support model. If the State decides that the upgrade should be performed, the Contractor shall provide a plan to implement the upgrade in a controlled manner in the applicable State environments.
- C. Provide analysis and explanations of the functional and technical changes associated with any application upgrade and any impacts on user functionality, production schedules, reporting, security, interfaces, customizations, MIDB, or other operational or functional impacts.
- D. Based on a review of the Contractor's upgrade plan (inclusive of all elements required to effectively manage, resource, test, validate and implement the change as outlined elsewhere in this statement of work, the State and the Contractor will schedule a mutually agreeable upgrade Project and authorize the Contractor to perform these upgrade services to maintain the required support model or to obtain the benefits of the upgrade even if not immediately required to maintain compliance with the software vendor support model.
- E. Upgrade planning must factor any regularly scheduled batch processing or system availability as well as any seasonal processing requirements (e.g. monthly financial closes) and should be scheduled to maintain compliance with system availability as specified under State SLAs and in consideration of then prevailing production schedule.

## **21.0 Discretionary Services**

Contractor shall be responsible for making minor alterations or enhancements as mutually agreed to Applications within the scope of the Managed Services. Due to the sporadic nature of these requirements (e.g., minor display field changes, edits, reports, etc.), the State may require the Contractor to provide these services as needed. The Contractor must include, for each year of the Agreement, a pool of eight thousand (8,000) hours per year, to be used for such services. The Contractor and the State agree that, in the event there are insufficient hours available in the Development Pool of Hours in the Implementation Services Agreement, Contract number 071B4300138 and in accordance with its provisions, the State may elect to use these hours during the implementation of Phase 2. Dependent on the nature of work, the Contractor will ensure appropriately skilled resources are leveraged to conduct the work. Such hours will not be used to address defects in the delivered software nor to correct variances from approved designs or concept papers. The Contractor must also provide tracking and reporting of hours used and remaining available within a given year. Upon receipt of an approved request from the State, the Contractor shall:

- A. Prepare and deliver a proposal that includes the following:
  1. A Project Plan including project schedule
  2. Delivery cost and resource estimates for each phase of the Project
  3. Cost estimates for the ongoing maintenance resource and infrastructure requirements and costs for the solution(s) post-implementation
  4. Provisions for project management due diligence including:
    - a. Preparation and maintenance of project plans and schedules using Microsoft Project or other tool as may be required by State standards at the time
    - b. Preparation and maintenance of project organization and staffing chart
    - c. Status reports and weekly status meetings
    - d. Issue identification, logging, review, escalation, and resolution
    - e. Monitoring, reporting, and analyzing actual results versus forecasted results including budget, hours, milestone achievement, estimates to complete, key dependencies, key quality or acceptance gates and any other items the Contractor or State deems necessary to deliver the Project
- B. For each proposed project approved by the State, the Contractor shall:
  1. Deliver Projects in a manner that is designed to help minimize disruption to the State business environment.
  2. Balance Project scope, quality, effort, schedule, budget, and resource risks or conflicts jointly with the State.
  3. Develop and report business and technical risk and impact analyses.
  4. Conduct post-delivery analysis, documenting preferred experiences, and compiling recommendations for purposes of continuous service improvements.

## 22.0 Larger Projects

Contractor shall be responsible for significant new and revised configuration, alterations or enhancements to Applications within the scope of the Managed Services that cannot be performed using the pool of hours available in section 21.0 either due to the insufficiency of hours in the pool or because the nature of required changes and enhancements exceeds the parameters established for performing work under that section. The Contractor must include, in their proposed annual cost for Managed Services, the cost for any significant change and enhancement projects requested by the State based on hours required by labor category and the Contractor's Rate Card. Upon receipt of an approved request from the State, the Contractor shall:

- A. Prepare and deliver a proposal that includes the following:
  1. A Project Plan crafted to satisfy the requirements of SUITE, the State's required methodology
  2. Delivery cost and resource estimates for each phase of the Project
  3. Cost estimates for the ongoing maintenance resource and infrastructure requirements and costs for the solution(s) post-implementation
  4. Provisions for project management due diligence including:
    - a. Preparation and maintenance of project plans and schedules using Microsoft Project or other tool as may be required by State standards at the time
    - b. Preparation and maintenance of project organization and staffing chart
    - c. Status reports and weekly status meetings
    - d. Issue identification, logging, review, escalation, and resolution
    - e. Monitoring, reporting, and analyzing actual results versus forecasted results including budget, hours, milestone achievement, estimates to complete, key dependencies, key quality or acceptance gates and any other items the Contractor or State deems necessary to deliver the Project
- B. For each proposed project approved by the State, the Contractor shall:
  1. Deliver Projects in a manner that is designed to help minimize disruption to the State business environment.
  2. Meet requirements of SUITE by mapping Contractor's methodology artifacts to SUITE, the State's required methodology including those related to required artifacts, touch-points, stage exits, and structured walkthroughs.
  3. Balance Project scope, quality, effort, schedule, budget, and resource risks or conflicts jointly with the State.
  4. Develop and report business and technical risk and impact analyses.
  5. Conduct post-delivery analysis, documenting preferred experiences, and compiling recommendations for purposes of continuous service improvements.

The State reserves the right to request a fixed price proposal for any Large Project.

### **23.0 Managed Services Job Set-Up and Scheduling**

The Contractor Job Set-Up and Scheduling responsibilities include:

- A. The Contractor must maintain the Automated Scheduler System
- B. The Contractor must update the scheduler database to reflect scheduling changes/modifications to all environments
- C. The Contractor must assimilate batch jobs into all environments in accordance with processing schedules approved by the State, and according to mutually agreed upon implementation requirements
- D. Contractor staff is responsible for job set-up
- E. Contractor staff is responsible for defining job dependencies
- F. Contractor staff is responsible for identifying and implementing job recovery steps.

### **24.0 RESERVED**

### **25.0 Termination Services**

Services designed to assist the State at the conclusion of the Agreement term (either through expiration without renewal, cancellation or termination) to migrate the services back to the State or a new contractor as designated by the State.

- A. To the extent the Termination Assistance Services include any tasks which Contractor is not otherwise obligated to perform under the Agreement, the charges will be based on then-current rates for Services as specified in this Agreement or prevailing rates at the time of termination, whichever is lower. "Termination Assistance Services" will mean (a) to the extent requested by the State, the continued performance by Contractor of its obligations under the Agreement (including providing the Services which are subject to termination or expiration), and (b) the provisioning of such assistance, cooperation and information as is reasonably necessary to help enable a smooth transition of the applicable Services to the State or its designated Third Party provider ("Successor"). As part of Termination Assistance Services, Contractor will provide such information as the State may reasonably request relating to the number and function of each of the Contractor personnel performing the Services, and Contractor will make such information available to the Successor designated by the State.
- B. At the State's request to the extent the Contractor does not leverage a shared platform on which the State would be one of several clients, Contractor will (A) obtain any required consents from Third Parties and thereafter assign to the State or its designee leases for some or all of the equipment that was necessary as of the date of termination/expiration of this Agreement primarily for providing the Services, and the State will assume the obligations under such leases that relate to periods after

- such date; and (B) sell to the State or its designee, at the lower of Contractor's then current book value, unrecovered capital payments or fair market value, some or all of the equipment owned by Contractor that was necessary as of the date of termination/expiration of this Agreement primarily for providing the Services. Contractor will also provide all users and other documentation relevant to such equipment which is in Contractor's possession. The State will assume responsibility under any maintenance agreements for such equipment to the extent such responsibilities relate to periods after the date of termination/expiration of this Agreement.
- C. To the extent the Contractor does not leverage a shared platform on which the State would be one of several clients, Contractor will obtain any necessary rights and thereafter make available to the State or its designee, pursuant to agreed terms and conditions, any Third Party services then being utilized by Contractor in the performance of the Services, including services being provided through Third Party service or maintenance agreements on equipment and software used to provide the services. Contractor will be entitled to retain the right to utilize any such Third Party services in connection with the performance of services for any other Contractor customer.
- D. For a period of up to twelve (12) months following the effective date of termination/expiration under other provisions of this Agreement, at the State's request Contractor will continue to provide Termination/Expiration Assistance. Actions by Contractor under this section will be subject to the other provisions of this Agreement.
- E. In the process of evaluating whether to undertake or allow termination/expiration or renewal of this Agreement, the State may consider obtaining, or determine to obtain, provisions for performance of services similar to the Services following termination/expiration of this Agreement or to return these services to the State for ongoing operation. As and when reasonably requested by the State for use in such a process, Contractor will provide to the State such information and other cooperation regarding performance of the Services as would be reasonably necessary for the State or a Third Party to prepare an informed option analysis for such services, and for the State or a Third Party not to be disadvantaged compared to Contractor if Contractor were to be invited by the State to submit a proposal.
- F. Contractor acknowledges that, in the event it breaches (or attempts or threatens to breach) its obligation to provide Termination/Expiration Assistance as provided in this section, the State will be irreparably harmed. In such a circumstance, the State may proceed directly to court. If a court of competent jurisdiction should find that Contractor has breached (or attempted or threatened to breach) any such obligations, Contractor agrees that, without any additional findings of irreparable injury or other conditions to injunctive relief (including the posting of bond), it will not

oppose the entry of an appropriate order compelling performance by Contractor and restraining it from any further breaches (or attempted or threatened breaches).

- G. Contractor will provide State an inventory of resources (or resource full time equivalents) then performing work under the Agreement to assist the State in determining the appropriate resourcing and skill model required for the State or a State contracted Third Party to assume the services as provided by the Contractor at the time of termination. This resource inventory will include (at a minimum); full-or part time equivalent resource models; skill and experience levels; education or technical skill certification levels required; and other mutually agreeable and pertinent information for the State to assemble or source the capabilities to perform the work described herein upon termination of the Agreement post transition of services. Contractors are to note State does not require names of individuals as part of fulfilling this requirement.
- H. Contractor will cooperate with the State in its attempts at transferring the services responsibilities to another provider in a manner in keeping with not adversely affecting the provision of ongoing services.
- I. Termination Standards
  - 1. The terminated or expired Services shall be transferred to the State or its successor(s) in an efficient and orderly manner.
  - 2. The impact on the State's business (including its personnel and customers) and the internal and Third Party IT-related costs incurred by the State in transferring the Terminated Services are acceptable to the State under the circumstances.
  - 3. The Terminated Services continue to be performed by Contractor without disruption or deterioration until the transfer has occurred: (i) consistent with the terms and conditions of this Agreement, or (ii) except as approved by the State.
  - 4. Any disruption or deterioration of the remaining Services following the transfer (except as approved by the State or included in the Termination Assistance Plan) to the extent the same is within the control of Contractor and as agreed with the State.
  - 5. In an effort to facilitate transition of responsibilities, the Key Personnel will continue to apply during the agreed Termination Assistance Period.

## **26.0 Termination Assistance Plan**

The Contractor shall assist the State (and the Successor, if applicable) to create a Termination Assistance Plan and shall be compensated for the reasonable associated effort at the hourly rates set forth in Price Table 4 of Attachment 3. The contents of Termination Assistance Plan will include, unless otherwise agreed, the services, functions, and activities as defined below:

- A. Documentation of existing and planned Projects and support activities.
- B. Identification of the Services and related positions or functions that require transition and a schedule, plan and procedures for the State or its designee assuming or reassuming responsibility.
- C. Description of actions to be taken by Contractor in performing Termination Assistance.
- D. Description of how the transfer of (i) relevant information regarding the Services, (ii) resources (if any), (iii) operations and (iv) agreements (if any) will be achieved.
- E. Description in detail of any dependencies on the successors necessary for Contractor to perform the Termination Assistance Services (including an estimate of the specific Contractor staffing required).
- F. Inventory of documentation and work products required to facilitate the transition of responsibilities.
- G. Assist the State in the identification of significant potential risk factors relating to the transition and in designing plans and contingencies to help mitigate the risk.
- H. Set out the timeline for the transfer of each component of the terminated Services (including key milestones to track the progress of the transfer).
- I. Define a schedule and plan for Contractor's return to the State of (i) the State Service locations then occupied by Contractor (if any), and (ii) the State Confidential Information, the State Data, documents, records, files, tapes and disks in Contractor's possession.

## **27.0 Termination Management Team**

- A. Contractor will provide a senior Project manager who will be responsible for Contractor's overall performance of the Termination Assistance Services and who will be the primary point of contact for the State in respect of the Termination Assistance Services during the Termination Assistance Period.
- B. The State will appoint a senior Project manager who will be the primary point of contact for Contractor during the Termination Assistance Period. Additionally, the State may appoint a Transformation Team that would be responsible for the review of then current services provided by the Contractor and work to facilitate an orderly transition of services.

## **28.0 Operational Transfer**

- A. Contractor will perform the activities reasonably required and under Contractor's purview to help effect a smooth and orderly transfer of operational responsibility for the Terminated Services.
- B. Facilitating access to the State source code, object code, object and production libraries, reference files, field descriptions, record layouts and technical specifications along with run documentation for the State software then in Contractor's possession including tools, scripts, run books, production schedules and procedures as required to support the in-scope Applications which may be used in training, knowledge transfer, sizing assessments, operational reviews and other uses required by the state at the time of Transfer.
- C. Cooperating with the Successors in conducting migration testing.
- D. Providing the State owned documents and information related to the functionality, program code, data model and data base structure, and access methods for the in-scope Applications and manual and automated processes used for the State, within the possession or control of Contractor, and reviewing such processes, documents and information with the Successor as reasonably requested.
- E. Cooperating with the State's test plans, back out procedures, and contingency plans as part of the migration of Terminated Services.
- F. After the transfer of the provision of Terminated Services to the State, its designee(s), or both, providing additional assistance as reasonably requested by the State to facilitate continuity of operations, through the end of the Termination Assistance Period.

## **29.0 Maintenance and Enhancement by State Employees or other Contractors**

The State shall have the right to have its own employees or other Contractors perform selected configuration, development, and maintenance work on the ERP software or other hosted applications in the event that Contractor is unable or unwilling to meet needed deadlines specified by the State. The Contractor shall provide any needed support.

### **Other Clarifications**

**30.0 Confirmation of MiDEAL Commitment**

Subject to Section 2.281 in Article 2, the Contractor has confirmed their commitment to leverage this Agreement as the basis for negotiations for MiDEAL members who may wish to leverage this Contractor for software, hosting, and services at a future date.

**31.0 Confirmation of CAFR source data**

The Contractor has confirmed their proposed fixed price solution meets this requirement that CAFR is to be produced from the ERP's ledger tables or from a data warehouse (MIDB or other solution) with a comprehensive systematic and efficient reconciliation method.

**32.0 Confirmation of Capacity and Performance**

The Contractor has confirmed, subject to the requirements in the RFP and the BAFO request, that in the event that the Contractor is unable to meet performance and throughput commitments due to a lack of the Contractor's Hosting Solution, the Contractor would provide additional hardware and/or processing capacity to meet those commitments at no additional cost to the State.

**33.0 Confirmation of Encryption Requirement**

The Contractor has confirmed that encryption will be provided at both the disk and database levels for all production and non-production environments including databases, backup disks, tapes and any media where the State's data or files are stored and/or accessed.

**34.0 Confirmation of Dedicated Communication Lines**

The Contractor has confirmed that their fixed price proposal includes dedicated lines from the primary and disaster recovery hosting centers to the State's LMAN. VPN lines over the internet will not satisfy these requirements.

**35.0 Confirmation of Hosting Environment**

The Contractor has confirmed that the proposed fixed price and hardware sizing, hosting environment, data storage and structure meets or exceeds the State of Michigan requirements as specified in the RFP and BAFO process. Price increases to meet the defined SLA's, disaster recovery needs, data storage/capacity needs, security requirements, response times, and any other infrastructure/hosting oriented requirements will not be allowed.

**36.0 Confirmation of Encrypted Communication Lines to ODFI**

The Contractor has confirmed that their fixed price proposal includes dedicated encrypted lines to the ODFI from both the primary hosting site and the disaster recovery site.

**37.0 Confirmation of Business Continuity Office Space**

The Contractor has confirmed that their fixed price proposal includes Business Continuity Office Space for State Staff in the event of a Disaster. The Office Space provided is not required to be in the DR Hosting Center.

### **38.0 Confirmation of Maintenance Window**

The Contractor has confirmed that their fixed price proposal includes exceptions to the Contractor's standard maintenance window that would allow the State to meet its processing and system availability needs for time and attendance reporting, longevity payroll processing, and fiscal year end closing activities. These and any other special processing time periods are laid out and planned in advance as part of the processing calendar.

### **39.0 Confirmation of Discretionary Services**

The Contractor has confirmed that their fixed price proposal includes the proposed 8000 hours of discretionary services per year. In addition, the Contractor has confirmed that the limit of 100 hours per request has been removed from the Discretionary Services pool of hours.

### **40.0 Confirmation of On-Going Security Assessment Testing / Audits**

The Contractor has confirmed that their fixed price proposal includes that the following ongoing security assessment testing / audits will be included in the Contractor's proposed services:

- Information Security Risk Assessment
- Digital Signatures
- Intrusion Detection
- Viruses and other Malicious Logic
- Control Risk Self-assessment
- Firewalls
- Irregularities and Illegal Acts
- Security Assessment (penetration testing, data encryption effectiveness, vulnerability analysis and effectiveness of controls)

### **41.0 Changes to the State's Infrastructure**

The State will be notified of any changes made to the infrastructure that is expected to affect the State's system. All changes to the infrastructure are performed using the Contractor's Change Management process which includes notification of the changes. Changes, whenever feasible, are applied to non- production environments before being promoted to production environments. The Contractor will provide ample notice of any planned changes. Generally, technical changes to the infrastructure are undertaken as part of planned maintenance and are coordinated with clients well in advance.

### **42.0 Disaster Recover Site**

The Contractor's disaster recovery site is a Tier III facility and will be subject to the same annual SSAE No. 16 audit and controls as the primary site. Similarly, the disaster recovery facility will undergo the third party penetration testing conducted by Referentia or other 3<sup>rd</sup> party as mutually agreed between the State and Contractor, and annual security self-assessment.

All connections to the DR site will be actively monitored and reported to the State as part of the agreed upon SLA framework and metrics. In the event that an issue occurs, the

Contractor will report the incident to the State as soon as possible based on the established governance and communication procedures.

#### **43.0 Security Vulnerabilities**

As required in Decision Director Requirement #885619, all critical security vulnerabilities will be patched within 30 days of issue identification for the Contractor-owned software and within 30 days of receiving fixes for third party software components once the appropriate notification and approval processes have occurred. The patching will occur during the normal maintenance window or as soon as possible, depending on the assessed risk of the vulnerability. Lower priority patching may also be applied within 30 days of the update being available, but non-critical vulnerabilities are evaluated relative to intrusiveness and relative risk of change vs. what it corrects.

Exhibit D and Exhibit E contain additional descriptions of the Hosting and Security Environments, Managed Services, and the Technical Architecture Description. Attachment 2 supersedes any conflicting information contained in Exhibits D & E.

#### **44.0 Subscription Product Environments**

Punch-Out Catalog Subscription Product(s) such as Liaison will be configured functionality for the Production and Production QA environments only. Additional production environments can be configured at additional costs from CGI and the Subscription Product vendor(s).

#### **45.0 Tablet Certification**

The Contractor will certify the functionality of full suite Advantage (including PB), starting with Advantage 3.11, on Surface Pro and Lenovo Helix tablets using currently certified internet browsers in the same manner as mobile devices are already certified by the Contractor.

#### **46.0 SMTP**

The Contractor agrees to use the State of Michigan hosted SMTP server to route emails from the ERP solution to users ensuring consistent, secure delivery of emails. The emails will come from a State of Michigan email address.

#### **47.0 Baseline Software**

The Contractor will incorporate the State's baseline enhancements into CGI Advantage 3.11 (or an associated sub-release, e.g. 3.11.1, in alignment with the ISA System Test Plan). The State-specific baseline enhancements are referenced as Attachment 10.

Acceptance of the CGI Advantage 3.11 software must be in accordance with the acceptance criteria found in Attachment 2, Exhibit C of this Agreement.

**ent Schedule**

Software License, Maintenance, Hosting and Managed Services  
 hereby deleted in its entirety and replaced with the following:

	Original	Change for Procurement	Change for MIDB	12 Month Ext	New Total
Software	\$9,627,744	\$1,283,694	\$0	\$0	\$10,911,438
Products Fees	\$962,716	\$23,400	\$807,269	\$0	\$1,793,385
Annual (Year Total)	\$5,587,969	\$638,765	\$0	\$0	\$6,226,734
ication Maintenance	\$2,083,167	\$97,897	\$1,151,401	\$0	\$3,332,465
Managed Services	\$32,379,331	\$266,309	\$1,847,000	\$2,865,416	\$37,358,056
<b>Contract Value</b>	<b>\$50,640,927</b>	<b>\$2,310,065</b>	<b>\$3,805,670</b>	<b>\$2,865,416</b>	<b>\$59,622,078</b>

and Managed Services  
 d in its entirety and replaced with the following:

	<u>Initial Year</u> through September 30, 2015	<u>Year 2</u> October 1, 2015 to September 30, 2016	<u>Year 3</u> October 1, 2016 to September 30, 2017	<u>Year 4</u> October 1, 2017 to September 30, 2018	<u>Year 5</u> October 1, 2018 to September 30, 2019	<u>Year 6</u> October 1, 2019 to September 30, 2020	<u>Year 7</u> October 1, 2020 to September 30, 2021	<u>Seven Year Total</u>
Primary tion of	\$254,306	\$386,165	\$306,643	\$334,118	\$432,725	\$412,074	\$453,956	<b>\$2,579,989</b>

Line No.	Service Categories	Initial Year through September 30, 2015	Year 2 October 1, 2015 to September 30, 2016	Year 3 October 1, 2016 to September 30, 2017	Year 4 October 1, 2017 to September 30, 2018	Year 5 October 1, 2018 to September 30, 2019	Year 6 October 1, 2019 to September 30, 2020	Year 7 October 1, 2020 to September 30, 2021	Seven Year Total
	application software to be licensed by the State)								
2	Hardware, System Software, and Infrastructure Maintenance and Support	\$790,065	\$352,256	\$357,101	\$356,431	\$356,082	\$356,008	\$355,778	<b>\$2,923,722</b>
3	Hardware, System Software, and Infrastructure Maintenance Timeliness, Tracking, Scheduling	\$3,017	\$4,206	\$4,179	\$4,604	\$4,660	\$5,088	\$5,450	<b>\$31,203</b>
4	Capacity, Availability, and Performance Management	\$27,151	\$39,240	\$40,159	\$40,739	\$41,898	\$42,092	\$42,822	<b>\$274,102</b>
5	SLA Documentation and Reporting	\$79,065	\$195,869	\$129,511	\$126,512	\$138,287	\$141,083	\$149,474	<b>\$959,799</b>
6	Change Management and Tracking	\$116,621	\$250,411	\$140,472	\$137,630	\$138,239	\$141,194	\$144,642	<b>\$1,069,209</b>
7	Operations and Production Support	\$212,418	\$535,194	\$282,777	\$273,333	\$271,924	\$279,613	\$287,240	<b>\$2,142,499</b>

Line No.	Service Categories	Initial Year through September 30, 2015	Year 2 October 1, 2015 to September 30, 2016	Year 3 October 1, 2016 to September 30, 2017	Year 4 October 1, 2017 to September 30, 2018	Year 5 October 1, 2018 to September 30, 2019	Year 6 October 1, 2019 to September 30, 2020	Year 7 October 1, 2020 to September 30, 2021	Seven Year Total
8	Database Support	\$91,046	\$253,442	\$140,310	\$136,340	\$135,318	\$138,238	\$140,920	<b>\$1,035,614</b>
9	Job Set-Up and Scheduling	\$78,262	\$208,234	\$104,256	\$98,023	\$97,240	\$99,602	\$102,317	<b>\$787,933</b>
10	Security	\$302,265	\$700,800	\$554,395	\$547,698	\$545,723	\$549,733	\$554,052	<b>\$3,754,666</b>
11	EDI Responsibilities	\$40,171	\$96,237	\$43,926	\$45,804	\$42,303	\$44,585	\$46,251	<b>\$359,277</b>
12	Establish, Maintain, and Operate a Hosting Services Desk	\$126,677	\$310,125	\$151,230	\$145,618	\$144,211	\$148,414	\$152,298	<b>\$1,178,572</b>
13	Disaster Recovery Site and Services	\$140,006	\$256,061	\$295,116	\$334,759	\$376,276	\$420,291	\$465,434	<b>\$2,287,942</b>
14	Total Hosting Services (sum of lines 1 through 13)	<b>\$2,261,070</b>	<b>\$3,588,240</b>	<b>\$2,550,073</b>	<b>\$2,581,609</b>	<b>\$2,724,887</b>	<b>\$2,778,014</b>	<b>\$2,900,634</b>	<b>\$19,384,527</b>
<b>15</b>	<b>Managed or SaaS Services</b>								
16	Break Fix Support				\$749,271	\$749,271	\$749,271	\$749,271	<b>\$2,997,086</b>
17	Help Desk Support				\$214,405	\$214,405	\$214,405	\$214,405	<b>\$857,618</b>
18	Managed Services Operations and Production Support	\$88,286	\$310,453	\$414,622	\$401,288	\$401,288	\$401,288	\$401,288	<b>\$2,418,513</b>



Line No.	Service Categories	Initial Year through September 30, 2015	Year 2 October 1, 2015 to September 30, 2016	Year 3 October 1, 2016 to September 30, 2017	Year 4 October 1, 2017 to September 30, 2018	Year 5 October 1, 2018 to September 30, 2019	Year 6 October 1, 2019 to September 30, 2020	Year 7 October 1, 2020 to September 30, 2021	Seven Year Total
	connection to Comerica Bank	(\$9.879 setup fee due at start of year)							
24	Revised Total Hosting, Managed Services, or SaaS Services and additional network connection (sum of lines 14 and 21 and 23)	\$2,375,783	\$3,915,241	\$2,981,243	\$5,164,436	\$5,501,571	\$6,763,739	\$5,677,318	\$32,379,331
25	Hosted Business Objects Enterprise / infoAdvantage Environment to support a Business Intelligence infrastructure using the databases on the Phoenix data center network.	\$649,571	\$199,571	\$199,571	\$199,571	\$199,571	\$199,571	\$199,571	\$1,847,000
26	Hosting and Managed Services for CGI Advantage Procurement and VSS	\$70,136	\$59,828	\$69,052	\$67,293				\$266,309
27	Revised Total Hosting, Managed Services, or	\$3,095,490	\$4,174,640	\$3,249,866	\$5,431,300	\$5,701,142	\$6,963,310	\$5,876,889	\$34,492,640

Line No.	Service Categories	Initial Year through September 30, 2015	Year 2 October 1, 2015 to September 30, 2016	Year 3 October 1, 2016 to September 30, 2017	Year 4 October 1, 2017 to September 30, 2018	Year 5 October 1, 2018 to September 30, 2019	Year 6 October 1, 2019 to September 30, 2020	Year 7 October 1, 2020 to September 30, 2021	Seven Year Total
	SaaS Services and additional network connection (sum of lines 14, 21, 23, 25 and 26)								
28	12 month Extension			\$1,000,000			(\$1,000,000)		\$0
29	Baseline Fee (estimated date; payable fully upon installation of the Advantage 3.11 Software and Source Code)			\$1,500,000					\$1,500,000
30	MiLogin (estimated dates; payable in 3 parts as follows: \$500,000 upon initiation (plan), \$432,708 upon system test completion, and \$432,708 upon UAT completion)		\$500,000	\$865,416					\$1,365,416
31	Revised Total Hosting, Managed Services, or SaaS Services and additional network connection (sum of lines 14, 21, 23, 25, 26, 28,	\$3,095,490	\$4,674,640	\$6,615,283	\$5,431,300	\$5,701,142	\$5,963,310	\$5,876,889	\$37,358,056

Line No.	Service Categories	<u>Initial Year</u> through September 30, 2015	<u>Year 2</u> October 1, 2015 to September 30, 2016	<u>Year 3</u> October 1, 2016 to September 30, 2017	<u>Year 4</u> October 1, 2017 to September 30, 2018	<u>Year 5</u> October 1, 2018 to September 30, 2019	<u>Year 6</u> October 1, 2019 to September 30, 2020	<u>Year 7</u> October 1, 2020 to September 30, 2021	<u>Seven Year Total</u>
	29, and 30)								

## **Attachment 4: Key Personnel**

Attachment 4 is hereby deleted in its entirety and replaced with the following:

The Contractor shall provide qualified resources to fill the positions listed below. All candidates must be reviewed and approved by the State Project Director and State Project Executives before becoming active in these required roles.

### **Contractor Key Personnel**

The following personnel have been designated as Key Personnel and are subject to the provisions of Article 2- Sections 2.062 and 2.243 covering Key Personnel and Service Level Credits.

#### **A. On-Site Project Executive**

Bidder must identify a Project Executive (PE) that will be considered the Contractor's Single Point of Contact (SPOC). This individual must be located in Lansing, Michigan. The duties of the SPOC shall include, but not be limited to:

1. Supporting the management of the Agreement
2. Facilitating dispute resolution
3. Advising the State of performance under the terms and conditions of the Agreement
4. Develops long and short term goals for meeting and improving delivery of service to the State
5. Anticipates and analyzes future problems, needs and opportunities, determines probable effects of various alternatives and recommends a course of action to obtain the desired results
6. Works closely with the Client Service Director to ensure activities are consistent with department priorities and IT strategic plans

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.

#### **B. On-Site Operations Manager**

Once operational, the Contractor must provide a full time On-site Operations Manager, located in Lansing, Michigan, who will serve as the initial point of contact for the State on all operational matters throughout the Agreement. The Contractor's operations manager responsibilities include, at a minimum:

1. Manage all defined Contractor responsibilities in this Scope of Services.
2. Manage Contractor's subcontractors, if any.
3. Serve as the point person for all operational issues.
4. Coordinate and oversee the day-to-day operational activities.
5. Coordinate and oversee the hosting service desk.
6. Assess and report operational feedback and status.
7. Escalate operational issues, project risks, and other concerns.
8. Review all operational deliverables and provide feedback.
9. Proactively propose/suggest options and alternatives for consideration.
10. Utilize change control procedures.
11. Prepare project documents and materials.

12. Manage and report on the operational budget.
13. Conduct weekly operational update meetings.
14. Provides all reports as identified in Exhibit F: Required Reports

**C. Delivery Project Executive**

Once operational, the Contractor must provide a Delivery Project Executive (DPE). The Delivery Project Executive will be the On-Site Project Executive's counterpart and will have similar responsibilities.

**D. Service Delivery Manager**

Once operational, the Contractor must provide a Service Delivery Manager (SDM). The Service Delivery Manager will be the On-Site Operations Manager's counterpart and will have similar responsibilities.

**E. Data Base Administrator**

Once operational, the Contractor must provide a Data Base Administrator. The Contractor's Data Base Administrator (DBA) responsibilities include, at a minimum:

1. Maintains all databases required for development, testing, education and production usage
2. Performs capacity planning required to create and maintain databases
3. Performs ongoing tuning of all development, testing, education and production databases
4. Evaluates new releases of database software and its tools to ensure the hosted site is running on products that are most appropriate
5. Plans and implements back-up and recovery of the databases
6. Administers all database objects, including tables, views, indexes, sequences, packages and procedures
7. Troubleshoots problems regarding the databases.
8. Evaluates user requests for modified database components to determine feasibility, time required, compatibility with current systems, and computer capabilities.
9. Provides technical support to application development team.

**F. Disaster Recovery Lead**

Once operational, the Contractor must provide a Disaster Recovery Lead. The Contractor's Disaster Recovery Lead responsibilities include, at a minimum:

1. Serve as the point person for all Disaster Recovery related issues working in conjunction with the On-Site Operations Manager.
2. Coordinate and oversee the Disaster Recovery activities including planning, testing, and execution of the Disaster Recovery Plan.
3. Assess and report Disaster Recovery feedback and status.
4. Escalate Disaster Recovery issues, project risks, and other concerns.
5. Review all Disaster Recovery deliverables and provide feedback.
6. Proactively propose/suggest options and alternatives for consideration.
7. Utilize change control procedures.
8. Prepare project documents and materials.
9. Conduct periodic Disaster Recovery update meetings.

**G. On-Site ERP Application Maintenance Lead**

Once operational, the Contractor must provide a full time on-site ERP Application Maintenance Lead, located in Lansing, Michigan, who will serve as the ERP subject matter expert and single point of contact for application maintenance for ERP and any third party application software for the State throughout the Agreement. The Contractor's ERP Application Maintenance Lead will work with approval from the State Project Director and responsibilities will include, at a minimum:

1. Serve as the point person for all application issues.
2. Assist the State in establishing priorities for all pending work, projects, and actions.
3. Coordinate and oversee the day-to-day application activities.
4. Coordinate and oversee the third party software support, if any.
5. Coordinate all application break/fix, application patch management, major and minor upgrades to the ERP and any third party application software.
6. Coordinate impact analysis on site specific customization and interfaces due to enhancements, upgrades, break/fix, patches, and large projects.
7. Coordinate work efforts managed through the discretionary services hours or large projects.
8. Coordinate with the Help Desk for application related incidents.
9. Escalate application issues, project risks, and other concerns.
10. Proactively propose/suggest options and alternatives for consideration.
11. Utilize change control procedures.
12. Prepare project documents and materials.
13. Manage and report on the discretionary services hours and budget.
14. Manage and report on the Service Level Agreements related to Managed Services
15. Conduct weekly operational update meetings.

On-Site Project Executive	TBD subject to the approval of the State	Part Time	October 2017-2018
On-Site Operations Manager	Syed Waseem Vigna Nalliah	Full Time	October 2017-2018
Delivery Project Executive	Kim Thorn	Part Time (25%)	March 2015
Service Delivery Manager	Nick Kimberlin Rob McDaniel	Full Time	March 2015
Data Base Administrator	Shared Resource	Full Time across Shared Resources	March 2015
Disaster Recovery Lead	Shared Resource Assigned/designated to coordinate Disaster Recovery testing of in the event of an actual Disaster	Part Time across Shared Resources /	March 2015
On-Site ERP Application Maintenance Lead	TBD subject to the approval of the State	Full Time	October 2017-2018

All personnel may be subject to the State's interview and approval process. Any Key Personnel substitution must have the prior approval of the State.

Normal State working hours are 7:00 a.m. to 5:00p.m. ET, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.

The Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

Should the State of Michigan issue an Executive Order thru the Office of State Employer mandating DTMB furlough days, the Contractor will not seek additional costs from the State for project schedule extensions to the extent such extensions are needed due to Contractor's inability to complete deliverables and milestones in accordance with the project schedule as a result of the above mentioned furlough days. In every case possible the State and the Contractor will work towards completing respective tasks and deliverables in such a manner as to minimize any extension to the project schedule caused by furlough days.

When requested by the State, the Contractor must provide an organizational chart indicating lines of authority for personnel involved in performance of this Agreement 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.

**Attachment 10**

**(For security purposes – not publically available)**

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

**CHANGE NOTICE NO. 2**  
 to  
**CONTRACT NO. 071B4300137**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 2651 Coolidge Road East Lansing, MI 48823	Jon Jasper	Jon.jasper@cgi.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 496-4336	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	SBO	Ruth Schwartz	517-284-7585	Schwartzr1@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	Zukerw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: ERP Hosting, Managed Services, Software License and Maintenance Agreement			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 25, 2014	September 30, 2021	Indefinite Number of Periods	September 30, 2021
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		Sept. 30, 2021
VALUE/COST OF CHANGE NOTICE:		CONTRACT VALUE:		
\$0.00		\$56,756,662.00		

Effective March 31, 2015, this Contract is hereby modified to include the attached Contract Change Request, which has been mutually agreed to by the parties. The objective of the attached Contract Change Request is to provide necessary pricing and product information to MiDEAL members seeking to procure CGI Advantage360, a software-as-a-service (SaaS) offering of the CGI Advantage solution.

As noted above, CGI is offering CGI Advantage360 under a SaaS deployment model. Many of the terms and conditions found in Article 2 of this Contract were developed for a managed services arrangement, and are therefore not applicable to a SaaS deployment model. Consequently, each MiDeal member seeking to leverage CGI Advantage360 must mutually agree with CGI to appropriate SaaS terms. In lieu of negotiating an individual SaaS agreement with CGI, CGI and the Michigan Municipal Services Authority (MMSA) have agreed to enter into a Master SaaS Agreement (the "**MMSA SaaS Agreement**") for subscription to CGI Advantage360. CGI has agreed to make the MMSA SaaS Agreement available to other MiDeal members. Interested MiDeal members can learn more at [www.michiganmsa.org](http://www.michiganmsa.org).



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
for  
SIGMA Project  
CONTRACT CHANGE REQUEST**

This Contract Change Request is submitted by the Department of Technology, Management and Budget (“DTMB”) under the terms of Contract #071B4300137 (“Contract”), dated June 25, 2014, between DTMB and CGI Technologies and Solutions Inc. (“CGI”) in accordance with Section 2.024 and Exhibit 2-1 of the Contract.

**Project Title:**

ERP Hosting, Managed Services Agreement

**Period of Coverage:**

Term of the Contract

**Requesting Party:**

CGI

**Submission Date:**

March 31, 2015

**Project Manager of Requesting Party:**

George Schwartztrauber

**Phone: 859-552-9593**

**Financial Impact: None**

**1. OVERVIEW AND BACKGROUND**

MiDEAL members seeking to procure CGI Advantage360 subscription services, the software-as-a-service (“SaaS”) offering of the CGI Advantage solution, pursuant to the MiDEAL provisions of the Contract have indicated they are constrained from doing so because those provisions do not specify pricing and other basic information concerning CGI Advantage360. CGI seeks to modify the Contract to add the required pricing and other information.

**2. OBJECTIVES OF REQUESTED CHANGES**

CGI requests that pricing and other basic details concerning CGI Advantage360 be added to the Contract to facilitate procurement by MiDEAL members.

**3. CHANGES IN SCOPE**

None.

**4. PROPOSED PROJECT SCHEDULE CHANGES**

None.

**5. PROPOSED PROJECT STAFFING CHANGES**

None.

## 6. PROPOSED COMPENSATION CHANGES

None.

## 7. CHANGES TO OTHER CONTRACT TERMS AND CONDITIONS

The following MiDEAL offering is added to the Contract:

### 7.1. CGI ADVANTAGE360 ERP FUNCTIONALITY

With Advantage's fully integrated financial, purchasing, human resource, payroll and budgeting system built exclusively to support government processes and accounting methods, Advantage ERP consists of the following areas that share a single database which together serve the full spectrum of government financial, human resource, procurement and budget management needs. These core areas are:

- **Financial Management** to provide organization-wide accountability through consistent accounting rules across all financial transactions. Includes abilities to track and control internal and external funding sources and to manage fiscal and multi-year budgets. Functionality includes:
  - General Accounting (including General Ledger)
  - Budget Control
  - Accounts Payable (including Travel & Expense)
  - Accounts Receivable
  - Cost Accounting
  - Treasury Accounting
  - Asset Management
  - Grants Lifecycle Management (including Projects)
  - 1099 Tax Forms
  - Procurement
    - End User Purchasing
    - Solicitation Management
    - Contract Management
    - Vendor Self Service (including Vendor Registration and Online Solicitation)
- **Human Resource Management** to streamline the personnel and payroll processes from hire to retire, including online recruiting, timekeeping and direct access for employees to manage benefits and leave. Functionality includes:
  - Position Control
  - Recruiting & Staffing
  - Personnel Management
  - Benefits & Deductions (including Benefits Administration and Enrollment)
  - Time & Leave Management
  - Payroll Management
  - Tax Reporting (including W2 generation)
  - HR Self Service (Employee Self Service and Manager Self Service)
- **Performance Budgeting** to automate the budgeting planning process for better

planning to improve financial and operational performance and critical decision-making for day-to-day efficiency and long term forecasting. Functionality includes:

- Salary & Benefit Forecasting
- Budget Formulation
- Adjustments and Scenarios
- Performance Measures
- Discussion Packages
- Budget Book Publishing
- **Business Intelligence** to unlock data quickly for more effective decisions and increased measurement of key performance indicators through sophisticated reporting, ad hoc query and visual, interactive dashboards.
- **Business Forms** to brand system generated forms and checks with site specific logos.
- **Advantage Business Integration Framework** to facilitate inbound and outbound interfaces and integrations with external systems.
- **Administration** to provide security, single sign-on and workflow configuration and maintenance for easy access and enhanced usability.
- **CGI Advantage360 Adaptors**
  - **CGI Advantage360 Kronos Adaptor** Advantage Business Integration (ABI) provides a standard integration that allows CGI Advantage360 ERP and Kronos Timekeeper applications to cooperate in recording time and leave. CGI Advantage360 ERP's standard integration with Kronos Timekeeper consists of three parts:
    - Services Flowing from Advantage Financial
    - Services Flowing from Advantage HRM
    - Services Flowing from Kronos
  - **CGI Advantage360 NEOGOV Adaptor** Advantage Business Integration (ABI) provides a standard integration that allows Advantage HRM applications and NEOGOV Insight applications to cooperate in the areas of position control, recruitment, and employee on-boarding. Advantage HRM's standard integration with NEOGOV Insight consists of three parts:
    - Base Data Synchronization
    - Position Integration
    - New Hire/Onboarding Integration
  - **CGI Advantage360 OnBase Adaptor** Advantage Business Integration (ABI) provides a standard integration that allows Advantage ERP applications to store, fetch, maintain metadata and search for attachments using any of the supported ECM products. The OnBase Integration will include the following functions:
    - Storing an Attachment

- Fetching an Attachment
- Updating Metadata
- Searching for an Attachment
- Processing Scanned/OCR Invoices

## 7.2. SOFTWARE-AS-A-SERVICE DEPLOYMENT MODEL

Advantage ERP is offered as a Software-as-a-Service (SaaS) deployment model, referred to as “CGI Advantage360.” Software-as-a-Service lowers total cost of ownership by allowing technology staff to focus on strategic business initiatives rather than day-to-day operational tasks. This subscription model provides software access, operations, maintenance, support, and upgrades for a single price, eliminating the need to separately budget and allocate funding for different events in the lifecycle of running and maintaining a system. Our SaaS deployment leverages our industry-leading Advantage ERP solution through cloud-hosting, thereby eliminating an entity’s need to maintain and support the solution by providing:

- **Built for Government ERP Software** Fully integrated Tier-1 ERP that is built for governments out of the box
- **Fully Hosted Infrastructure and Operations** CGI assumes responsibility for the technical architecture and related activities associated with managing and maintaining the system, including but not limited to:
  - Provisioning, installing, maintaining and running of hardware, operating system (OS), database software and ERP applications
  - Infrastructure and application performance monitoring and tuning
  - Daily operations of the system
  - Data storage at our secure, fault tolerant data center
  - Backup and disaster recovery
  - Guaranteed service level agreements with financial penalties for non-compliance
- **Ongoing Maintenance and Support**
  - Release Update Program provides periodic updates and enhancements to system functionality
  - Critical patches and code fixes
  - Phone and web based customer support through the Advantage Support Center
  - Anytime access to the library of CGI Advantage360 product documentation
  - Access to the CGI Advantage user community

## 7.3. PRICING AND TERMS

### Implementation Services – Pricing and Terms

Implementation services for CGI Advantage360 will be provided pursuant to a Statement of Work (SOW) tailored to the specific business requirements of the MiDeal member subscriber. CGI agrees to price implementation services according to the number of hours required by the implementation SOW and

the hourly rates set forth in *Price Table 4 of Attachment 3* to the Contract. MiDeal members may negotiate lower rates and seek a fixed price for any larger efforts it may wish to undertake using CGI staff.

### **SaaS - Terms**

As noted above, CGI is offering CGI Advantage360 under a SaaS deployment model. Many of the terms and conditions found in Article 2 of the Contract were developed for a managed services arrangement, and are therefore not applicable to a SaaS deployment model. Consequently, each MiDeal member seeking to leverage CGI Advantage360 must mutually agree with CGI to appropriate SaaS terms. In lieu of negotiating an individual SaaS agreement with CGI, CGI and the Michigan Municipal Services Authority (“MMSA”) have agreed to enter into a Master SaaS Agreement (the “**MMSA SaaS Agreement**”) for subscription to CGI Advantage360. CGI has agreed to make the MMSA SaaS Agreement available to other MiDeal members. Interested MiDeal members can learn more at [www.michiganmsa.org](http://www.michiganmsa.org).

### **Subscription Fees**

Subscription Fees for a MiDeal member will be determined by the MiDeal member’s Operating Budget for the fiscal year of the MiDeal member in which the SaaS Agreement for the MiDeal member takes effect. Subscription Fees for an Operating Budget (“**Operating Budget**”), is shown in Exhibit 1 below.

If an Operating Budget has not been adopted or otherwise been given legal effect by the MiDeal member for the fiscal year of the MiDeal member in which the SaaS Agreement for the MiDeal member takes effect, the Subscription Fees for the MiDeal member will be determined by the MiDeal member’s Operating Budget that was most recently adopted or otherwise been given legal effect by the MiDeal member.

If a MiDeal member’s total authorized consolidated operating expenditures for all functional and sub-functional cost categories and cost accounts for a fiscal year of the MiDeal member cannot be determined from the MiDeal member’s General Appropriations Act for that fiscal year, Subscription Fees will be determined based on the MiDeal member’s total primary government expenses as reported in the most recent audited financial report of the MiDeal member available at the time the SaaS Agreement for the MiDeal member takes effect. CGI may review an annual report of operating expenditures to verify the Operating Budget of the MiDEAL member for the following fiscal year. If review indicates that the Operating Budget for that fiscal year materially deviates from the Operating Budget for the initial fiscal year of the MiDEAL member used in determining the MiDEAL member’s Subscription Fees, CGI and the MiDEAL member shall update the SaaS Agreement pricing to conform the Subscription Fees with the Operating Budget for that following fiscal year for the next effective annual period.

For purposes of this Contract Change Request, the following definitions apply:

“**Operating Budget**” means a MiDeal member’s total authorized consolidated operating expenditures for all functional and sub-functional cost categories and cost accounts of the MiDeal member for a fiscal year as authorized by Appropriations in the General Appropriations Act of the MiDeal member for that fiscal year, and also includes the authorized consolidated operating expenditures for all functional and sub-functional cost categories and cost accounts of another municipality for which MiDEAL member performs services within the scope described in Section 1 of this Contract Change Request.

“**Appropriation**” means that term as defined in section 2a of the Uniform Budgeting and Accounting Act, 1968 PA 2, as amended, MCL 141.422a.

“**General Appropriations Act**” means that term as defined in section 2b of the Uniform Budgeting and Accounting Act, 1968 PA 2, as amended, MCL 141.422a.

**Exhibit 1: CGI Advantage360 Subscription Fees**

CGI Advantage360 Offering	MiDeal Annual Subscription Fee <sup>1</sup> by Operating Budget				
	Low Tier < \$200 M	Mid-Low Tier > \$200 M < \$400 M	Mid-Tier > \$400 M < \$600 M	Mid-High Tier > \$600 M < \$800 M	High Tier > \$800 M < \$1 B <sup>2</sup>
CGI Advantage360 Full Suite (FIN, PB, HRM)	\$720,952	\$1,010,070	\$1,546,507	\$2,131,353	\$2,537,602
CGI Advantage360 Financial Management (FIN)	\$370,195	\$518,827	\$794,623	\$1,093,644	\$1,296,447
CGI Advantage360 Performance Budgeting (PB)	\$213,147	\$284,701	\$437,165	\$595,064	\$680,205
CGI Advantage360 Human Resource Management (HRM)	\$370,195	\$518,827	\$794,623	\$1,093,644	\$1,296,447

- 1 Annual subscription fees are based on a five (5) year SaaS contract.
- 2 Entities with annual operational budgets greater than \$1B should contact CGI directly to determine the appropriate deployment model.

The annual subscription fees apply to the initial five (5) year subscription period, which begins on the effective date of the SaaS contract (“**Initial Subscription Period**”).

The subscription fees shall remain fixed during the Initial Subscription Period. After conclusion of the Initial Subscription Period, the subscription fees are subject to change by CGI, subject to the maximum annual subscription fee increase rate set forth below.

Each subscription shall automatically renew for an additional five (5) year period unless the subscriber cancels the subscription by notifying CGI at least ninety (90) days in advance of the annual renewal date. Subscribers may elect to renew for a new one (1) year subscription period upon written request to CGI.

Annual subscription rates for each subscription renewed beyond the Initial Subscription Period may not increase more than the “maximum annual subscription fee increase rate” set forth in Exhibit 2 below:

**Exhibit 2: Renewal Subscription Rates**

Renewal Subscription Period	Maximum Annual Subscription Fee Increase Rate
1 year	Greater of 6% or COLA <sup>1</sup>
5 year	Greater of 4% or COLA

<sup>1</sup> As used in this Contract Change Request, “COLA” means the annual United States consumer price index for a year for all urban consumers as defined and reported by the United States Department of Labor, Bureau of Statistics.

**Additional Discounts to Subscription Fees**

CGI is also offering the following discounts as additional MiDeal members choose to implement CGI Advantage360, as shown in Exhibit 3 and the Discount Examples below:

**Exhibit 3: Subscription Fee Discounts**

Subscribers	Discount <sup>1</sup>
1	5%
2	10%
3	12%
4	15%
5	17%
6	20%
7	22%
8 or more	25%

1. Discounts apply as follows:

- Discount schedule applies to MiDeal members entering into a multi-party arrangement, using a uniform SaaS agreement with CGI. MiDeal members utilizing the MMSA SaaS Agreement qualify for this discount schedule.
- Discount schedule applies to all Operating Budget tiers.
- Discount schedule is available only to those MiDeal members subscribing to the full CGI Advantage360 suite of functionality.
- As an entity joins, these discounts apply to all entities effective at their next invoice date (and conversely, if an entity leaves, the discount is reduced for all entities effective at the next invoice date).

### Discount Examples

#### Example 1

Subscriber	Operating Budget	Tier	Annual Subscription Fee	Discount %	Discount \$	Discounted Subscription Fee
1	\$312,828,439	Mid-Low	\$1,010,070	12%	\$121,208	\$888,862
2	\$288,475,169	Mid-Low	\$1,010,070	12%	\$121,208	\$888,862
3	\$244,028,601	Mid-Low	\$1,010,070	12%	\$121,208	\$888,862

#### Example 2

Subscriber	Operating Budget	Tier	Annual Subscription Fee	Discount %	Discount \$	Discounted Subscription Fee
1	\$312,828,439	Mid-Low	\$1,010,070	17%	\$171,712	\$838,358
2	\$288,475,169	Mid-Low	\$1,010,070	17%	\$171,712	\$838,358
3	\$244,028,601	Mid-Low	\$1,010,070	17%	\$171,712	\$838,358
4	\$202,668,269	Mid-Low	\$1,010,070	17%	\$171,712	\$838,358
5	\$133,303,312	Low	\$720,952	17%	\$122,561	\$598,391

#### Example 3

Subscriber	Operating Budget	Tier	Annual Subscription Fee	Discount %	Discount \$	Discounted Subscription Fee
1	\$312,828,439	Mid-Low	\$1,010,070	25%	\$252,518	\$757,553
2	\$288,475,169	Mid-Low	\$1,010,070	25%	\$252,518	\$757,553
3	\$244,028,601	Mid-Low	\$1,010,070	25%	\$252,518	\$757,553
4	\$202,668,269	Mid-Low	\$1,010,070	25%	\$252,518	\$757,553
5	\$133,303,312	Low	\$720,952	25%	\$180,238	\$540,714
6	\$727,934,642	Mid-High	\$2,131,353	25%	\$532,838	\$1,598,515
7	\$581,817,952	Mid	\$1,546,507	25%	\$386,627	\$1,159,880

8	\$200,950,280	Mid-Low	\$1,010,070	25%	\$252,518	\$757,553
9	\$312,828,439	Mid-Low	\$1,010,070	25%	\$252,518	\$757,553

**Fees for CGI Advantage360 Adapters**

CGI Advantage360 integrates with certain partner applications using CGI certified adapters. The following adapters are available for purchase as additions to CGI Advantage360 subscription service:

- **Kronos**  
The annual subscription cost is \$29,000
- **OnBase**  
The annual subscription cost is \$19,000
- **NeoGov**  
The annual subscription cost is \$19,000

Adapter subscription prices assume a 5 year subscription commitment and do not include implementation effort needed to configure them.

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

**CHANGE NOTICE NO. 1**  
 to  
**CONTRACT NO. 071B4300137**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 2651 Coolidge Road East Lansing, MI 48823	Jon Jasper	Jon.jasper@cgi.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 496-4336	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	SBO	Ruth Schwartz	517-284-7585	Schwartzr1@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	Zukerw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: ERP Hosting, Managed Services, Software License and Maintenance Agreement			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 25, 2014	September 30, 2021	Indefinite Number of Periods	September 30, 2021
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> 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
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		Sept. 30, 2021
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$6,129,267.00		\$56,756,662.00		
Effective December 16, 2014, this contract is hereby increased by \$6,129,267.00 to include the attached two (2) Statement of Works (one in the amount of \$6,115,735.00 and one in the amount of \$13,532.00).				

All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement, the approval of DTMB Procurement and the approval of the State Administrative Board on December 16, 2014 in the amount of \$6,115,735.00.



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
for  
SIGMA Project  
CONTRACT CHANGE REQUEST**

This Contract Change Request is submitted by the Department of Technology, Management and Budget ("DTMB" or "State") under the terms of the Contract #071B4300137 ("Contract") dated June 25, 2014, between DTMB and CGI Technologies and Solutions, Inc. ("Contractor" or "Vendor") in accordance with Section 2.024 and Exhibit 2-1 of the Contract.

**Contract:**

ERP Hosting, Managed Services, Software License and Maintenance Agreement

**Period of Coverage:**

June 25, 2014 – September 30, 2021

Contract No. 071B4300137

**Requesting Party:**

CGI

**Submission Date:**

October 24, 2014

**Project Manager of Requesting Party:**

George Schwartztrauber

**Phone:**

859-552-9593

**Financial Impact: \$ 13,532**

**8. OVERVIEW AND BACKGROUND**

This Contract Change Request is to affect three high-level changes:

- 1) Add the services and associated costs for a new network line between the CGI center and Comerica Bank's DR center.
- 2) During the initial months of the SIGMA project following execution of the Contract, CGI worked with the State to evaluate and refine the security requirements of the Contract and associated provisions of Attachment 2, Hosting and Managed Services Statement of Work ("SOW"). This Contract Change Request is the result of that effort.
- 3) Revise the Bundled Software Products and associated license and maintenance fees based on confirmation of products that are no longer needed.

## 9. OBJECTIVES OF REQUESTED CHANGES

The purpose of the changes proposed in this CCR are (i) to include the services and associated fee with the additional line to Comerica (see Section 3.1), (ii) to align with requirements of the Contract and SOW with the State's security requirements as revealed through the evaluation effort described in Section 1 (see Section 3.2), and (iii) to revise the license and maintenance fees for Bundled Software Products as described in Section 1 and as reflected in the proposed amended and restated Exhibit A to the Proprietary Software License Agreement that is Attachment A to this Contract Change Request.

Throughout this Contract Change Request, proposed language changes are denoted as follows: language additions are underscored, language deletions are struck through.

## 10. CHANGES IN SCOPE

### 10.1. COMERICA NETWORK CONNECTION

#### 10.1.1. CLARIFICATIONS TO PROJECT SCOPE OF WORK

##### ATTACHMENT 2 - SECTION 1.0 - PARAGRAPH N

The existing contract results in a networking gap to Comerica secondary site (Livonia). This change request is needed to fill this gap.

#### 10.1.1.1. SERVICES TO BE ADDED TO PROJECT SCOPE

N. The Contractor must maintain a secure network connection directly from the ERP hosting environment to the State of Michigan's ODFI bank (currently Comerica). The Contractor must maintain a network connection to both the Comerica Primary site (Auburn Hills) and the Comerica Secondary site (Livonia). At a minimum the Contractor shall:

1. Provide one point-to-point encrypted connection with back-up between the ERP hosting environment to the State of Michigan's ODFI bank.
2. Provide one point-to-point encrypted connection with back-up between the ERP Disaster Recovery hosting environment to the State of Michigan's ODFI bank.
3. Provide all equipment necessary to meet this requirement.
4. Manage proactive and reactive network processes

#### 10.1.1.2. SERVICES TO BE REMOVED FROM PROJECT SCOPE

N. The Contractor must maintain a secure network connection directly from the ERP hosting environment to the State of Michigan's ODFI bank (currently Comerica). At a minimum the Contractor shall:

1. Provide one point-to-point encrypted connection with back-up between the ERP hosting environment to the State of Michigan's ODFI bank.
2. Provide one point-to-point encrypted connection with back-up between the ERP Disaster Recovery hosting environment to the State of Michigan's ODFI bank.
3. Provide all equipment necessary to meet this requirement.
4. Manage proactive and reactive network processes

#### 10.1.1.3. DELIVERABLES TO BE ADDED TO PROJECT SCOPE

None

**10.1.1.4. DELIVERABLES TO BE REMOVED FROM PROJECT SCOPE**

None

**10.1.2. PROPOSED PROJECT SCHEDULE CHANGES**

None

**10.1.3. PROPOSED PROJECT STAFFING CHANGES**

None

**10.1.4. PROPOSED COMPENSATION CHANGES**

The cost for this change is a one-time cost of \$9,879, and an ongoing monthly cost of \$1,379. This includes the installation and stand-up effort, circuit with router, Firewall, Firewall management and POTS line.

All costs associated with the Contract Change Request are summarized in Section 4.

**10.1.5. PROPOSED CHANGES TO OTHER CONTRACT TERMS AND CONDITIONS**

None

**10.2. CONTRACTUAL LANGUAGE CLARIFICATIONS AND CHANGES REGARDING SECURITY**

**10.2.1. CLARIFICATIONS TO PROJECT SCOPE OF WORK**

None.

**10.2.1.1. SERVICES TO BE ADDED TO PROJECT SCOPE**

None

**10.2.1.2. SERVICES TO BE REMOVED FROM PROJECT SCOPE**

None

**10.2.1.3. DELIVERABLES TO BE ADDED TO PROJECT SCOPE**

None

**10.2.1.4. DELIVERABLES TO BE REMOVED FROM PROJECT SCOPE**

None

**10.2.2. PROPOSED PROJECT SCHEDULE CHANGES**

None

**10.2.3. PROPOSED PROJECT STAFFING CHANGES**

None

**10.2.4. PROPOSED COMPENSATION CHANGES**

None

**10.2.5. PROPOSED CHANGES TO OTHER CONTRACT TERMS AND CONDITIONS**

**10.2.5.1. ATTACHMENT 1 – GLOSSARY**

**10.2.5.1.1. Existing**

QA	Quality Assurance. This term may be used to describe a firm, hired by the State to provide management advice, to assist in reviewing Contractor deliverables, and support the State in ensuring the integrity of design and development decisions. Alternatively, it may be used to refer to a 'Quality Assurance' Environment, a name given to a technical environment that mirrors the
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	production technical environment in terms of infrastructure, product set, systems software, DBMS, application software, configuration, and capacity that is used to test application and other changes prior to migrating them to the production environment. Such an environment may also be called a Production QA environment.
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**10.2.5.1.2. Revised**

QA	<p>Quality Assurance. This term may be used to describe a firm, hired by the State to provide management advice, to assist in reviewing Contractor deliverables, and support the State in ensuring the integrity of design and development decisions. Alternatively, it may be used to refer to a 'Quality Assurance' Environment, a name given to a technical environment that mirrors the production technical environment in terms of infrastructure, product set, systems software, DBMS, application software, configuration, and capacity that is used to test application and other changes prior to migrating them to the production environment. <u>One difference between the Production and 'Quality Assurance' Environment is that the 'Quality Assurance' Environment will not be available on the Internet.</u></p> <p>Such an environment may also be called a Production QA environment.</p>
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**10.2.5.2. ATTACHMENT 3 – PAYMENT SCHEDULE, SECTION HEADING: DIFFERENCE IN THE DISASTER RECOVERY SITE AND SERVICES**

**10.2.5.2.1. Existing**

For Contractor's Hot DR services, the Contractor's primary production site is located in Phoenix, AZ and our secondary site, located in Andover, MA will be used for Disaster Recovery. Data and servers will be replicated across these two geographically diverse locations, thereby mitigating the risk of a regional disaster impacting both data centers.

**10.2.5.2.2. Revised**

For Contractor's Hot DR services, the Contractor's primary production site is located in Phoenix, AZ and our secondary site, located in ~~Andover, MA~~ Philadelphia, PA will be used for Disaster Recovery. Data and servers will be replicated across these two geographically diverse locations, thereby mitigating the risk of a regional disaster impacting both data centers.

**10.2.5.3. ATTACHMENT 2, SECTION 1.0 GENERAL, PARAGRAPH C**

**10.2.5.3.1. Existing**

C. In conjunction with the provision of such hosting, the Contractor shall establish and maintain a 'Production Ready' ERP Production Environment and Production QA environment that meets the capacity, processing, security, and other standards documented in Attachment 5: Capacity, Processing, and Other Standards and Section 1.106: Environment by March 1, 2015. The Production QA environment will mirror the Production environment and will have equal capacity so as to allow the State to:

**10.2.5.3.2. Revised**

C. In conjunction with the provision of such hosting, the Contractor shall establish and maintain a 'Production Ready' ERP Production Environment and Production QA

environment that meets the capacity, processing, security, and other standards documented in Attachment 5: Capacity, Processing, and Other Standards and Section 1.106: Environment by March 1, 2015. Except for not being available on the Internet, the Production QA environment will mirror the Production environment and will have equal capacity so as to allow the State to:

**10.2.5.4. ATTACHMENT 2, SECTION 8.0 SYSTEM INSTALLATION, PARAGRAPH A**

**10.2.5.4.1. Existing**

A. The Contractor shall install, configure, and verify the operational readiness of all hardware, system software, security, data base management system software, third party tools, and other components as required to establish a complete ERP production and operations environment and a complete production QA environment that mirrors the production environment. This task shall be completed by a date approved by the State Project Director that allows for timely completion of all required ERP environment verification review, testing, performance testing, acceptance testing, and implementation activities associated with the phase 1 implementation of the ERP System for the State.

**10.2.5.4.2. Revised**

A. The Contractor shall install, configure, and verify the operational readiness of all hardware, system software, security, data base management system software, third party tools, and other components as required to establish a complete ERP production and operations environment and a complete production QA environment that mirrors the production environment, except for not being available on the Internet. This task shall be completed by a date approved by the State Project Director that allows for timely completion of all required ERP environment verification review, testing, performance testing, acceptance testing, and implementation activities associated with the phase 1 implementation of the ERP System for the State.

**10.2.5.5. ATTACHMENT 2 - SECTION 2.0 - PARAGRAPH U, CLAUSE 1**

**10.2.5.5.1. Existing**

U. Establishing an Asset Management Tracking system that records all hardware (physical and virtual) including equipment and software procured, operated and supported by the Contractor for use by the State, as set forth in the agreement.

1. The Contractor shall produce a report of all hardware (physical and virtual) including Manufacturer, Model/Type, Year, Storage Disk Space, RAM, Tape Management, Processor, Operating System, Server monitoring software, Database and Version, All Software & Versions, Vulnerability Scans (frequency and types), Current Physical Location, and ERP Environment within 30 days of the ERP environment implementation.

**10.2.5.5.2. Revised**

U. Establishing an Asset Management Tracking system that records all hardware (physical and virtual) including equipment and software procured, operated and supported by the Contractor for use by the State, as set forth in the agreement.

1. The Contractor shall produce a report of all hardware (physical and virtual) including Manufacturer, Model/Type, Year, Storage Disk Space, RAM, Tape

Management, Processor, Operating System, Server monitoring software, Database and Version, All Software & Versions, Vulnerability Scans (frequency and types), Current Physical Location, and ERP Environment as designated by the ERP go-live for each project Phase or Release.

**10.2.5.6. ATTACHMENT 2 - SECTION 11.0 - PARAGRAPH A**

**10.2.5.6.1. Existing**

A. The Contractor shall deploy commercially reasonable, up-to-date security processes and resources in an effort to prevent unauthorized access to the State of Michigan's IT equipment to support confidentiality, availability, and integrity of not only the physical equipment, but also the data and transmission of data between those systems. The Contractor will accomplish this through infrastructure protection services.

**10.2.5.6.2. Revised**

A. The Contractor shall deploy commercially reasonable, up-to-date security processes and resources in an effort to prevent unauthorized access to the State of Michigan's IT equipment to support confidentiality, availability, and integrity of not only the physical equipment, but also the data and transmission of data between those systems. The Contractor will accomplish this through infrastructure protection services. The Contractor will develop an infrastructure protection services plan and include it in the material that is verified by the annual MCS security review and annual third-party review as defined in Attachment 2 - Section 11.0 - Paragraph G.

**10.2.5.7. ATTACHMENT 2 - SECTION 11.0 - PARAGRAPH B**

**10.2.5.7.1. Existing**

B. Infrastructure protection services shall include the physical and logical security components for the facilities and networks in Contractor sites and non-Contractor managed sites. Physical access control requirements will be applicable to CPUs, channel attached devices, and physical system and master consoles (such as interactive devices providing a command interface to the operating system without having identification and authentication of the operator), portable media storage, and print output.

**10.2.5.7.2. Revised**

B. Infrastructure protection services shall include the physical and logical security components for the facilities and networks in Contractor sites and non-Contractor managed sites which the Contractor owns, operates or sub-contracts. Physical access control requirements will be applicable to CPUs, channel attached devices, and physical system and master consoles (such as interactive devices providing a command interface to the operating system without having identification and authentication of the operator), portable media storage, and print output.

**10.2.5.8. ATTACHMENT 2 - SECTION 11.0 - PARAGRAPH D**

**10.2.5.8.1. Existing**

D. The Contractor shall ensure that the provided network meets all State telecom interface standards as referenced in Section 1.106.

**10.2.5.8.2. Revised**

D. The Contractor shall ensure that the provided network meets all State telecom interface standards as referenced in Section 1.106. This will be verified by the Michigan Network and Telecommunications Services group signoff of the Network Interface Connection Form.

**10.2.5.9. ATTACHMENT 2 - SECTION 11.0 - PARAGRAPH G**

**10.2.5.9.1. Existing**

G. The Contractor shall obtain and provide a third-party certification annually regarding the level of security practiced by the Contractor and based on the COBIT framework which may include the following:

1. Information Security Risk Assessment
2. Digital Signatures
3. Intrusion Detection
4. Viruses and other Malicious Logic
5. Control Risk Self-assessment
6. Firewalls
7. Irregularities and Illegal Acts
8. Security Assessment (penetration testing, data encryption effectiveness, vulnerability analysis, and effectiveness of controls)

**10.2.5.9.2. Revised**

G. The Contractor shall obtain and provide a third-party certification annually regarding the level of security practiced by the Contractor and based on the COBIT framework which may include the following:

1. Information Security Risk Assessment
2. Digital Signatures
3. Intrusion Detection
4. Viruses and other Malicious Logic
5. Control Risk Self-assessment
6. Firewalls
7. Irregularities and Illegal Acts
8. Security Assessment (penetration testing, data encryption effectiveness, vulnerability analysis, and effectiveness of controls)

Annual third-party certification will be done prior to go-live events, June 2015 (Phase 1), August 2016 (Phase 2), and annually in August thereafter.

**10.2.5.10. ATTACHMENT 2 - SECTION 11.0 - PARAGRAPH I**

**10.2.5.10.1. Existing**

I. The Contractor shall perform system security subsystems administration and execution

**10.2.5.10.2. Revised**

I. The Contractor shall perform system security subsystems administration and execution as defined in the infrastructure protection services plan, which will be verified by the annual MCS security review and annual third-party review as defined in Attachment 2 - Section 11.0 - Paragraph G.

**10.2.5.11. ATTACHMENT 2 - SECTION 11.0 - PARAGRAPH L**

**10.2.5.11.1. Existing**

L. All proposed solutions must be compliant with the Federal Information Security Management Act (FISMA) and with security policies of the State as listed in Section 1.108 of this Agreement. FISMA compliance for the environment where the State's solution will be hosted is required prior to March 1, 2015 regardless of the extent to which sensitive, personal, or other covered data may or may not be captured, stored, or used in the proposed solution. Compliance must be verified annually by:

- 1) obtaining validation of FISMA Compliance from a Federally Accredited 3rd Party Assessment Organization that is approved by the State and providing the State a copy of the full Certification & Accreditation (C&A) preparation package, or
- 2) obtaining a FEDRAMP provisional ATO.

**10.2.5.11.2. Revised**

L. All proposed hosting solutions must be compliant with the Federal Information Security Management Act (FISMA) and with security policies of the State as listed in Section 1.106 of this Agreement. FISMA compliance for the environment where the State's solution will be hosted is required prior to March 1, 2015 regardless of the extent to which sensitive, personal, or other covered data may or may not be captured, stored, or used in the proposed solution.

For the environment where the State's solution will be hosted, FISMA/FedRAMP compliance must be verified annually by one of the two following options:

- 1) obtaining validation of FISMA Compliance from a Federally Accredited 3rd Party Assessment Organization that is approved by the State and providing the State a copy of the full Certification & Accreditation (C&A) preparation package, or
- 2) obtaining a FEDRAMP provisional ATO.

**10.3. Bundled Software Product Revisions**

**10.3.1. CLARIFICATIONS TO PROJECT SCOPE OF WORK**

Following execution of the Contract, CGI discontinued Adobe LiveCycle as the supported forms generation and output tool for CGI Advantage and replaced it with BIRT (Business Intelligence and Reporting Tool). This change only affects Bundled Software Products and the associated license and maintenance fees, and does not affect the project scope of work or the need to generate forms.

Further, the project team determined that IBM Process Server is no longer needed to meet the requirements.

The proposed Proprietary Software License Amendment required by this change is Attachment A to this Contract Change Request.

**10.3.1.1. SERVICES TO BE ADDED TO PROJECT SCOPE**

None

**10.3.1.2. SERVICES TO BE REMOVED FROM PROJECT SCOPE**

None

**10.3.1.3. DELIVERABLES TO BE ADDED TO PROJECT SCOPE**

None

**10.3.1.4. DELIVERABLES TO BE REMOVED FROM PROJECT SCOPE**

None

**10.3.2. PROPOSED PROJECT SCHEDULE CHANGES**

None

**10.3.3. PROPOSED PROJECT STAFFING CHANGES**

None

**10.3.4. PROPOSED COMPENSATION CHANGES**

Removing Adobe LiveCycle and IBM Process Server, and adding in BIRT, results in a reduction of Bundled Software Produce License Fees and Third Party Software Maintenance as summarized below:

	<b>Change</b>
License and Year 1 Maintenance	(\$110,342)
Maintenance Year 2	(\$285)
Maintenance Year 3	(\$293)
Maintenance Year 4	(\$302)
Maintenance Year 5	(\$311)
Maintenance Year 6	(\$321)
Maintenance Year 7	(\$330)
	<b>(\$112,184)</b>

All costs associated with the Contract Change Request are summarized in Section 4.

**10.3.5. PROPOSED CHANGES TO OTHER CONTRACT TERMS AND CONDITIONS**

**10.3.5.1. Exhibit D - Hosting and Security Environment – Section 1.A**

**10.3.5.1.1. Existing**

Server	Total Core (Spec)	Total Memory (Spec)	Description
Production Application Server	4	8	Adobe LiveCycle, and infoAdvantage ETL processes and interfaces (PDI)
Non-Production Application Server	2	8	Adobe LiveCycle, and infoAdvantage ETL processes and interfaces (PDI)

**10.3.5.1.2. Revised**

Server	Total Core (Spec)	Total Memory (Spec)	Description
Production Application Server	4	8	<u>Eclipse BIRT Engine</u> , and infoAdvantage ETL processes and interfaces (PDI)
Non-Production Application Server	2	8	<u>Eclipse BIRT Engine</u> , and infoAdvantage ETL processes and interfaces (PDI)
<del>Production</del>	<del>4</del>	<del>8</del>	<del>Adobe LiveCycle</del> , and infoAdvantage ETL processes

Application Server			and interfaces (PDI)
Non-Production Application Server	2	8	Adobe LiveCycle, and infoAdvantage ETL processes and interfaces (PDI)

### 10.3.5.2. Exhibit D - Hosting and Security Environment – Section 1.F

#### 10.3.5.2.1. Existing

Software Provider	Product	Functions	Release Level	Next Release Level	Planned Next Release Date
Adobe	LiveCycle Output	Printing, Design forms	ES 3	ES3.5	2014

#### 10.3.5.2.2. Revised

Software Provider	Product	Functions	Release Level	Next Release Level	Planned Next Release Date
Eclipse	BIRT Engine and Designer	Printing, Design forms	4.4	4.5	2015
Adobe	LiveCycle Output	Printing, Design forms	ES 3	ES3.5	2014

### 10.3.5.3. Exhibit D - Hosting and Security Environment – Section 2.A

#### 10.3.5.3.1. Existing

##### A. Product names and descriptions

Exhibit D-9 lists the products included in the integrated development toolset for the proposed solution. The CGI Advantage ERP itself is listed as the primary development tool because many application behaviors within Advantage are table-driven or can be configured without customizing the application code. Certain customizations do require additional tools which will be provided to the State. For example, customizing forms used for printing is handled within Adobe LiveCycle Designer. This section describes both built-in and external tools.

Software Provider	Product	Functions
Adobe	LiveCycle Designer	Forms: All maintenance

#### 10.3.5.3.2. Revised

##### A. Product names and descriptions

Exhibit D-9 lists the products included in the integrated development toolset for the proposed solution. The CGI Advantage ERP itself is listed as the primary development tool because many application behaviors within Advantage are table-driven or can be configured without customizing the application code. Certain customizations do require additional tools which will be provided to the State. For example, customizing forms used for printing is handled within Adobe LiveCycle Designer. This section describes both built-in and external tools.

Software Provider	Product	Functions
<del>Eclipse</del> Adobe	<del>BIRT Designer</del> LiveCycle Designer	Forms: All maintenance

**10.3.5.4. Exhibit E – Technical Architecture Description – Section 10**

**10.3.5.4.1. Existing**

10. Tools and Approaches Used to Configure the Software

Many application behaviors within Advantage are table-driven or can be configured without customizing the application code. Security configuration and workflow configuration are handled through the web-based user interface (UI) within the application. Certain customizations do require additional tools which will be provided to the State. For example, customizing forms used for printing is handled within Adobe LiveCycle Designer. Please refer to Exhibit D, Section 2 for in-depth description of built-in and external tools and approaches used to configure Advantage ERP.

**10.3.5.4.2. Revised**

10. Tools and Approaches Used to Configure the Software

Many application behaviors within Advantage are table-driven or can be configured without customizing the application code. Security configuration and workflow configuration are handled through the web-based user interface (UI) within the application. Certain customizations do require additional tools which will be provided to the State. For example, customizing forms used for printing is handled within BIRT Engine ~~Adobe LiveCycle Designer~~. Please refer to Exhibit D, Section 2 for in-depth description of built-in and external tools and approaches used to configure Advantage ERP.

**10.3.5.5. Attachment 6 – Contractor License Software – Exhibit A, Additional Information**

**10.3.5.5.1. Existing**

Advantage Toolkit Product Component Name	Type of License	License Agreement Duration	Quantity
Adobe LiveCycle Output 10 - Production	CPU	Perpetual	2 CPUs
Adobe LiveCycle Output 10 - Non Production	Server	Perpetual	1 Server

**10.3.5.5.2. Revised**

Advantage Toolkit Product Component Name	Type of License	License Agreement Duration	Quantity
Eclipse BIRT Engine - Production	Core	Perpetual	4 Cores
Eclipse BIRT Engine - Non Production	Core	Perpetual	4 Cores
<del>Adobe LiveCycle Output 10 - Production</del>	<del>CPU</del>	<del>Perpetual</del>	<del>2 CPUs</del>
<del>Adobe LiveCycle Output 10 - Non Production</del>	<del>Server</del>	<del>Perpetual</del>	<del>1 Server</del>

**10.3.5.6. Attachment 9: Proprietary Software License Agreement, Exhibit A**

Exhibit A to the Proprietary Software License Agreement is hereby amended and restated in its entirety as fully set forth in Attachment A to Contract Change Request.

## 11. CHANGES IN COMPENSATION

Compensation changes affected by the Contract Change Request are outlined in the following sections. The overall compensation changes are summarized below:

	<b>Prior to this CCR</b>	<b>New Totals</b>	<b>Net Change</b>
CGI Advantage® Software License Fees	\$9,627,744	\$9,627,744	\$0
Bundled Software Products Fees	\$1,073,058	\$962,716	(\$110,342)
CGI Advantage® Annual Maintenance Fees (7 Year Total)	\$5,587,969	\$5,587,969	\$0
Other Proposed Application Software Annual Maintenance Fees (7 Year Total)	\$2,085,008	\$2,083,167	(\$1,841)
Hosting and Managed Services	\$32,253,616	\$32,379,331	\$125,715
<b>Total Estimated Contract Value</b>	<b>\$50,627,395</b>	<b>\$50,640,927</b>	<b>\$13,532</b>

### 11.1. Compensation Defined in Attachment 3 – Payment Schedule – is amended and restated in its entirety as follows:

Summary Price Table: Software License, Maintenance, Hosting and Managed Services

CGI Advantage® Software License Fees	\$9,627,744
Bundled Software Products Fees	<u>\$962,716</u>
CGI Advantage® Annual Maintenance Fees (7 Year Total)	\$5,587,969
Other Proposed Application Software Annual Maintenance Fees (7 Year Total)	<u>\$2,083,167</u>
Hosting and Managed Services	<u>\$32,379,331</u>
<b>Total Estimated Contract Value</b>	<b><u>\$50,640,927</u></b>

Price Table 1: Hosting and Managed Services

Line No.	Service Categories	<u>Initial Year</u> through September 30, 2015	<u>Year 2</u> October 1, 2015 to September 30, 2016	<u>Year 3</u> October 1, 2016 to September 30, 2017	<u>Year 4</u> October 1, 2017 to September 30, 2018	<u>Year 5</u> October 1, 2018 to September 30, 2019	<u>Year 6</u> October 1, 2019 to September 30, 2020	<u>Year 7</u> October 1, 2020 to September 30, 2021	<u>Seven Year Total</u>
23	Additional network connection to Comerica Bank	\$26,427  (\$9,879 setup fee due at start of year)	\$16,548	\$16,548	\$16,548	\$16,548	\$16,548	\$16,548	<b>\$125,715</b>
22	Revised Total Hosting, Managed Services, or SaaS Services and additional network connection (sum of lines 14 and 21 and 23)	<b>\$2,375,783</b>	<b>\$3,915,241</b>	<b>\$2,981,243</b>	<b>\$5,164,436</b>	<b>\$5,501,571</b>	<b>\$6,763,739</b>	<b>\$5,677,318</b>	<b>\$32,379,331</b>

**11.2. Compensation Defined in Attachment 6: Contractor Licensed Software –is amended and restated in its entirety as follows:**

**11.2.1. Section A.1 – License Fee**

**1. License Fee.** The license specified in Section 1 of this Exhibit is granted to Client for a License Fee of [\$10,700,802.00]. This License Fee includes the following Software.

Licensed Software	License Fee
CGI Advantage® Software	\$9,627,744.00
Bundled Software Products	<u>\$962,716.00</u>
Total License Fees	\$10,590,460.00

**2. Maintenance Fee.** The maintenance fee for the initial Maintenance Period is defined in the following table.

<b>Maintenance Fee Schedule</b>			
Maintenance Period	Advantage Maintenance	Third Party Software Maintenance	Total Maintenance Fees
July 1, 2014 – September 30, 2014	\$207,934	\$24,182	\$232,116
October 1, 2014 – September 30, 2015	\$831,740	<u>\$318,314</u>	<u>\$1,150,054</u>
October 1, 2015 – September 30, 2016	\$856,692	<u>\$327,864</u>	<u>\$1,184,556</u>
October 1, 2016 – September 30, 2017	\$882,393	<u>\$337,699</u>	<u>\$1,220,092</u>
October 1, 2017 – September 30, 2018	\$908,865	<u>\$347,830</u>	<u>\$1,256,695</u>
October 1, 2018 – September 30, 2019	\$936,130	<u>\$358,265</u>	<u>\$1,294,395</u>
October 1, 2019 – September 30, 2020	\$964,214	<u>\$369,013</u>	<u>\$1,333,227</u>
October 1, 2020 – September 30, 2021 *	\$993,141	<u>\$380,084</u>	<u>\$1,373,225</u>
October 1, 2021 – September 30, 2022 *	\$993,141	<u>\$391,488</u>	<u>\$1,384,629</u>
October 1, 2022 – September 30, 2023 *	\$993,141	<u>\$403,234</u>	<u>\$1,396,374</u>

**Attachment 9, EXHIBIT A**

**CGI Technologies and Solutions Inc.  
Proprietary Software License Agreement**

1. Licensed Software. CGI is licensing to Client the following computer software components, comprising the Software:  
CGI Advantage® Financial Management Base System 3.10 (Redhat/Oracle) including but not limited to:

- Advantage Asset Management
- Advantage Grant Lifecycle Management
- Advantage Cash Management
- Advantage Procurement/VSS (restricted use)
- Advantage Performance Budgeting & Formulation (includes Salary and Benefits Forecasting)
- Advantage Labor Distribution
- Advantage Travel and Expense Management
- Advantage infoAdvantage
- Advantage infoAdvantage Dashboard
- Advantage FileNet Integration Adapter
- Advantage Documentum Adapter
- Advantage Transparency Portal
- Advantage HRM Base System (restricted use)
- Advantage HR Self-Service (restricted use - functions beyond time and labor and expense reimbursement are not in scope)
- Advantage Inventory

CGI will provide one (1) electronic copy of the Software to the Client.

Optional CGI Advantage® software components available to the State are specified in Attachment 2 to this Agreement.

2. Licensed Documentation. The Specifications for the Software are as set forth in the documentation, which is available for download on the CGI website and which is collectively referred to in this Agreement as the “Documentation”:

- Documentation for Advantage Financial
- Documentation for Advantage Human Resource Management
- Documentation for Advantage Performance Budgeting
- Document for Advantage Administration

CGI will provide Client access to its Documentation on the CGI website,

<https://sc.cgi.com/advantage/>

Documentation for Bundled Software of Additional Third Party Software is available on the applicable third party website.

3. **License Type.** The Software is licensed to Client on the following basis:  
The Advantage Software described in Paragraph 1 above is licensed to the Client as an enterprise license.
- Site License.** Client is permitted to use the Software at the computer facility or facilities listed below with the exception of CGI infoAdvantage which is a named user license (or server license if Server Bundle). In the event of the failure of the computers at the listed location(s), Client may use the Software at a back-up computer facility in the same country until operations at the primary facility have been restored. CGI Phoenix Data Center
- Should the Client elect to discontinue Hosting and Managed Services, the Software may be used in accordance with Section 1.B of Attachment 9: Software License Agreement.
- Should Client desire to use the Software for additional named users or at additional facilities, as the case may be, Client may purchase additional licenses at CGI's then-current prices.
4. **Work That May Be Processed.** Client may only use the Software for its own business purposes.
5. **License Fee.** The license specified in Section 1 of this Exhibit is granted to Client for a License Fee specified in Attachment 6, Contractor Licensed Software, Section 1, License Fees.
6. **Bundled Software Products.** Included in the license fees set forth in Section 5 of this Exhibit A are the license fees for certain bundled software products (the "Bundled Software Products") required to be used in connection with Advantage Software, unless otherwise noted. CGI is providing the following Bundled Software Products to Client:
- Adobe RoboHelp – 1 Authorized User
  
  - Eclipse BIRT Engine – Production – 4 Core
  - Eclipse BIRT Engine– Non Production – 4 Core
  - \*\*Unlimited copies of BIRT Designer come with BIRT modules\*\**
  
  - Pervasive Data Integrator Universal Edition Engine – 1 License – 4-cores
  - Pervasive Data Integrator Universal Edition Engine (non-prod) – 1 License – 4-cores
  - Pervasive Data Integrator Universal Edition Developer – 5 Authorized Licenses
  - Stream
  
  - Finite Matters, Pattern Stream – 1 Named User
  
  - Adobe FrameMaker® - 1 Named User for use with Pattern Stream
  
  - Versata Logic Server - 1 Site license
  - Versata Designer Studio – 3 Named User License
  
  - IBM WebSphere Application Server Network Deployment –10,000 IBM Processor Value Units (PVU) - Sub- Capacity
  - IBM WebSphere Application Server Processor – 400 IBM Processor Value Units
  
  - Monsell EDM DeltaXML – 1 Site License

### **Annual Subscription Products**

Convey Taxport- unlimited users based on 25,000 of documents created *[Annual service, governed by Shrink-wrap License]*

**Additional Third Party Software Products**

- Pitney Bowes Group 1 – 1 Prod & 1 Non Prod – Enterprise
- Perforce – 20 Named User Licenses
- Jira – 100 Named User Licenses
- jMeter [[www.jmeter.apache.org](http://www.jmeter.apache.org)]

With regard to the Third Party Software Products specified in this Section 6, applicable product-specific license terms of the Third Party Suppliers are attached to this Exhibit A as indicated below:

- Attachment 1.a – Adobe License Terms
- Attachment 1.b – IBM Sub-Capacity License Terms
- Attachment 1.c – Perforce License Terms (requires State signature)
- Attachment 1.d – Pervasive License Terms
- Attachment 1.e – Pitney Bowes License Terms

All rights of Client in and to the Bundled or Additional Third Party Software Products will be governed by the terms and conditions of this Agreement, the Managed Services Agreement, the Maintenance Agreement, and the Implementation Services Agreement, unless otherwise specified above. CGI does not itself give or make any warranty of any kind with respect to the Bundled Software Products. Changes in the Software which CGI may make from time to time may make it necessary for Client to acquire, at its own expense, updated versions of the Bundled Software Products or Additional Third Party Software

Agreed to and initialed for identification by:

\_\_\_\_\_  
(Client)

\_\_\_\_\_  
(CGI)



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
for  
SIGMA Project  
CONTRACT CHANGE REQUEST (CCR2)**

This Contract Change Request is submitted by the Department of Technology, Management and Budget (“DTMB” or “State”) under the terms of the Contract #071B4300137 (“Contract”) dated June 25, 2014, between DTMB and CGI Technologies and Solutions, Inc. (“Contractor” or “Vendor”) in accordance with Section 2.024 and Exhibit 2-1 of the Contract.

**Contract:**

ERP Hosting, Managed Services, Software License and Maintenance Agreement

Contract No. 071B4300137

**Period of Coverage:**

June 25, 2014 – September 30, 2021

**Requesting Party:**

CGI

**Submission Date:**

December 9, 2014

**Project Manager of Requesting Party:**

George Schwartztrauber

**Phone:**

859-552-9593

**Financial Impact: \$6,115,735**

**12. OVERVIEW AND BACKGROUND**

This Contract Change Request is to affect the following high-level changes:

- 4) Add services to support the procurement functionality using CGI Advantage Procurement and Vendor Self Service and related services to the scope of the Contract
- 5) Remove covered services related to interfacing and integrating the Advantage ERP product with Buy4Michigan
- 6) Update required services to include those needed for the implementation of the procurement functionality
- 7) Procurement License, Maintenance and Managed Services
- 8) Business Objects Licenses and Managed Services

**13. OBJECTIVES OF REQUESTED CHANGES**

Throughout this Contract Change Request, proposed language changes are denoted as follows: language additions are underscored, language deletions are struck through.

**14. CHANGES IN SCOPE**

**14.1. CLARIFICATIONS TO PROJECT SCOPE OF WORK**

#### 14.1.1. SERVICES TO BE ADDED TO PROJECT SCOPE

Unrestricted use of CGI Advantage Procurement and Vendor Self Service (VSS) will be enabled. VSS Mobile will be installed. Liaison punch-out service will be enabled and configured.

CGI Advantage Procurement and VSS will be available to all Michigan Localities for limited use, at no additional cost for connectivity, to include the following functions:

- posting bids
- receiving and evaluating bid responses and
- viewing State of Michigan contracts for use by Localities for purchasing outside of the State's ERP

The connectivity approach will be documented as part of the Implementation Analysis Document (IAD).

The State will pay a one-time license fee to provide this functionality to Localities. Annual maintenance fees payable by the State are applicable to this licensed usage. State's Help Desk will be providing level 1 and 2 support for all participating Localities.

### 15. PROPOSED CHANGES IN TERMS AND CONDITIONS OF THE CONTRACT

#### 15.1. Proposed Changes to Article 2: Terms and Conditions

##### 15.1.1. Section 2.091 (c) is amended and restated in its entirety as follows:

(c) Extraction of State Data. Contractor shall, within one (1) business day of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of the State Data in a mutually agreeable format~~the format specified by the State via the Contractor's ongoing replication of the State's data to MIDB.~~

##### 15.1.2. Section 2.401 A.2 is amended and restated in its entirety as follows:

2. "Contractor System" means, collectively, all of the components of the infrastructure and computing environment used by Contractor to perform the Managed Services, whether owned by Contractor or its suppliers, including the Managed Applications, Contractor or third party facilities, hardware, operating systems, networking equipment, software applications and associated Contractor's databases, tables, data and documentation and training materials. "Contractor System" excludes Managed Application(s) to the extent the Managed Application is a third party product provided to Contractor by the State or is a Punch-out Catalog Subscription Product.

#### 15.2. Proposed Changes to Attachment 1: Glossary

##### 15.2.1. Add TERM: "Punch-Out Catalog Subscription Product":

Add TERM: "Punch-Out Catalog Subscription Product" means a subscription-based punch-out catalog service more fully specified in this CCR. The Punch-Out Catalog Subscription Product is a complement to the ERP Solution and provides non-critical business activity. This product resides outside the ERP Solution boundary controlled by CGI – that is, outside CGI's responsibility for CGI-hosted and -managed services under the Contract. As such, it is considered 'incidental' and therefore is not subject to SIGMA security requirements with exception of those expressly stated in Attachment 2 and not necessary for go-live or ongoing production operation of the Advantage Financial solution."

##### 15.2.2. Add TERM: "Locality":

Add TERM: "Locality" with Definition of "Michigan local government agency or political subdivision."

### **15.2.3. Revise TERM: "QA" as follows (as updated by CCR1):**

Quality Assurance. This term may be used to describe a firm, hired by the State to provide management advice, to assist in reviewing Contractor deliverables, and support the State in ensuring the integrity of design and development decisions. Alternatively, it may be used to refer to a 'Quality Assurance' Environment, a name given to a technical environment that mirrors the production technical environment in terms of infrastructure, product set, systems software, DBMS, application software, configuration, and capacity that is used to test application and other changes prior to migrating them to the production environment. One difference between the Production and 'Quality Assurance' Environment is that the 'Quality Assurance' Environment will not be available on the Internet and the Production QA environment may share certain non-enterprise-wide third party licensing with other non-production environments. Such an environment may also be called a Production QA environment.

### **15.3. Proposed Changes to Attachment 2: Hosting and Managed Services Statement of Work**

#### **15.3.1. Section 1.A is amended and restated in its entirety as follows:**

Contractor shall design and implement a computing environment to support implementation and operations of the State's ERP system as required by the ERP Project Implementation Schedule. This environment will be supplemented with functionality provided by Punch-Out Catalog Subscription Product (s) (e.g., Liaison), which are external to the ERP and CGI's accreditation boundary. The Liaison "punch out" functionality is subject to meeting the requirements of section 2.095 PCI DATA Security Standard by or before 12/1/2015. Unless specifically noted herein, the remaining terms of Attachment 2 are not applicable to Punch-Out Catalog Subscription Product (s) such as Liaison and any other product identified as a Punch-Out Catalog Subscription Product by the State Project Director.

#### **15.3.2. Section 1.C paragraph 1 is amended and restated in its entirety as follows (as updated by CCR1):**

C. In conjunction with the provision of such hosting, the Contractor shall establish and maintain a 'Production Ready' ERP Production Environment and Production QA environment that meets the capacity, processing, security, and other standards documented in Attachment 5: Capacity, Processing, and Other Standards and Section 1.106: Environment by March 1, 2015. Except for not being available on the Internet and sharing certain non-enterprise-wide third party licensing with other non-production environments, the Production QA environment will mirror the Production environment and will have equal capacity so as to allow the State to:

#### **15.3.3. Section 1.R is added**

R. Contractor will provide CGI infoAdvantage (including the requisite Business Objects licensing) for the Production, Production QA and the Development environments (i.e., not all non-production environments) due to licensing considerations. The Development environment database will be sized for a sample dataset of up to 100GB. Concurrent Business Objects users across the non-production environments simultaneously cannot exceed that licensed for the Production environment.

#### **15.3.4. Section 1.S is added**

S. SLA Standard 3: Online Response Time shall not apply to reports run through CGI infoAdvantage. The Parties agree to design and develop up to six (6) reports using Business Objects that will serve as benchmarks for 'ad hoc' query performance. These reports will be representative of the range of expected reasonable production 'ad hoc' queries in terms of size, complexity, and result sets. This set of reports is not intended to be representative of the largest ad hoc queries that the State might create but rather the range of query sizes that are typical of State use in a given month. These benchmark reports and the performance standards for each will be mutually agreed upon by the State Project Director and the CGI Project Manager during the project and will be included in performance testing to validate that the standards are reasonable and can be met.

Once the Advantage software is implemented and being used in the production environment, the State will be able to submit and run the benchmark reports periodically and record the results. If standards for the benchmark reports are not met, then CGI agrees to work with the State to address any performance issues. CGI will have access to, and the right to periodically run the benchmark reports as a basis for proactively monitoring report performance and response times or in an attempt to validate State reported performance issues.

If the State observes that benchmark performance is not being met on a consistent basis over a 30 day period the State will notify CGI of the performance issue. If CGI does not address the issue in a manner that is mutually agreed to be satisfactory, then the Parties agree to create a new service level agreement related to ad hoc query performance and to include it in the Managed Services Agreement via a change order within 15 business days of the State's request.

**15.3.5. Section 44.0 "Subscription Product Environments" is added to Attachment 2: Hosting and Managed Services Statement of Work**

44.0 Subscription Product Environments

Punch-Out Catalog Subscription Product(s) such as Liaison will be configured functionality for the Production and Production QA environments only. Additional production environments can be configured at additional costs from CGI and the Subscription Product vendor(s).

**15.3.6. Exhibit E.4 is amended and restated in its entirety as follows:**

CGI's solution includes a data dictionary that provides detailed descriptions of elements (e.g., tables, columns, and data types) within the database. Each release of the software includes an updated data dictionary and data model. In addition, CGI's solution includes an XML-based rich metadata layer, which includes information about the data structures as well as application business logic.

CGI Advantage ERP uses a single, unified data repository to store ERP active data and historical data, eliminating the need for data synchronization and data duplication. The operational database schema consists of domain-specific data models, which serves as the primary system of record, and builds an agile and trusted data foundation for the State.

An object-oriented application, CGI Advantage ERP leverages a standard RDBMS. The solution provides the object-to-relational mapping within the application to provide an efficient mapping of business logic to persistence layer.

Transactional data within the operational database model has been normalized for high volume transaction processing with some de-normalization for performance improvements. The operational database supports a transactional process model. The data entering into CGI Advantage ERP is funneled through an appropriate business process or transaction. Transactions entered and processed either online by users or through system-to-system interfaces, are subjected to proper data validation, referential data integrity, and business rules adherence in real-time. No shadow files or other legacy process methods are used.

The enterprise-level CGI infoAdvantage data warehouse stores data for reporting, ad hoc queries, and analysis by authorized users in agencies, departments, and other business areas. The data warehouse comprises active and historical data. ~~The enterprise data warehouse loads data from CGI Advantage ERP into a configurable dimensional data model designed specifically for State government reporting. CGI's proposed solution will replicate the infoAdvantage data warehouse into MIDB using the Oracle Active DataGuard tool.~~ The enterprise data warehouse loads data from CGI Advantage ERP into a configurable dimensional data model designed specifically for State government reporting.

**15.4. Proposed Changes to Attachment 6 (Contractor Licensed Software)**

**15.4.1. Attachment 6 is amended as set forth in this Section 4.4.1. Attachment 6, Section A , exclusive of subsections 1 and 2 is amended and restated in its entirety as follows:**

**Attachment 6: Contractor Licensed Software**

**Licensed Modules:**

CGI Advantage® Financial Management Base System 3.10 (Redhat/Oracle) including but not limited to:

- Advantage Asset Management
- Advantage Grant Lifecycle Management
- Advantage Cash Management
- Advantage ~~Restricted~~ Procurement/VSS
- Advantage Performance Budgeting & Formulation (includes Salary and Benefits Forecasting)
- Advantage Labor Distribution
- Advantage Travel and Expense Management
- Advantage infoAdvantage
- Advantage infoAdvantage Dashboard
- Advantage FileNet Integration Adapter
- Advantage Documentum Adapter
- Advantage Transparency Portal
- Advantage HRM Base System (restricted use)
- Advantage HR Self-Service (restricted use - functions beyond time and labor and expense reimbursement are not in scope)
- Advantage Inventory
- [Advantage VSS Mobile](#)
- [Advantage Procurement/VSS – Locality License](#)

**Additional Information:**

**Modules:**

Advantage Toolkit Product Component Name	Type of License	License Agreement Duration	Quantity
<b>16.</b> Versata Logic Server	<b>17.</b> Site	<b>18.</b> Perpetual	<b>19.</b> 1 site license
<b>20.</b> Versata Logic Studio	<b>21.</b> Named User	<b>22.</b> Perpetual	<b>23.</b> 3 named users
<b>24.</b> IBM WebSphere App Svr Network Deployment –Sub Capacity	<b>25.</b> Processor Value Units	<b>26.</b> Perpetual	<b>27.</b> 10,000
<b>28.</b> IBM WebSphere App Svr Proc (Build Machine)	<b>29.</b> Processor Value Units	<b>30.</b> Perpetual	<b>31.</b> 400 PVUs
<b>32.</b> IBM Process Server	<b>33.</b> Processor Value Units	<b>34.</b> Perpetual	<b>35.</b> 100 PVUs
<b>36.</b> Pervasive Data Integration Universal Engine - Production	<b>37.</b> Cores	<b>38.</b> Perpetual	<b>39.</b> 1 license 4 cores

Advantage Toolkit Product Component Name	Type of License	License Agreement Duration	Quantity
40. Pervasive Data Integration Universal Engine-Non-Production	41. Cores	42. Perpetual	43. 1 license 4 cores4
44. Pervasive Data Integration Universal Developer	45. Named User	46. Perpetual	47. 5 authorized users
48. Adobe LiveCycle Output 10 - Production	49. CPU	50. Perpetual	51. 2 CPUs
52. Adobe LiveCycle Output 10 - Non Production	53. Server	54. Perpetual	55. 1 Server
56. Finite Matters PatternStream w/Framescript	57. Named User	58. Perpetual	59. 1 named user
60. Adobe FrameMaker	61. Named User	62. Perpetual	63. 1 named users
64. Adobe RoboHelp	65. Named User	66. Perpetual	67. 1 authorized user
68. Pitney Bowes Group Production	69. Transactions per Year	70. Perpetual	71. < 3 million transactions per year
72. Pitney Bowes Group Non-Production	73. Transactions per Year	74. Perpetual	75. < 3 million transactions per year
76. DeltaXML	77. Named User	78. Perpetual	79. 1 site license
80. Perforce	81. Named User	82. Perpetual	83. 20
84. Jira	85. Named User	86. Perpetual	87. 100
88. Convey TaxPort - Unlimited Users	89. Unlimited Users and Limited Transactions	90. Perpetual	91. 25K Transactions
92. Jmeter	93. Open Source	94. Perpetual	95. Open Source
96. <u>Liaison</u>	97. <u>Punch Out Vendors</u>	98. <u>Perpetual</u>	99. <u>Up to 5 punch out vendors</u>

**99.1. Proposed Changes to Attachment 9 (Proprietary Software License Agreement)**

**99.1.1. The body of Exhibit A to Attachment 9 is amended and restated in its entirety as follows:**

**Attachment 9, EXHIBIT A**

**CGI Technologies and Solutions Inc.  
Proprietary Software License Agreement**

4. Licensed Software. CGI is licensing to Client the following computer software components, comprising the Software:  
CGI Advantage® Financial Management Base System 3.10 (Redhat/Oracle) including but not limited to:

Advantage Asset Management  
Advantage Grant Lifecycle Management  
Advantage Cash Management  
Advantage ~~Restricted~~ Procurement/VSS  
Advantage Performance Budgeting & Formulation (includes Salary and Benefits Forecasting)  
Advantage Labor Distribution  
Advantage Travel and Expense Management  
Advantage infoAdvantage  
Advantage infoAdvantage Dashboard  
Advantage FileNet Integration Adapter  
Advantage Documentum Adapter  
Advantage Transparency Portal  
Advantage HRM Base System (restricted use)  
Advantage HR Self-Service (restricted use – functions beyond time and labor and expense reimbursement are not in scope)  
Advantage Inventory  
Advantage VSS Mobile  
Advantage Procurement/VSS – Locality License

CGI will provide one (1) electronic copy of the Software to the Client.

Optional CGI Advantage® software components available to the State are specified in Attachment 2 to this Agreement.

5. Licensed Documentation. The Specifications for the Software are as set forth in the documentation, which is available for download on the CGI website and which is collectively referred to in this Agreement as the “Documentation”:  
Documentation for Advantage Financial  
Documentation for Advantage Human Resource Management  
Documentation for Advantage Performance Budgeting  
Document for Advantage Administration

CGI will provide Client access to its Documentation on the CGI website,

<https://sc.cgi.com/advantage/>

Documentation for Bundled Software of Additional Third Party Software is available on the applicable third party website.

6. **License Type.** The Software is licensed to Client on the following basis:  
The Advantage Software described in Paragraph 1 above is licensed to the Client as an enterprise license.
- Site License.** Client is permitted to use the Software at the computer facility or facilities listed below with the exception of CGI infoAdvantage which is a named user license (or server license if Server Bundle). In the event of the failure of the computers at the listed location(s), Client may use the Software at a back-up computer facility in the same country until operations at the primary facility have been restored. CGI Phoenix Data Center
- Should the Client elect to discontinue Hosting and Managed Services, the Software may be used in accordance with Section 1.B of Attachment 9: Software License Agreement.
- Should Client desire to use the Software for additional named users or at additional facilities, as the case may be, Client may purchase additional licenses at CGI's then-current prices.
- Locality License.** Each participating Locality, as defined in the Statement of Work, will be given two Advantage Procurement/VSS system users.
7. **Work That May Be Processed.** Client may only use the Software for its own business purposes.
8. **License Fee.** The license specified in Section 1 of this Exhibit is granted to Client for a License Fee specified in Attachment 6, Contractor Licensed Software, Section 1, License Fees.
9. **Bundled Software Products.** Included in the license fees set forth in Section 5 of this Exhibit A are the license fees for certain bundled software products (the "Bundled Software Products") required to be used in connection with Advantage Software, unless otherwise noted. CGI is providing the following Bundled Software Products to Client:
- Adobe RoboHelp – 1 Authorized User
  
  - Eclipse BIRT Engine – Production – 4 Core
  - Eclipse BIRT Engine– Non Production – 4 Core
  - \*\*Unlimited copies of BIRT Designer come with BIRT modules\*\**
  
  - Pervasive Data Integrator Universal Edition Engine – 1 License – 4-cores
  - Pervasive Data Integrator Universal Edition Engine (non-prod) – 1 License – 4-cores
  - Pervasive Data Integrator Universal Edition Developer – 5 Authorized Licenses
  - Stream
  
  - Finite Matters, Pattern Stream – 1 Named User
  
  - Adobe FrameMaker® - 1 Named User for use with Pattern Stream
  
  - Versata Logic Server – 1 Site license
  - Versata Designer Studio – 3 Named User License
  
  - IBM WebSphere Application Server Network Deployment –10,000 IBM Processor Value Units (PVU) - Sub- Capacity
  - IBM WebSphere Application Server Processor – 400 IBM Processor Value Units

Monsell EDM DeltaXML – 1 Site License

[BA&T SAP BusinessObjects Business Intelligence Platform – 175 concurrent sessions](#)  
[BA&T SAP BusinessObjects Web Intelligence – 175 concurrent sessions](#)  
[BA&T SAP BusinessObjects Dashboard – 175 concurrent sessions](#)  
[BA&T SAP BusinessObjects Explorer - 175 concurrent sessions](#)  
[BA&T SAP BusinessObjects Crystal Reports – 25 concurrent sessions](#)  
[BA&T SAP BusinessObjects Business Int. Platform Mobile add-on - 150 concurrent sessions](#)  
[BA&T SAP BusinessObjects Analysis Edition for OLAP - 25 concurrent sessions](#)  
[BA&T SAP BusinessObjects Analysis Edition for Office - 25 concurrent sessions](#)  
[SAP Application Standalone Business Analytics Professional User & BI Platform – 20 Named Users](#)  
[SAP Application Standalone BI Limited User & BI Platform – 380 Named Users](#)

### **Annual Subscription Products**

Convey Taxport- unlimited users based on 25,000 of documents created [*Annual service, governed by Shrink-wrap License*]

[Liaison punch-out – up to 5 vendors](#)

### **Additional Third Party Software Products**

- Pitney Bowes Group 1 – 1 Prod & 1 Non Prod – Enterprise
- Perforce – 20 Named User Licenses
- Jira – 100 Named User Licenses
- jMeter [www.jmeter.apache.org]

With regard to the Third Party Software Products specified in this Section 6, applicable product-specific license terms of the Third Party Suppliers are attached to this Exhibit A as indicated below:

- Attachment 1.a – Adobe License Terms
- Attachment 1.b – IBM Sub-Capacity License Terms
- Attachment 1.c – Perforce License Terms (requires State signature)
- Attachment 1.d – Pervasive License Terms
- Attachment 1.e – Pitney Bowes License Terms

All rights of Client in and to the Bundled or Additional Third Party Software Products will be governed by the terms and conditions of this Agreement, the Managed Services Agreement, the Maintenance Agreement, and the Implementation Services Agreement, unless otherwise specified above. CGI does not itself give or make any warranty of any kind with respect to the Bundled Software Products. Changes in the Software which CGI may make from time to time may make it necessary for Client to acquire, at its own expense, updated versions of the Bundled Software Products or Additional Third Party Software

Agreed to and initialed for identification by:

\_\_\_\_\_  
(Client)

\_\_\_\_\_  
(CGI)

**100. CHANGES IN COMPENSATION**

Compensation changes affected by the Contract Change Request are outlined in the following sections. The overall compensation changes are summarized below and reflect the State’s desire to license CGI Procurement, VSS and VSS Mobile for a period of 4 years:

	<b>Prior to this CCR</b>	<b><u>Change for Procurement</u></b>	<b><u>Change for MIDB</u></b>	<b><u>New Total</u></b>
CGI Advantage® Software License Fees	\$9,627,744	<u>\$1,283,694</u>	<u>\$0</u>	<u>\$10,911,438</u>
Bundled Software Products Fees	\$962,716	<u>\$23,400</u>	<u>\$807,269</u>	<u>\$1,793,385</u>
CGI Advantage® Annual Maintenance Fees (7 Year Total)	\$5,587,969	<u>\$638,765</u>	<u>\$0</u>	<u>\$6,226,734</u>
Other Proposed Application Software Annual Maintenance Fees (7 Year Total)	\$2,083,167	<u>\$97,897</u>	<u>\$1,151,401</u>	<u>\$3,332,465</u>
Hosting and Managed Services	\$32,379,331	<u>\$266,309</u>	<u>\$1,847,000</u>	<u>\$34,492,640</u>
<b>Total Estimated Contract Value</b>	<b>\$50,640,927</b>	<b><u>\$2,310,065</u></b>	<b><u>\$3,805,670</u></b>	<b><u>\$56,756,662</u></b>

**100.1. Compensation Defined in Attachment 3 – Payment Schedule – is amended and restated in its entirety as follows:**

Summary Price Table: Software License, Maintenance, Hosting and Managed Services

CGI Advantage® Software License Fees	\$10,911,438
Bundled Software Products Fees	\$1,793,385
CGI Advantage® Annual Maintenance Fees (7 Year Total)	\$6,226,734
Other Proposed Application Software Annual Maintenance Fees (7 Year Total)	\$3,332,465
Hosting and Managed Services	\$34,492,640
<b>Total Estimated Contract Value</b>	<b>\$56,756,662</b>

**Price Table 1: Hosting and Managed Services**

Amended As Follows with New Rows 25, 26, and 27

Line No.	Service Categories	<u>Initial Year</u> through September 30, 2015	<u>Year 2</u> October 1, 2015 to September 30, 2016	<u>Year 3</u> October 1, 2016 to September 30, 2017	<u>Year 4</u> October 1, 2017 to September 30, 2018	<u>Year 5</u> October 1, 2018 to September 30, 2019	<u>Year 6</u> October 1, 2019 to September 30, 2020	<u>Year 7</u> October 1, 2020 to September 30, 2021	<u>Seven Year Total</u>
<u>25</u>	<u>Hosted Business Objects Enterprise / infoAdvantage Environment to support a Business Intelligence infrastructure using the databases on the Phoenix data center network.</u>	<u>\$649,571</u>	<u>\$199,571</u>	<u>\$199,571</u>	<u>\$199,571</u>	<u>\$199,571</u>	<u>\$199,571</u>	<u>\$199,571</u>	<u>\$1,847,000</u>
<u>26</u>	<u>Hosting and Managed Services for CGI Advantage Procurement and VSS</u>	<u>\$70,136</u>	<u>\$59,828</u>	<u>\$69,052</u>	<u>\$67,293</u>	-	-	-	<u>\$266,309</u>
<u>27</u>	<u>Revised Total Hosting, Managed Services, or SaaS Services and additional network connection (sum of lines 14, 21, 23, 25 and 26)</u>	<u>\$3,095,490</u>	<u>\$4,174,640</u>	<u>\$3,249,866</u>	<u>\$5,431,300</u>	<u>\$5,701,142</u>	<u>\$6,963,310</u>	<u>\$5,876,889</u>	<u>\$34,492,640</u>

Note: Additional storage for up to 100GB for 10 years associated with MI Localities use of Procurement and VSS is \$39,557. Optional storage including additional backup requirements is available at \$25.32 Gb/year.

**New Pricing Table, Price Table 5:**

Price Table 5: Procurement and VSS Hosting and Managed Services Fixed Price Options for Six Additional Years

<b>Line No.</b>	<b>Service Category</b>	<b><u>Optional Year 1</u></b> October 1, 2018 to September 30, 2019	<b><u>Optional Year 2</u></b> October 1, 2019 to September 30, 2020	<b><u>Optional Year 3</u></b> October 1, 2020 to September 30, 2021	<b><u>Optional Year 4</u></b> October 1, 2021 to September 30, 2022	<b><u>Optional Year 5</u></b> October 1, 2022 to September 30, 2023	<b><u>Optional Year 6</u></b> October 1, 2023 to September 30, 2024	<b>Total</b>
1	Hosting	\$44,191	\$57,755	\$37,229	\$38,091	\$38,996	\$39,946	<b>\$256,208</b>
2	Managed or SaaS Services (if applicable)	\$42,349	\$43,718	\$44,691	\$46,179	\$47,191	\$48,048	<b>\$272,176</b>
3	Total (sum of lines 1 and 2)	<b>\$86,540</b>	<b>\$101,473</b>	<b>\$81,920</b>	<b>\$84,270</b>	<b>\$86,187</b>	<b>\$87,994</b>	<b>\$528,384</b>

**100.2. Compensation Defined in Attachment 6: Contractor Licensed Software –is amended and restated in its entirety as follows:**

**100.2.1. Section A.1 – License Fee**

**1. License Fee.** The license specified in Section 1 of this Exhibit is granted to Client for a License Fee of [\$12,704,823]. This License Fee includes the following Software.

Licensed Software	License Fee
CGI Advantage® Software	\$10,911,438
Bundled Software Products	\$1,793,385
Total License Fees	\$12,704,823

**2. Maintenance Fee.** The maintenance fee for the initial Maintenance Period is defined in the following table.

<b>Maintenance Fee Schedule</b>			
Maintenance Period	Advantage Maintenance	Third Party Software Maintenance	Total Maintenance Fees
July 1, 2014 – September 30, 2014	\$207,934	\$24,182	\$232,116
October 1, 2014 – September 30, 2015	\$942,340	\$510,990	\$1,453,330
October 1, 2015 – September 30, 2016	\$1,027,569	\$529,706	\$1,557,275
October 1, 2016 – September 30, 2017	\$1,058,397	\$549,151	\$1,607,548
October 1, 2017 – September 30, 2018	\$1,090,149	\$569,358	\$1,659,507
October 1, 2018 – September 30, 2019	\$936,130	\$564,021	\$1,500,151
October 1, 2019 – September 30, 2020	\$964,214	\$585,057	\$1,549,271
October 1, 2020 – September 30, 2021 *	\$993,141	\$606,930	\$1,600,071
October 1, 2021 – September 30, 2022 *	\$993,141	\$629,676	\$1,622,817
October 1, 2022 – September 30, 2023 *	\$993,141	\$653,332	\$1,646,473

The maintenance fee for the optional Maintenance Services for CGI Advantage Procurement and VSS defined in the following table:

<b>Optional CGI Advantage Procurement and VSS Maintenance Fee Schedule</b>			
Maintenance Period	Advantage Maintenance	Third Party Software Maintenance	Total Maintenance Fees
July 1, 2014 – September 30, 2014			
October 1, 2014 – September 30, 2015			
October 1, 2015 – September 30, 2016			
October 1, 2016 – September 30, 2017			
October 1, 2017 – September 30, 2018			
October 1, 2018 – September 30, 2019	\$423,421	\$26,337	\$449,758

October 1, 2019 – September 30, 2020	\$436,124	\$27,127	\$463,251
October 1, 2020 – September 30, 2021 *	\$449,207	\$27,941	\$477,148
October 1, 2021 – September 30, 2022 *	\$462,684	\$28,779	\$491,463
October 1, 2022 – September 30, 2023 *	\$476,564	\$29,642	\$506,206
October 1, 2023 – September 30, 2024 *	\$490,861	\$30,532	\$521,393

**1.1.1. Attachment 2 (Optional Software) to Exhibit A is amended by addition of line items 11 and 12 as follows:**

The software listed below may be licensed by the State at any time under this Agreement. The prices below are valid through September 30, 2018. All software additions must be through an Amendment to this Agreement and signed by both parties to be effective. Maintenance will be in addition to the license fees listed below.

Line No.	State Function	Product Name and Module(s) Proposed	Basis for the License (Site, Number of Named Users, Number of Concurrent Users, Number of CPUs, Number of Servers, other)	Perpetual or Subscription License	License Price Valid through September 30, 2018
11	Contract Management System – Advanced Capabilities	Contract Management System (restricted use)	Enterprise	Perpetual	\$120,000
12	Case Management System	Case Management System	Enterprise	Perpetual	\$386,000

Note: Advantage Contract Management system provides advanced contract capabilities. Its license presents a restricted specific use license of Advantage Case Management system, whose additional incremental license is also provided in the table above for a total of \$506,000.

### 5.3 The following Attachment 1.F is added to Attachment 9

These Terms of Services apply to the Liaison Services being sold to Reseller's Client as described in this Reseller Agreement ("Agreement") between Liaison Technologies, Inc ("Liaison") and CGI Technologies and Solutions Inc. ("Reseller"). For purposes of this End User License Agreement (EULA), Reseller's Clients will be referred to as the "End-User."

#### 1. Services and Software.

- A. License. Liaison hereby grants End-User a limited, non-exclusive, non-transferable license to use the Services, any software that is provided as a standard part of the Liaison Services and Liaison's Integration Technology Platform (ITP) solely for End-User's internal use as contemplated by the Agreement. Further license terms related to Liaison's ITP are attached hereto as Attachment A. End-User reciprocally grants to Liaison a limited, non-exclusive, royalty free license to use End-User's data, information, text and other relevant information provided by End-User (Content) for the purposes outlined in the Agreement.
- B. Ownership. As between Liaison and End-User, Liaison has sole ownership of all right, title and interest in and to any Liaison Software, the Services, the ITP, Liaison's trademarks, and all Liaison supplied material and know-how developed for use in connection with this Agreement. The End-User has sole ownership of all right, title, and interest in and to the End-User Content.
- C. Restrictions. End-User may not lease, loan, rent, resell, sublicense or distribute the Liaison Services to any third party, use the Liaison Services for the benefit of any third party or otherwise use the Liaison Services on a Services bureau basis. End-User shall not modify, alter, copy (except as necessary to maintain End-User's web site), create derivative works of, disassemble, reverse engineer, distribute, rent, resell, sublicense, sell, loan, or lease the Liaison Software or Services. End-User shall not remove any proprietary notices or branding from the Liaison Software or Services or any other materials provided to End-User by Liaison under this Agreement.
- D. Infrastructure. End-User shall bear all hardware and infrastructure-related costs for the systems in End-User-operated facilities. Any costs incurred by Liaison for End-User's site not identified in this EULA will be passed through to End-User without markup. Liaison will provide written estimates and obtain End-User's written approval prior to incurring any such costs.

2. Data Storage. Liaison reserves the right to delete any End-User transaction data from its systems, including the ITP, after a period of ninety (90) days.

## Attachment A – Additional Terms for Liaison Managed Services/ITP

For purposes of Attachment A, End-User is referred to as “Customer.”

1. Licenses. The Services are delivered exclusively as a service and as such there are no custom deliverables produced as a result of ordering any Services from Liaison. Liaison grants Customer a limited, non-exclusive, non-transferable license for the use of the Integration Technology Platform or “ITP” pursuant to an Order (i) only by Authorized Users (defined as Customer’s employees, independent contractors or agents under Customer’s control or supervision for whom (a) Customer has requested that Liaison issue a password and userID to access and use Customer’s Internet based Customer visibility and reporting tool for the applicable ITP (the “ITP Portal”) and to whom Liaison has issued a password and userID, or (b) Customer has provided a password and userID to access and use the ITP Portal); (ii) only for Customer’s internal business purposes in connection with Customer’s and its Authorized Users’ use of the Recurring Services pursuant to the applicable Agreement; and (iii) only during the applicable Order Term (as defined on the applicable Order). “ITP” is defined as Liaison’s WebSpan Connect, DXP platform, ANI Link platform or other proprietary, hosted technology platform, exchange network platform, as applicable, as identified in an Order and utilized by Customer as part of the Recurring Services (Integration Services and Network Services as defined in an Order).

Liaison also grants Customer a limited, non-exclusive, non-transferable, perpetual license to use Maps (defined as any set of object code generated utilizing the Recurring Services that identifies a Trading Partner’s reference codes for its goods, materials, services, or data, with Customer’s internal reference codes for the same goods, materials, services, or data) solely for Customer’s internal business purposes. “Trading Partner” means any entity that has agreed to exchange Messages with Customer via the Recurring Services and that has entered into a currently effective agreement with Liaison or one of Liaison’s interoperability partners. “Message” means an electronic standard format message transmitted in whole or in part via the ITP, regardless of whether or not delivered in batches or other interchange, or in a single electronic file, for example and without limitation, a purchase order, purchase order response, change order, price check request, price check response or invoice. Upon Customer’s written request contemporaneous with a notice of termination or the expiration of an Agreement, Liaison will provide a copy of Customer’s specific Maps and Customer’s specific Trading Partner configurations utilized by Customer pursuant to that Agreement. Liaison will deliver the Maps in a java runtime or XSLT file format. Customer acknowledges that additional third party software will be required to view, use, maintain, modify or execute the delivered Map files and that Customer must separately acquire the required third party software (at Customer’s own expense). Liaison makes no representation or warranty that the required third party software will be

commercially available to Customer at the time of notice of termination or expiration of any Agreement. Except as authorized by Liaison in an Order, Customer will not and will cause its Authorized Users to not tamper with nor modify the Liaison Materials in any way. Liaison Materials are defined as (i) the Recurring Services including, without limitation, all enhancements, graphical designs, names, icons, interfaces, and other non-literal and design elements (e.g., the selection and arrangement of materials, the “look and feel”) of the Recurring Services, (ii) the ITP, (iii) the Aggregate Service Data (as defined below) (subject to Liaison’s license rights herein to the Customer Content on which the Aggregate Service Data was based), and (iv) any and all intellectual property rights in or related to the foregoing items. If Customer or its Authorized Users participate in the creation or development of any modifications to the Liaison Materials (the “Customer Modifications”), Customer, on behalf of itself and its Authorized Users, hereby assigns to Liaison all right, title and interest in the Customer Modifications including, but not limited to, all intellectual property rights in or related to the Customer Modifications. Further, Customer grants Liaison a non-exclusive, worldwide, perpetual and royalty-free license to: (i) use Content to perform Recurring Services for Customer pursuant to an Agreement, including, but not limited to, using Customer Content to process Messages; and (ii) extract from, use, develop, analyze, or combine Customer Content or other data collected, retained, stored, or accumulated through Customer’s use of the Recurring Services to create Aggregate Service Data. Customer grants Liaison a limited, non-exclusive, royalty-free license to use the Customer System during the applicable Order Term, to the limited extent and only as reasonably necessary for Liaison to perform the Recurring Services ordered by Customer. “Aggregate Service Data” means a set of information compiled by combining Customer’s Recurring Services use information with the Recurring Services use information of others in a manner where no third party can reasonably directly identify Customer (i) with any discrete set or subset of Customer’s Integration Service use information; or (ii) as significantly influencing any particular trend or market condition in regard to the Recurring Services that may be represented. “Customer System” means any Customer hardware, software and telecommunications services needed to view or utilize any Recurring Services and includes, without limitation, Customer’s computer hardware, software and telecommunications facilities that are integrated with the ITP and any third party software that Liaison may designate in an Order.

Except as set forth in an Agreement, no express or implied license, moral rights, or other rights of any kind are granted to Customer regarding the Recurring Services, the professional services, the Liaison materials and Liaison’s Confidential Information (collectively, the “Liaison IP”). Liaison reserves all rights in the Liaison IP not expressly

granted herein. Except as set forth in this Master Agreement, Customer shall not, nor permit others to, store, run, display, load, use, produce, receive, reproduce, copy, market, sell, distribute, transfer, translate, modify, adapt, disassemble, decompile, or reverse engineer the Liaison IP or create derivative works based on the Liaison IP or any portions thereof, or obtain possession of any source code or other technical material relating to the Liaison IP. Customer and its licensors retain and will continue to retain all rights in the Customer Materials (defined as the Customer Content and the Customer System and all intellectual property rights in or relating thereto). Except as set forth herein or in an Agreement, no right or implied license or right of any kind is granted to Liaison regarding the Customer Materials, including, but not limited to, any right to use, reproduce, market, sell, translate, license, sublicense, distribute, transfer, adapt, disassemble, decompile, or reverse engineer the same or obtain possession of any source code or other technical material relating to any Customer Materials.

2. Customer System Requirements: Authorized Users, Password and UserIDs. Customer agrees that it must satisfy the minimum requirements for the Customer System (the "Customer System Requirements") as a condition to Liaison performing the Recurring Services. Unless otherwise agreed to by Liaison, Customer will be solely responsible for the operation and performance of the Customer System, directing the work of any third party vendors on the Customer System, and any costs and expenses involved in obtaining, licensing, implementing, maintaining and operating the Customer System. Customer's and its Authorized Users' access to and use of the Recurring Services are through a combination of passwords and userIDs. Customer is responsible and liable for (i) its Authorized Users' conduct in using their passwords and userIDs, and (ii) all activity associated with Customer and Authorized Users' use of the Recurring Services. Customer is responsible for maintaining the confidentiality and security of all passwords and userIDs. Customer may not disclose, and will cause its Authorized Users to not disclose the passwords and userIDs to any third party. Customer is solely responsible for monitoring access to Customer's Recurring Services, and Customer will immediately notify Liaison of any unauthorized use of the Recurring Services or any other breach of security that Customer discovers. Any unauthorized access to the Recurring Services permitted by Customer or an Authorized User is a breach of a material obligation owed to Liaison and is grounds for immediate termination by Liaison. Customer's and its Authorized Users' access to the Recurring Services will be terminated immediately upon expiration or termination of this Master Agreement. Customer's and its Authorized User's access to the Recurring Services will be terminated immediately upon the expiration or termination of the Agreement for those Recurring Services. Customer will be solely responsible for notifying Liaison in advance of when to terminate an Authorized User's password and userID.

3. Integration Technology Platform (IPT). The specific terms and conditions of any Messages transmitted or transactions entered into between Customer and its Trading Partners (such as pricing, delivery, warranties, and refunds) must be established by and between Customer and its Trading Partners. Liaison is not a party to, third party beneficiary of, or guarantor of performance with respect to any Messages between Customer and a Trading Partner or any other third party. The ITP is solely a means to deliver Messages between Customer and its Trading Partners. Liaison: (i) is not a party or an agent of Customer or its Trading Partners in regard to Messages; (ii) does not endorse or warrant the goods or services or the price, contract terms, quality, safety, conformance, or legality of the goods and services offered for sale or purchase via Messages; (iii) does not endorse the ability of Customer and its Trading Partners to buy or sell goods or services, nor guarantee that Customer or its Trading Partners will complete the purchase or sale of goods or services they offer to buy or sell via Messages; (iv) is not responsible for a Customer's or a Trading Partner's obligation to pay with respect to Messages; (v) does not represent or warrant the effectiveness or validity of transactions facilitated by Messages in Customer's or its Trading Partners' respective jurisdictions; (vi) does not endorse either the Customer Content or the content of a Trading Partner ("Trading Partner Content"); (vii) does not endorse Customer or Trading Partners; (viii) does not endorse or guaranty any contracts or agreements arising or resulting from a Message; (ix) has no obligation to monitor any Customer Content or Trading Partner Content; and (x) does not endorse any other aspect of a Message. If a dispute arises between Customer and a Trading Partner, Customer agrees to release Liaison and its licensors from any claims and damages of every kind and nature, including, without limitation, claims known and unknown, disclosed and undisclosed, foreseen and unforeseen, and actual, direct, exemplary, special, incidental, indirect, and consequential damages, arising out of or in any way connected with that dispute. Liaison will use commercially reasonable efforts to: (i) maintain the availability, reliability and integrity of data on the ITP; and (ii) monitor for downloadable viruses and remove those detected from the ITP. Unless expressly provided for in an Order, Liaison has no obligation to: (i) back-up or store Messages or Customer or Trading Partner Content, or (ii) intercept, change or remove sent Messages at Customer's request. Liaison may suspend the operations of the ITP or Authorized Users' or Trading Partners' access to all or any part of the ITP at any time, with or without notice, for purposes of maintenance, upgrades or preventing the misuse of the ITP, provided that Liaison will use commercially reasonable efforts to notify Customer in advance of any planned interruption, limitation, suspension, or termination. The foregoing notice may be sent by any means and is not subject to the notice requirements herein. Liaison will use commercially reasonable efforts to secure the ITP against access by parties who are not authorized by Liaison and against damage, disruption and other activity that is not authorized by Liaison and that are aimed at denying availability of the ITP. Customer will not and will cause its Authorized Users to not: (i) breach or attempt to

breach the security of the software, network, servers, data, computers or other hardware relating to the ITP or that of any Trading Partner or third party that is hosting or interfacing with any part of the ITP; and (ii) use or distribute via the ITP software or other tools or devices designed to compromise privacy or security. Customer will not interfere with the operation of the ITP in any manner including, without limitation, by imposing an unreasonable or disproportionate burden on the network, software or hardware infrastructure of the ITP. Prior to providing any Customer Content to the ITP, Customer will take commercially reasonable steps to ensure that the Customer Content is free from viruses, worms, Trojan horses, and any other malicious code.

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  
 525 W. ALLEGAN, LANSING, MI 48933

**NOTICE  
 OF  
 CONTRACT NO. 071B4300137**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 2651 Coolidge Road East Lansing, Michigan 48823	Jon Jasper	<a href="mailto:Jon.jasper@cgi.com">Jon.jasper@cgi.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 496-4336	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	SBO	Ruth Schwartz	517-284-7585	SchwartzR1@michigan.gov
BUYER:	DTMB	Whitnie Zuker	517-284-7030	ZukerW@michigan.gov

CONTRACT SUMMARY:			
ERP Hosting, Managed Services, Software License and Maintenance Agreement			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
7 years, three months and six days	June 25, 2014	September 30, 2021	Indefinite Number of Periods
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$50,627,395	

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  
 525 W. ALLEGAN, LANSING, MI 48933

**CONTRACT NO. 071B4300137**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CGI Technologies and Solutions Inc. 2651 Coolidge Road East Lansing, Michigan 48823	Jon Jasper	<a href="mailto:Jon.jasper@cgi.com">Jon.jasper@cgi.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 496-4336	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	SBO	Ruth Schwartz	517-284-7585	SchwartzR1@michigan.gov
BUYER:	DTMB	Whitnie Zuker	517-284-7030	ZukerW@michigan.gov

CONTRACT SUMMARY:			
ERP Hosting, Managed Services, Software License and Maintenance Agreement			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
7 years, three months and six days	June 25, 2014	September 30, 2021	Indefinite Number of Periods
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			\$50,627,395

**THIS IS NOT AN ORDER:** This Contract is awarded on the basis of our inquiry bearing the solicitation #084R3200001. Orders for delivery will be issued directly by State Agencies through the issuance of a Purchase Order Form.

**Notice of Contract#: 071B4300137**

<b>FOR THE CONTRACTOR:</b>	<b>FOR THE STATE:</b>
CGI Technologies and Solutions Inc.	Signature
Firm Name	Jeff Brownlee, Chief Procurement Officer
Authorized Agent Signature	Name/Title
Authorized Agent (Print or Type)	DTMB Procurement
Date	Enter Name of Agency
	Date



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

Contract No. 071B4300137  
**Managed Services Agreement**

Buyer Name: **Whitnie Zuker**  
Telephone Number: **517-284-7030**  
E-Mail Address: **ZukerW@michigan.gov**



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This Managed Services Agreement (“Agreement”) is made by and between the State of Michigan (hereinafter “State” or “the State”) and CGI Technology and Solutions, Inc. (hereinafter “Contractor” or “the Contractor:”). The State and Contractor are each individually referred to herein as “Party” and collectively as “Parties.”

The Parties hereby agree, as follows:

This Agreement is composed of the following attachments, which are hereby incorporated by reference:

- Article 1 – Statement of Work
- Article 2 – Terms and Conditions
- Attachment 1: Glossary
- Attachment 2: Hosting and Managed Services Statement of Work
- Attachment 3: Payment Schedule
- Attachment 4: Key Personnel
- Attachment 5: Capacity, Processing, and Other Standards
- Attachment 6: Contractor Licensed Software
- Attachment 7: Required Reports
- Attachment 8: MIDEAL Considerations
- Attachment 9: Proprietary Software License Agreement
- Attachment 10: Proprietary Software Maintenance Agreement



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

**1.000 Project Identification**

**1.001 PROJECT REQUEST**

The State of Michigan is contracting to acquire and implement an Enterprise Resource Planning (“ERP”) System for executive, legislative, and judicial branch organizations. The State is also contracting for Application Maintenance and Support (“Managed Services”), Hosting Services, a Disaster Recovery site, and Disaster Recovery Services as part of the overall effort. Multiple Agreements have been created in support of the ERP project. This Agreement addresses the Managed Services, Hosting Services, Disaster Recovery site, and Disaster Recovery Services aspects of the project.

**1.002 BACKGROUND**

The following separate agreements support the State’s ERP Implementation Project:

- An Agreement for Implementation Services that provides for ERP Implementation services as well as project technical environment hosting until full hosting services are provided through this Agreement.
- This Agreement provides for hosting and disaster recovery facilities and services and includes ERP application maintenance, development, other services, Software License and Maintenance Agreements for the ERP and for third party application software.

The Contractor will provide services necessary to conduct the State’s ERP Project and to design, configure, extend, modify, and implement the ERP software and to update MIDB, the State’s existing administrative data warehouse.

The ERP Implementation Project phasing, implementation, and final post implementation support schedule is as follows:

	<b>Date</b>
<b>Project Start Date:</b>	July 1, 2014
<b>Phase I Budget Preparation Implementation</b> <ul style="list-style-type: none"> <li>▪ Begin production use of new Budget Preparation Module on August 1, 2015</li> <li>▪ To prepare the budget for the 2016-17 fiscal year which begins October 1, 2016</li> </ul>	August 1, 2015
<b>Phase 2 Core Financial Implementation</b> <ul style="list-style-type: none"> <li>▪ Phase 2 is expected to start at the beginning of the project and run concurrently with Phase 1</li> <li>▪ Begin production use of Core Financials October 1, 2016</li> </ul>	October 1, 2016 (first day of new State fiscal year)
<ul style="list-style-type: none"> <li>▪ Accounts Payable and Disbursements (including EFT and some electronic vendor invoices)</li> <li>▪ Accounts Receivable and Billing</li> <li>▪ Asset Management</li> <li>▪ Budget Control</li> <li>▪ Cash Reconciliation</li> <li>▪ Cost Allocation</li> <li>▪ Employee Time and Attendance</li> <li>▪ Employee Travel and Expense Reimbursement</li> <li>▪ Expenditure Tracking Against Debt Issues for IRS Reporting</li> <li>▪ FHWA Billing</li> <li>▪ General Ledger and Financial Reporting</li> <li>▪ Grants Management (Grantee Side)</li> <li>▪ Grants Management (Grantor Side)</li> <li>▪ Inventory</li> <li>▪ Investment Pool Participation Tracking/Allocation of Investment Earnings to Participating Funds</li> <li>▪ Labor (and Equipment Cost) Distribution</li> </ul>	



	Date
<ul style="list-style-type: none"> <li>▪ MIDB (for all Phase 1 and 2 ERP Data)</li> <li>▪ Positive Pay Banking (if feasible)</li> <li>▪ Project Accounting</li> <li>▪ Transparency &amp; Accountability Portal</li> <li>▪ Vendor Accounts Payable Web Inquiry</li> <li>▪ Vendor Payment and EFT Web Registration</li> <li>▪ Vendor Tax Reporting (1099 &amp; 1042) and Backup Withholding</li> </ul>	
<p><b>Post Implementation Support</b></p> <ul style="list-style-type: none"> <li>• From the first implementation and continuing until 12 months after the final implementation</li> </ul>	Through September 30, 2017

In addition to replacing functionality in systems slated for replacement as part of the ERP Implementation Project, the State has identified a number of areas in which significant improvements are expected. This Agreement will create, maintain, and support a hosting environment and managed services team designed to facilitate the objectives listed and described below:

**Objective**

**Description**

**Automate and Streamline Budget Preparation**

The State's current budget process is largely manual and uses Excel Spreadsheets to collect budget requests which must be compiled via a combination of macros and manual work. The ERP system project scope includes automation and streamlining of the budget preparation and budget book creation process. Key requirements for the system include:

- Automated loading of prior year budget/'actuals' information to provide a starting point for new year budgeting
- Automated tools to increment or decrement budget lines
- Automated 'What if' analysis
- Ability to create and save scenarios and alternative scenarios
- Electronic submission of agency requests
- Tracking of budget, appropriation level, and detailed expense budget level budgets
- Ability to set, control, and manage budget phases (e.g. Guidelines, Agency Requests, Legislative, Final)
- Automated loading of ERP with approved budget at the appropriation, agency budget, and allotment levels
- Ability to integrate text, graphics, and budget lines to assist in budget book creation.
- Automated publication of Executive Budget and Final Budget
- Ability to associate statistical targets and actuals with separately budgeted line items
- Ability to support full performance budgeting at a future time.
- Ability to upload legislative budget information in the initial implementation but allow for full use of automated budget preparation features by the legislature in the future.



<u>Objective</u>	<u>Description</u>
<b>Chart of Accounts Reform/Uniform Coding Block Usage</b>	<p>Michigan has clear objectives for improving both its reporting and the level of transparency in its accounting and financial reporting. The ERP Project will provide the State with an opportunity to:</p> <ul style="list-style-type: none"> <li>• Standardize use of coding block/ chart of accounts elements used in budgeting</li> <li>• Simplify and streamline fund accounting</li> <li>• Standardize expenditure classifications used across agencies</li> <li>• Reduce or eliminate the use of ARFs (Administrative Revolving Funds) and the need to reclassify expenditures in a separate step.</li> <li>• Coordinate legacy interface design and development to provide and post detailed transactions that are consistent with the elimination of ARFS and as needed to provide detail for the new Transparency &amp; Accountability Website.</li> </ul>
<b>Transparency &amp; Accountability Portal</b>	<p>The State plans to replace its existing Transparency &amp; Accountability Portal and streamline the process to provide the public with an increased level of information regarding the operation and management of government; demonstrate efficient use of taxpayers' money and to hold agencies accountable for the services that Michigan provides.</p>
<b>Support for Debt Reporting</b>	<p>The Michigan Treasury is responsible for managing and accounting for the State's debt. Part of that responsibility involves tracking expenditures involving debt proceeds for IRS reporting purposes. The ERP project is targeting improvements that will allow expenditures to be automatically identified with the debt issuance to improve this reporting.</p>
<b>Support for Investment Accounting</b>	<p>The Michigan Treasury invests available cash for all agencies in a common investment pool and periodically apportions earnings to participating funds. The ERP project seeks to automate accounting for this process. Note that individual investments will continue to be tracked outside the system.</p>
<b>Management Information Database (MIDB) Data Currency and Reporting</b>	<p>The MIDB is the State's administrative data warehouse and combines data from MAIN (RSTARS and ADPICS), DCDS, and HRMN. MAIN and DCDS updates to MIDB are made once a week (bi-weekly for payroll data) and data within MIDB is made available for reporting in application data formats (with appended descriptions to eliminate some table lookups for those performing ad hoc queries). Going forward, there are three opportunities for improving MIDB as part of the ERP Project:</p> <ul style="list-style-type: none"> <li>• Increasing the data refresh rate. This will allow ad hoc reporting to use more current data</li> </ul>



**Objective**

**Description**

- Data synchronization should improve as MAIN and DCDS are replaced with a single, integrated ERP application using a single database
- Chart of accounts improvements and coding block standardization should allow for better reporting particularly when cross agency and statewide level reports are needed.

**Project and Grant Reporting/Budgeting/Processing**

The new ERP system is expected to provide improved project and grant budgeting, accounting, billing, and reporting. In combination with improved cost allocation capabilities, this should allow for replacement of many agency systems now devoted to these functions. The ERP system will also consolidate grantor processing for the State.

**Cost Allocation**

The MAIN cost allocation function was never implemented. As such, cost allocations occur outside of MAIN. Implementation of the new ERP cost allocation function will allow for a greater degree of automation as well as more streamlined reporting and billing using allocated account distributions.

**Bank Reconciliation**

The Michigan Treasury currently does not have automated bank reconciliation functionality available to it in MAIN. The new ERP system is intended to provide this functionality. With Treasury managing approximately 60 bank accounts, this new functionality is expected to provide significant time savings.

**Reduction in the Number of Applications Supported and Interfaced**

Currently, Michigan administrative processing is fragmented across several systems including RSTARS, DCDS, ADPICS, and numerous agency systems. A number of problems are evident:

- Few of these systems are vendor supported or upgradeable
- Posting lags and timing synchronization issues occur due to batch interfaces
- Data cannot be efficiently aggregated for reporting across the various data stores
- IT resources cannot be efficiently deployed across the application set due to technology differences and the need for specialized skill sets.

The new ERP system will be vendor supported, upgradeable, and will consolidate processing onto a single platform and database. While there will still be administrative applications running on different platforms after the ERP system is implemented (e.g. E-Procurement and HRMN), substantial consolidation will nevertheless have been achieved.



**Objective**

**Description**

**Move to Vendor Supported, Upgradeable COTS Solution**

Implementation of the new ERP will allow the State to shift much of its critical processing from internally supported applications based on aging technology to vendor supported and upgradeable software that is protected against technological obsolescence and updated based on ongoing vendor research and development.

**Automate BAI Interfaces with Banks**

The state currently receives a number of Bank Administration Institute (BAI) files from its banks that contain information on warrant clearing, debit and credit advices, NSF checks, and other information. Currently, this information must be heavily manipulated before it can be captured in MAIN. Going forward the plan is to automate BAI based interfaces for capture and processing in the ERP.

**Warrant Writing**

The new ERP will absorb the warrant writing function currently provided by Treasury's Warrant Writing System operating on the UNISYS platform. Inclusion of this function in the ERP will consolidate and simplify interfaces that post warrant requests. Going forward, there will be one set of interfaces for warrants, EFTS, and accounting entries from each feeding system. In the past these required separate interfaces.

**Implementation of Positive Pay Banking**

The Treasury Department currently uses the 'Reverse Positive Pay' method which requires state personnel to verify each cleared warrant to ensure it matches with the recorded disbursement amount. The State intends to explore the feasibility of implementing 'Positive Pay' Banking. If determined feasible, the State would implement this approach wherein Banks would receive disbursement files from the State and take responsibility for matching recorded disbursements against the warrants presented for payment.

**Automate Vendor File Synchronization**

The current plan for the E-Procurement (Buy4Michigan) project calls for independently maintained procurement and accounts payable vendor files. The plan is to include automated synchronization of these files when the ERP system is implemented.

**Automate and Streamline CAFR Production**

The State currently has a substantially manual process for Comprehensive Annual Financial Report (CAFR) production that uses a combination of mainframe reports, Excel Spreadsheets, Microsoft Word, and PDF files to create and publish its CAFR reports. The State intends to automate and streamline the CAFR process as part of the ERP project. The intent is to perform all elimination and reclassification entries within the ERP, and to then produce camera ready CAFR reports directly from the new system or from a CAFR tool that imports data from the ERP.



**Objective**

**Description**

**Increase Accounting Detail Posted From Agency Systems**

Currently, many agency systems post summarized accounting information in the State's financial system via automated interface. Going forward, the intent is to capture detailed postings to improve reporting and level of detail available to the public on the Transparency & Accountability Website.

**1.100 Scope of Work and Deliverables**

**1.101 SCOPE**

The State requires the ERP application to be hosted at a Contractor provided, secure facility that includes all required infrastructure components including: hardware, data storage, DBMS, system software and other production environment tools, software, components, security, and network connections needed for the State to access and use the ERP software for ongoing operations and reporting. A disaster recovery site and disaster recovery services must also be included. The Contractor is also required to provide ERP application related maintenance and other services (Managed Services).

The below listed items are considered in scope for this Agreement. A more complete description of the software and/or services sought for this project is provided in Section 1.104. The Contractor must provide the following software/services for the complete and successful support of Michigan's ERP solution.

- All hardware, network infrastructure, software and hosting services for the identified applications to the active site and disaster recovery site
- Maintenance and on-going support of infrastructure
- Maintenance and on-going support of middleware
- Maintenance and on-going support of the ERP application
- Consulting services
- Documentation

Services under this Agreement commence as indicated below:

Aspect of Service	Service Commencement Date
Project Hosting	No later than March 1, 2015
Production Hosting	Phase 1 Implementation Date - August 1, 2015
Operations Services	Phase 1 Implementation Date - August 1, 2015
Disaster Recovery Services	Phase 1 Implementation Date - August 1, 2015
Application Maintenance (if applicable)	End of Project - September 30, 2017

**1.102 OUT OF SCOPE**

The following items are not included in the scope of this Agreement at this time. However, scope could be added through Section 2.024:

- Implementation Services for the ERP project Phases 1 and 2
- Implementation Services for the following modules:
  - Procurement
  - Personnel Administration
  - Benefits Administration
  - Employee and Manager Self-Service (functions beyond time and labor and expense reimbursement are not in scope)



- Recruiting
- Payroll
- Facilities Management
- Real Estate Management
- Fleet Management

### **1.103 RESERVED**

### **1.104 WORK AND DELIVERABLES**

The requirements for the ERP Hosting and Managed Services effort are listed and described in Attachments 2 through 8.

### **1.105 ERP PROJECT GOVERNANCE**

The project will adhere to governance structure with four key levels to provide project oversight and an issue escalation path for issues and needed decisions.

- The State Project Director will provide day-to-day management and guidance for the project and will approve project deliverables for review with the State Project Executive(s). The State Project Director may name designees in instances where either a dispute requires resolution and the State Project Director is not available or for specific instances in regard to particular delegated deliverables or deliverable groups.
- The State Project Executives will approve all deliverables on the project, approve key communications, and will be able to resolve issues not involving scope, budget, or timeline changes. The State Project Executives may delegate any of these approvals (or subsets thereof) to the State Project Director.
- A Governing Board has been established that represents control agencies and operating departments of the executive branch and provides guidance on overall strategic direction. It will consist of the State CIO, Chief Deputy State Budget Director and representatives from each of the executive groups. The Governing Board will approve all milestones, review all change requests, and act to clear obstacles to project success. The Governing Board will meet monthly and at milestone boundaries. The Governing Board may delegate any of these approvals to the State Project Executives or the State Project Director.
- The Executive Sponsor for the State is John S. Roberts, State Budget Director. He will have overall authority over the ERP Project.

The following procedure shall be followed if resolution is required for any dispute between the parties related to this Agreement.

- The State Project Director shall be notified of the dispute and will meet with the Contractor Project Director to discuss and resolve the issue. If the issue cannot be resolved within five (5) business days or an alternative time frame agreed to between the parties, the State Project Director will escalate the dispute to the State Project Executives who shall make a determination regarding the dispute within ten (10) business days. If the issue remains unresolved, either the State Project Executives or Contractor Project Director may escalate the issue to the State Project Sponsor (or Governing Board if more appropriate) for resolution. The State Project Sponsor shall have 10 business days to make a determination regarding the dispute. If the dispute is still not resolved, then either Party may seek available contractual remedies in accordance with Article 2 of this Agreement.
- The State Project Director and the State Project Executives may request additional documentation or analysis be prepared by the Contractor and submitted to them before meeting to discuss the dispute. In addition, the Contractor Project Director may request



additional documentation pertinent to the dispute before meeting to discuss the dispute. The Parties shall have two (2) business days or an alternative time frame agreed to between the parties to prepare and provide any needed documentation to the other party. The time frame for resolution at any level will begin at the point that such documentation is submitted.

#### **1.106 ENVIRONMENT**

The links below provide 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").

Contractor shall provide all services and products in a manner compliant with all applicable State IT policies and standards subject to Section 2.093(c).

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

The Contractor must adhere to all existing standards as described within the comprehensive listing of the State's existing Enterprise IT Policies, Standards and Procedures at:

[http://michigan.gov/dtmb/0,4568,7-150-56355\\_56579\\_56755---,00.html](http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html) for all State-Specific IT Resources, and for IT Resources that are not State-Specific if it does not affect Contractor's ability to service its other clients.

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

The Contractor will separately provide updates on baseline software development tools and technologies that are not State-Specific as part of the Product Roadmap updates.

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

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

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

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

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

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

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

DTMB Single Login.

DTMB provided SQL security database.

Secured Socket Layers.

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

##### **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](http://www.michigan.gov/documents/som/Look_and_Feel_Standards_302051_7.pdf)



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

SUITE includes standards for project management, systems engineering, and associated forms and templates. Use of SUITE is mandatory for State-Specific elements not leveraged across other Contractor clients, but the State may consider Contractor proposals to “crosswalk” other methodologies to SUITE. Information regarding SUITE can be found at: <http://www.michigan.gov/suite>

**Additional Security Requirements:**

Additional security requirements are set forth in Attachment 2.

**1.200 Roles and Responsibilities**

**1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES**

**A. Contractor Staff**

The Contractor will provide a list of staff, including subcontractors, who will be assigned to the statement of work, indicating the duties/responsibilities. The Contractor will commit that staff identified in its proposal will actually perform the assigned work in accordance with Section 2.062.

Key Personnel are identified in Attachment 4.

**B. On Site Work Requirements**

**1. Location of Work**

All implementation work performed by the Contractor shall be performed, completed, and managed in Lansing, Michigan at the designated Project Facility. However, the State may allow isolated implementation activities to be executed from an offsite location within the USA, subject to the explicit approval of the State Project Director.

With regard to vendor proprietary assets, the State has a strong preference for such work to take place onsite, however the State would be willing to consider circumstances where that is not a practical alternative. “Vendor proprietary assets” refers to software products, tools or other assets that belong to the Contractor or software vendor. The State may confirm that work is performed at the agreed upon locations through the State’s project management oversight of the implementation team.

Contractor plans to perform the following off-site work at the identified locations:

Description of Work	Location of Work	Percent of Described Work performed at off-site location
Hosting & Managed Services, excluding local, named staff and Discretionary Services, as defined in the Agreement	Offsite in various U.S. Locations	100%

**2. Hours of Operation:**

- a. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST/EDT, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.
- 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 Contractors for holiday pay. A list of State holidays can be found at the following site: [http://www.michigan.gov/documents/SPDOC\\_05-03\\_Reg\\_5\\_120538\\_7.08.pdf](http://www.michigan.gov/documents/SPDOC_05-03_Reg_5_120538_7.08.pdf)



**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:**

See Section 2.094 Background Checks

Contractor will pay for all costs associated with ensuring their staff meets all requirements of Background Checks required under Section 2.094.

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

The named State resources will consist of a Project Director and a DTMB Business Relationship Manager (BRM).

**State Project Director and BRM**

The State's Project Director and BRM will provide the following services:

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

*State Project Director and BRM*

<b>Name</b>	<b>Agency/Division</b>	<b>Title</b>
Ruth Schwartz	DTMB – SBO	Project Director
Lisa Evani	DTMB – Customer Services	Business Relationship Manager

**1.203 PROJECT FACILITY**

The State will provide the following resources for the Contractor's use on this project:

- Work station
- Telephone
- PC and office automation software
- Network connections
- Email
- Printer
- Conference and meeting rooms
- Access to copiers and fax machine

**1.204 OTHER ROLES AND RESPONSIBILITIES**

The Contractor shall provide all required cooperation and support in accordance with the requirements specified in Attachment 2 to this Agreement, including sharing of all required plans, work products, status reports, deliverables, analysis, and presentations; providing access to required software and



technical environments; and answering questions that the Quality Assurance or PMO vendor(s) may have.

### **1.300 Project Plan**

#### **1.301 RESERVED**

#### **1.302 CONTRACT MANAGEMENT**

The Contractor must carry out this project under the direction and control of the Michigan Department of Technology, Management and Budget.

##### **A. Orientation Meeting**

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

##### **B. Reports**

The Contractor will provide the reports identified in Attachment 7 through the life of the Agreement.

##### **C. Meetings**

At a minimum and upon go-live of the respective ERP functionality, the following meetings must be held between appropriate representatives of the Contractor and the State to review the Contractor's performance under the agreement. The meetings will be held in Lansing, Michigan, or by teleconference, as mutually agreed by the State and the Contractor:

1. Change Management Meeting – Reviews any problems that have occurred during the previous week and reviews the schedule for the next week. This meeting must be attended by both the State and the Contractor management and staff, and must be conducted on a weekly basis;
2. Production Coordination Meeting – Weekly review the development and production requirements to assure the production schedule must meet the needs of the State;
3. Service Level Attainment Review – Ad-hoc meetings with the State Division Director and Technical Manager to review Service Level Reports from the prior month as needed;
4. Quarterly Capacity Planning Meeting – Quarterly meeting to review projected utilization of server resources.
5. Annual Technical and Security Plan Meeting - At least once each year representatives of the Contractor must meet with the State to review technical and security plans and discuss possible changes to be implemented during the coming year. At such meetings the Contractor must present recommendations to the State on Hardware and Software improvements and changes that the Contractor believes would significantly reduce costs, improve service or enhance the operability or reliability of the ERP Solution. If necessary, the State can request meetings more frequently.
6. **Joint Steering Committee (JSC) Meeting** – The objectives of the JSC are:
  - Meeting attendees include representatives from the State and the Contractor
    - State of Michigan Project Director
    - State of Michigan Business Relationship Manager
    - Contractor Delivery Executive
    - Contractor Project Executive
    - Contractor Delivery Project Executive



- Discuss the evolving business agenda of both organizations
- Review and refresh the strategic goals for the ongoing relationship
- Ratify (and sometimes recommend) changes to the agreement and/or how it is being managed
- Identify changes on the horizon that will need to be managed
- Review performance against the strategic goals (business and relationship)
- Review industry business trends and the impact of technology
- Evaluate Contractor industry initiatives for applicability
- Explore ways to extend the relationship to solve new business problems

7. **Joint Management Committee (JMC) Meeting** – The objectives of the JMC are:

- Meeting attendees include
  - State of Michigan Project Director
  - State of Michigan Business Relationship Manager
  - State of Michigan Manager DTMB
  - Contractor Project Executive
  - Contractor Delivery Project Executive
  - Contractor On-site Operations Project Manager
- Develop strategies and plans to meet the goals set by the Joint Steering Committee
- Review performance against set metrics, and address any systemic contractual or management problems
- Periodically, systematically and formally assess the quality of the working relationship, and plan appropriate actions to strengthen it
- Spot and address conflicts on the horizon; resolve conflicts escalated to JMC
- Spot and manage impending change
- Continuously (informally) assess how the State and the Contractor are working together, and plans to improve the relationship
- Continuously looks for new places/ways to deliver business value
- Make recommendations to the Joint Steering Committee on any large changes that need to be made to objectives or strategy, the agreement, or the relationship

Meetings must have a published agenda distributed sufficiently in advance of the meeting to allow meeting participants a reasonable opportunity to prepare for the meeting.

### **1.400 Project Management**

#### **1.401 CONTRACT ISSUE MANAGEMENT**

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

The Contractor must maintain an issue log for issues relating to the provision of services under this Agreement. The issue management log must be communicated to the State's Project Director on an agreed upon schedule, with email notifications and updates. The issue log must be updated weekly 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
- A brief description of the root cause of the issue



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

Level 1 – Business leads

Level 2 – Project Managers

Level 3 – Executive Subject Matter Experts (SME's) (Contractors Project Executive and State Project Director)

#### **1.402 CONTRACT RISK MANAGEMENT**

A risk is an unknown circumstance or event that, if it occurs, may have a positive or negative impact on the Agreement. Risk management generally involves (1) identification of the risk, (2) assigning a level of priority based on the probability of occurrence and impact to the project, (3) definition of mitigation strategies, and (4) monitoring of risk and mitigation strategy.

The Contractor must create a risk management plan. A risk management plan format must be submitted to the State for approval within twenty (20) business days after the effective date of the agreement. Once both parties have agreed to the format of the plan, it must be the standard to follow for the duration of the agreement. The plan must be updated monthly, or as agreed upon. The risk management plan must be developed in accordance with the State's PMM methodology and the PMBOK® (Project Management Institute).

#### **1.403 CONTRACT CHANGE MANAGEMENT**

Agreement change management procedures are set forth in Section 2.024 and Article 2 Exhibit 2-1.

##### **1.500 Acceptance**

#### **1.501 CRITERIA**

All Deliverables must 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 Agreement.

The acceptance process of this Agreement, as outlined in Sections 2.251 and 2.254 and Attachment 2 Exhibit C Deliverable Acceptance Criteria and Procedures must be used by the State and the Contractor.

#### **1.502 FINAL ACCEPTANCE**

Final Acceptance will be provided after the State has validated that all impacted platforms perform according to agreed requirements and specifications.

##### **1.600 Compensation and Payment**

#### **1.601 COMPENSATION AND PAYMENT**

This Agreement is a firm, fixed price contract for \$50,627,395. Additional services may be provided using rate cards as provided in Attachment 3 and following the agreement Change Order process defined in Article 2.

##### **Method of Payment**

Hosting and managed services will be invoiced and paid on a quarterly basis in advance unless otherwise specified in a statement of work.

##### **Travel**

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

##### **Invoicing**

Contractor will submit properly itemized invoices to



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

or

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

Additionally, a copy of the invoice should be submitted to the State Project Director.

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;
- Deliverable Name and IDs (from Attachment 3) Included for each applicable Payment ID
- Payment ID (from Attachment 3)
- Net invoice price for each Deliverable or Milestone
- Total for each Payment ID
- Overall invoice price
- Payment terms

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



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

### **2.000 CONTRACT STRUCTURE AND TERM**

Terms and Conditions in Article 2 are applicable to the Managed Services Agreement ("Agreement"). License and maintenance terms and conditions for the ERP Solution will be contained directly in the applicable Proprietary Software License Agreement and Proprietary Software Maintenance Agreement at Attachments 9 and 10, respectively.

#### **2.001 Contract Term**

This Agreement shall begin on June 25, 2014 and continues through September 30, 2021. All outstanding Purchase Orders must also expire upon the termination for any of the reasons listed in **Section 2.150** of the Agreement, unless otherwise extended under the Agreement. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Agreement's stated term, shall remain in effect for the balance of the fiscal year for which they were issued.

#### **2.002 Options to Renew**

This Agreement may be renewed in writing by mutual agreement of the parties prior its expiration for an indefinite number of periods.

#### **2.003 Legal Effect**

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

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

#### **2.005 Ordering**

The State must issue an approved written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order to order any Services/Deliverables under this Agreement. All orders are subject to the terms and conditions of this Agreement. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are specifically contained in that Purchase Order or Blanket Purchase Order's accompanying mutually agreed Statement of Work. Exact quantities to be purchased are unknown; however, subject to agreement upon appropriate Change Orders pursuant to Section 2.024, the Contractor will be required to furnish all such materials and services as may be ordered during the Contract period.

#### **2.006 Order of Precedence**

The Agreement, including any Statements of Work and Exhibits, to the extent not contrary to the Agreement, 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 Agreement and a Statement of Work, the terms of the Statement of Work shall take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Agreement. The Agreement may be modified or amended only by a formal Agreement amendment.



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## **2.007 Headings**

Captions and headings used in the Agreement 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 Agreement.

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## **2.008 Form, Function & Utility**

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

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## **2.009 Reformation and Severability**

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

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## **2.010 CONSENTS AND APPROVALS**

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

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## **2.011 No Waiver of Default**

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

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## **2.012 Survival**

Any provisions of the Agreement 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 Agreement for any reason. Specific references to survival in the Agreement are solely for identification purposes and not meant to limit or prevent the survival of any other section.

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## **2.020 CONTRACT ADMINISTRATION**

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### **2.021 Issuing Office**

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

Whitnie Zuker  
State of Michigan  
Department of Technology, Management and Budget  
Procurement  
1st Floor, Constitution Hall  
525 West Allegan Street

Email: ZukerW@michigan.gov  
Phone: 517-284-7030  
Lansing, Michigan 48909

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### **2.022 Contract Compliance Inspector**

The Director of DTMB-Procurement directs the person named below, or his or her designee, to monitor and coordinate the activities for the Agreement on a day-to-day basis during its term. **Monitoring Agreement activities does not imply the authority to change, modify, clarify, amend, or otherwise alter the prices,**



terms, conditions and specifications of the Agreement. DTMB-Procurement is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Agreement. The Contract Compliance Inspector for this Agreement is:

See Section 2.023 State Project Director

### **2.023 State Project Director**

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The following individual will oversee the project:

Ruth Schwartz  
State of Michigan  
State Budget Office  
The Victor Center, 7<sup>th</sup> Floor  
201 N Washington Sq  
Lansing, MI 48909

Email: SchwartzR1@michigan.gov  
Phone: 517-284-7585

### **2.024 Contract Change Management Process**

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Exhibit 2-1 Contract Change Management Process, sets out the framework, processes, and procedures for the submission and handling of requests for Changes (as defined in Exhibit 2-1) under this Agreement (collectively, the “**Contract Change Management Process**”). Contractor is not authorized to undertake any work to implement a Change until the request for the Change and all relevant details have been mutually agreed upon, documented and authorized in a duly executed Change Order issued by DTMB Procurement (a “**Change Order**”).

### **2.025 Notices**

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Any notice given to a party under the Agreement 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:**

See Buyer identified on cover page of Agreement.

**Contractor:**

See Contractor’s Primary Contact identified on cover page of Agreement.

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

### **2.026 Binding Commitments**

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

### **2.027 Relationship of the Parties**

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



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**2.028 Approval**

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

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**2.029 Assignments**

Neither party may assign the Agreement, or assign or delegate any of its duties or obligations under the Agreement, 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 Agreement to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Agreement to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the Agreement. 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 Agreement 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 Agreement. 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 Agreement that all payments must be made to one entity continues.

Except as otherwise provided in this paragraph, if the Contractor intends to assign the Agreement or any of Contractor's rights or duties under the Agreement, 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. The requirements of this paragraph shall not apply with respect to managed services duties performed by Contractor's contractors pursuant to Section 2.402 of this Agreement unless such contractors are providing services exclusively for the State. Contractor shall provide notice to the State of any changes in contractors it uses to provide services to both the State and one or more other customers of Contractor, but State approval of such changes shall not be required.

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**2.030 GENERAL PROVISIONS****2.031 RESERVED**

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**2.032 Media Releases**

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and Agreement 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 Agreement are to be released without prior written approval of the State and then only to persons designated.

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**2.033 Contract Distribution**

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

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**2.034 Permits**

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

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**2.035 Website Incorporation**

The State is not bound by any content on the Contractor's website, even if the Contractor's Documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the



State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

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**2.036 Future Bidding Preclusion**

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

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**2.037 Freedom of Information**

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All information in any proposal submitted to the State by Contractor and this Agreement 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").

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**2.038 Disaster Recovery**

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Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, Contractor will provide the State with the Disaster Recovery services specified in this Agreement.

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**2.040 FINANCIAL PROVISIONS**

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**2.041 Fixed Prices for Services/Deliverables**

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

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**2.042 Adjustments for Reductions in Scope of Services/Deliverables**

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If the scope of the Services/Deliverables under any Statement of Work issued under this Agreement is subsequently reduced by the State, the parties shall negotiate, in accordance with the Change Order process specified in Section 2.024, an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

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**2.043 Services/Deliverables Covered**

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Except as otherwise agreed through the Change Order process specified in 2.024, the State shall not be obligated to pay any amounts in addition to the charges specified in this Agreement for all Services/Deliverables to be provided by Contractor and its Subcontractors, if any, under this Agreement.

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**2.044 Invoicing and Payment – In General**

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- (a) Each Statement of Work issued under this Agreement shall list (or indicate by reference to the appropriate Agreement Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.
- (b) Each Contractor invoice shall show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis shall show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's



invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with Article 1.

- (c) Correct invoices shall be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.
- (d) All invoices should reflect actual work done. Specific details of invoices and payments shall be agreed upon between the Contract Administrator and the Contractor after the proposed Agreement has been signed and accepted by both the Contractor and the Director of Procurement, Department of Management & Budget. This activity shall occur only upon the specific written direction from DTMB-Procurement.

The specific payment schedule for any Statement(s) of Work entered into, as the State and the Contractor(s) shall mutually agree upon, shall be as set forth in the Statement(s) of Work. The schedule should show payment amount and should reflect actual work done by the payment dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.

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 Agreement Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

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#### **2.045 Pro-ration**

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

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#### **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 Agreement.

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#### **2.047 Final Payment**

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

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#### **2.048 Electronic Payment Requirement**

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

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#### **2.049 Additional Financial Provisions**

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##### **2.049 (A) WITHHOLD REMEDY**

In addition and cumulative to all other remedies in law, at equity and under this Agreement, if Contractor is in material default of its performance or other obligations under this Agreement or any Statement of Work and fails to cure the default within thirty (30) days after receipt of the State's written notice of default, the State may,



without waiving any other rights under this Agreement, elect to withhold from the payments due to Contractor under this Agreement with respect to the Services and/or Deliverables giving rise to the alleged material default during the period beginning with the thirty-first (31st) day after Contractor's receipt of such notice of default, and ending on the date that the default has been cured to the reasonable satisfaction of the State, an amount that, in the State's reasonable judgment, is in proportion to the magnitude of the default or the Service that Contractor is not providing. Upon Contractor's cure of the default, the State will cause the withheld payments to be paid to Contractor, without interest. Upon a final and binding legal determination that the State has withheld any payment in bad faith, such payment shall promptly be paid to Contractor, plus interest at the maximum legal rate.

#### **2.049 (B) RIGHT OF SET-OFF**

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Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount then due and owing to it by Contractor against any amount payable by the State to Contractor under this Agreement or otherwise, including without limitation, any amounts owing to the State as service level credits.

#### **2.049 (C) SUPPORT NOT TO BE WITHHELD OR DELAYED**

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Contractor shall not withhold or delay any Services or Deliverables or fail to perform any other obligations hereunder by reason of: (a) the State's good faith withholding of any payment or amount in accordance with this Section 2.049; or (b) any dispute whatsoever between the parties that is raised by a party for resolution pursuant to Section 2.190, including any payment or other dispute arising under or concerning this Agreement or any other agreement between the parties.

#### **2.050 TAXES**

##### **2.051 Employment Taxes**

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

##### **2.052 Sales and Use Taxes**

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

#### **2.060 CONTRACT MANAGEMENT**

##### **2.061 Contractor Personnel Qualifications**

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All persons assigned by Contractor to the performance of Services under this Agreement must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or if exclusively assigned to the State, 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 exclusively for Contractor's performance of Services for the State. For the purposes of this Agreement, 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 Agreement only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.



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**2.062 Contractor Key Personnel**

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- (a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.
- (b) Key Personnel must be dedicated to the project as defined in the Statement of Work.
- (c) The State shall have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor shall notify the State of the proposed assignment, shall introduce the individual to the appropriate State representatives, and shall provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State shall provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (d) Contractor must not remove any Key Personnel from their assigned roles on the Agreement 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, The Contractor must review with the State any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Agreement, in respect of which the State may elect to exercise its termination and cancellation rights.
- (e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated primarily to this Project, to other projects.

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

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

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**2.064 Contractor Personnel Location**

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The Contractor shall work on-site as indicated in the Statement of Work, Article 1. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

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**2.065 Contractor Identification**

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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.

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**2.066 Cooperation with Third Parties**

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Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance and Project Management Office personnel. As reasonably requested by the State in writing, the Contractor shall provide to the State's agents and other contractors reasonable access to Contractor's Project personnel systems and facilities to the extent (i) the access relates to activities specifically associated with this Agreement; (ii) the State and its agents and



other contractors agree to comply with Contractor's policies and procedures; and (iii) such access shall not interfere with or jeopardize the safety, security, or operation of the systems or facilities or the security of the data of Contractor's customers other than the State. The State acknowledges that Contractor's time schedule for the Agreement is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Agreement with the requests for access.

## **2.067 Contract Management Responsibilities**

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

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

## **2.068 Contractor Return of State Equipment/Resources**

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The Contractor shall return to the State any State-furnished equipment, facilities and other resources when no longer required for the Agreement 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**

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

### **2.072 State Consent to delegation**

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The terms of this Section 2.072 are subject to Section 2.402. Contractor shall not delegate any duties under this Agreement exclusively being provided to the State to a Subcontractor unless the Department of Technology, Management and Budget, Procurement has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State shall agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work shall not be counted for a time agreed upon by the parties.

### **2.073 Subcontractor bound to Agreement**

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In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor



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

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#### **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 2.060, 2.110, 2.120, 2.130, and 2.200** in all of its agreements with any Subcontractors exclusively applicable to the performance of the Services to the State.

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#### **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 Agreement.

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#### **2.080 STATE RESPONSIBILITIES**

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##### **2.081 Equipment**

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

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##### **2.082 Facilities**

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

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#### **2.090 STATE DATA, PRIVACY AND CONFIDENTIALITY**

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##### **2.091 State Data**

- (a) Ownership. The State's data ("**State Data**," which shall also be known and treated by Contractor as Confidential Information) shall include: (a) the State's data collected, used, processed, stored, or generated as the result of the Services; (b) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Services, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements listed herein; and (c) protected health information ("**PHI**") as that term is defined under the Privacy Rule, 45 CFR §160.103. State Data is and shall remain the sole and exclusive property of the



State and all right, title, and interest in the same is reserved by the State. This Section shall survive the termination of this Agreement.

- (b) Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Services. Contractor shall: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Agreement and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Services, such use and disclosure being in accordance with this Agreement, any applicable Statement of Work, and applicable law; and, (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This Section shall survive the termination of this Agreement.
- (c) Extraction of State Data. Contractor shall, within one (1) business day of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of the State Data in the format specified by the State via the Contractor's ongoing replication of the State's data to MIDB.
- (d) Backup and Recovery of State Data. Unless otherwise described in the Statement of Work, as a part of the Services, Contractor is responsible for maintaining a backup of State Data and for an orderly and timely recovery of such data in the event that the Services may be interrupted.
- (e) Loss of Data. In the event of any negligent act, error or omission, misconduct, or breach of contract on the part of Contractor or its subcontractors that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor shall, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII and PHI, at the State's sole election, (i) notify the affected individuals who comprise the PII and PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or, (ii) reimburse the State for reasonable costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting the Contractor's obligations of indemnification as further described in this Agreement, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (g) use commercially reasonable efforts to recreate lost State Data in the manner and on the schedule reasonably set by the State without cost to the State, provided any files, data, programs or other information that may be necessary to accomplish such reconstruction, but which are not in Contractor's possession or control, are promptly furnished to Contractor by the State upon request; and, (h) provide to the State a detailed plan within ten (10) calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, shall comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information



regarding the credit and identity monitoring services to be provided by Contractor. This Section shall survive the termination of this Agreement. If Contractor is unable to satisfy its obligations under this Section 2.091 (e) causing Contractor to miss its Recovery Point Objective, as further described in the Statement of Work Section 18.0 R, Contractor's liability to the State will nevertheless be limited to its obligations specified in this Section 2.091(e).

## **2.092 Non-Disclosure of Confidential Information**

The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged, or not intended to be disclosed to third parties. The provisions of this Section shall survive the expiration or termination of this Agreement.

- (a) Meaning of Confidential Information. For the purposes of this Agreement, the term "Confidential Information" shall mean all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; or, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that is or was: (a) subject to disclosure under the Michigan Freedom Of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (b) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (c) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (d) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Agreement, in all cases and for all matters, State Data shall be deemed to be Confidential Information.
- (b) Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Agreement or to use such Confidential Information for any purposes whatsoever other than the performance of this Agreement. The parties agree to advise and require their respective employees, agents, and Subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a Subcontractor is permissible where: (a) use of a Subcontractor is authorized under this Agreement; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's responsibilities; 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 or any Subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.
- (c) Cooperation to Prevent Disclosure of Confidential Information. Each party shall use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party shall advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Agreement and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
- (d) Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Agreement or any Statement of Work corresponding to the breach or threatened breach.



- (e) Surrender of Confidential Information upon Termination. Upon termination of this Agreement or a Statement of Work, in whole or in part, each party shall, within five (5) calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor shall return State Data to the State following the timeframe and procedure described further in this Agreement. Should Contractor or the State determine that the return of any non-State Data Confidential Information is not feasible, such party shall destroy the non-State Data Confidential Information and shall certify the same in writing within five (5) calendar days from the date of termination to the other party.

### **2.093 Data Privacy and Information Security**

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- (a) Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described herein, Contractor shall be responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and, (e) ensure that all employees, agents, and subcontractors of Contractor, if any, comply with all of the foregoing. In no case shall the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and shall at all times comply with all applicable State IT policies and standards in effect upon the effective date of this Agreement. In the event of changes in the applicable State IT policies and standards giving rise to an increase in Contractor costs, such increase shall be addressed through the Contract Change Management Procedures of Section 2.024.
- (b) Audit by Contractor. No less than annually, Contractor shall conduct a comprehensive independent third-party audit of its data privacy and information security program and provide such audit findings to the State.
- (c) Right of Audit by the State. The State's audit rights specified in this Subsection (c) are limited in frequency to once yearly except where a follow-up audit is necessary concerning a deficiency revealed through a previous yearly audit. Without limiting any other audit rights of the State, the State shall have the right to review Contractor's data privacy and information security program prior to the commencement of Services and during the term of this Agreement. During the providing of the Services, on an ongoing basis and without notice, the State, at its own expense, shall be entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, upon request by the State, Contractor agrees to complete, within forty-five (45) days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.
- (d) Audit Findings. Contractor shall implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.
- (e) The State's Right to Terminate for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Agreement or a Statement of Work without limitation and without liability if the State reasonably determines that Contractor fails or has failed to meet its obligations under this Section.

### **2.094 Background Checks**

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



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**2.095 PCI DATA Security Standard**

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(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.

**2.096 HIPAA COMPLIANCE.**

The State and Contractor shall comply with all obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and its accompanying regulations, including but not limited to entering into a business associate agreement, if reasonably necessary to keep the State and Contractor in compliance with HIPAA.

**2.100 RESERVED****2.110 RECORDS AND INSPECTIONS****2.111 Inspection of Work Performed**

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

**2.112 Retention of Records**

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

(b) If an audit, litigation, or other action involving the Contractor's records is initiated before the end of the Audit Period, the Contractor must retain the records until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

**2.113 Examination of Records**

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(a) The State, upon 10 days notice to the Contractor, may examine and copy any of the Contractor's records that relate to this Agreement, with the exception of records pertaining to Contractor's internal costs to provide Services/Deliverables, any time during the Audit Period. The State does not have the right to review any information deemed confidential by the Contractor if access would require the information to become publicly



available. This requirement also applies to the records of any parent, affiliate, or subsidiary organization of the Contractor, or any Subcontractor that performs services in connection with this Agreement

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

(c) Where applicable for the purpose of Section 2.113 the State's external auditor shall provide Contractor with the State's written authorization to act as its external auditor and will then be deemed to be the State's representative. No proposed auditor will be a direct competitor of Contractor. Any external auditor retained by the State in connection with such audits will execute a non-disclosure agreement reasonably acceptable to Contractor. All audit reports contemplated by this Section 2.113 and their content will be deemed Contractor Confidential Information and will be subject to the confidentiality provisions contained in the Agreement.

(d) Access to the Contractor's data centers by the State, or the State's external auditor, requires advance notice and must be in accordance with all terms of this Agreement as well as compliance with Contractor's then-current security and confidentiality policies and procedures provided to the State or the State's external auditor, which includes but is not limited to being accompanied by Contractor at all times.

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#### **2.114 Audit Resolution**

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

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#### **2.115 Errors**

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

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

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#### **2.120 WARRANTIES**

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##### **2.121 Warranties and Representations**

The Contractor represents and warrants:

- (a) Contractor has the full right, power and authority to enter into this Agreement, to grant the rights and licenses granted hereunder and to perform its obligations hereunder.
- (b) Contractor is qualified and registered to transact business in all locations where required.
- (c) All written information furnished to the State by or for the Contractor in connection with this Agreement, including its bid, is to the best of Contractor's knowledge and belief true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.



- (d) Contractor will perform all Services in a professional and workmanlike manner in accordance with commercially reasonable industry standards and practices for similar services, using personnel with the requisite skill, experience and qualifications, and shall devote adequate resources to meet its obligations under this Agreement.
- (e) When delivered and installed by Contractor, no software Deliverable will contain any Surreptitious Code (the "No Surreptitious Code Warranty"). For purposes of this Section, "Surreptitious Code" means any: (a) virus, trojan horse, worm, backdoor or other software or hardware devices the effect of which is to permit unauthorized access to, or to disable, erase, or otherwise harm, any computer, systems or software; or (b) time bomb, drop dead device, or other software or hardware device designed to disable a computer program automatically with the passage of time or under the positive control of any person, or otherwise deprive the State of its lawful right to use such software.
- (f) As delivered, installed, specified or approved by Contractor and used by the State, in accordance with this Agreement, the Services and Deliverables will not infringe upon any U.S. patent, trademark, copyright, trade secret or other intellectual property, or proprietary right of any third party, and there is currently no actual or threatened suit against Contractor by any third party based on alleged violation of such right.
- (g) Except as agreed to in writing pursuant to Attachment 3, Sections 3.3A and 3.3B, the ERP Solution will conform in all material respects to the specifications, functions, descriptions, standards, and requirements set forth in the Statement of Work upon Final Acceptance by the State. Such warranty shall extend for ninety (90) days from the date of Final Acceptance. Contractor shall correct any failure of the ERP Solution to operate in accordance with the performance warranty set forth above at no additional cost to the State.
- (h) During the term of this Agreement, the use of any third-party software licensed by the State through Contractor ("Licensed Third Party Software"), as incorporated in or otherwise used in conjunction with the ERP Solution (if hosted at the primary or disaster recovery site), will not violate any corresponding third-party software license agreement or end user license agreement, and provided that the State complies with all relevant directives received from Contractor (as long as such directive is consistent with Attachment 5 of the Agreement), it shall be Contractor's sole responsibility to ensure the State's compliance with such agreements. Further, during the term of this Agreement, and again provided that the State complies with all relevant directives received from Contractor (as long as such directive is consistent with Attachment 5 of the Agreement), Contractor hereby represents and warrants that it will be solely liable to pay for any additional license or maintenance fees associated with the State's non-compliance with any Licensed Third Party Software license agreement or end user license agreement.
- (i) Contractor shall obtain, at its own expense (if any) a waiver of any audit rights applicable to the State during the term of this Agreement that are contained in any third-party software license agreement or end user license agreement for Licensed Third Party Software. Any audit rights during the term of this Agreement will apply solely to Contractor's (or its subcontractors) facilities and systems that host the ERP Solution (including any disaster recovery site), and regardless of anything to the contrary contained in any Licensed Third Party Software license agreement or end user license agreement, third-party software providers will have no audit rights whatsoever against State systems or networks during the term of this Agreement.
- (j) Contractor acknowledges that the State maintains that it cannot indemnify any third parties, including but not limited to any Licensed Third Party Software provider. Notwithstanding anything to the contrary contained in any Licensed Third Party Software license agreement or end user license agreement, the State will not indemnify any Licensed Third Party Software provider for any reason whatsoever during the term of this Agreement, and Contractor will assume any State indemnification obligations under any Licensed Third Party Software license agreement or end user license agreement. Following termination or expiration of this Agreement, the State will be solely responsible for obtaining a waiver of all indemnification obligations contained in any Licensed Third Party Software license agreement or end user license agreement.



(k) During the term of this Agreement, the use of any third-party software licensed by Contractor for use in the Hosting Environment, including but not limited to Oracle server licenses (collectively, "Contractor Licensed Third Party Software"), as incorporated in or otherwise used in conjunction with the ERP Solution (if hosted at the primary or disaster recovery site), will not violate any corresponding third-party software license agreement or end user license agreement, and will be adequate to provide for the required processing capacity set forth in Attachment 5 of the Managed Services Agreement. It shall be Contractor's sole responsibility to ensure compliance with such agreements, without any further cost to the State. Further, during the term of this Agreement, Contractor hereby represents and warrants that it will be solely liable to pay for any additional license or maintenance fees associated with Contractor's non-compliance with any Contractor Licensed Third Party Software license agreement or end user license agreement.

**2.122 RESERVED**

**2.123 RESERVED**

**2.124 RESERVED**

**2.125 RESERVED**

**2.126 RESERVED**

**2.127 RESERVED**

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**2.128 Consequences for Breach**

In addition to any remedies available in law and subject to the notice and right to cure provisions specified in Section 2.151, if the Contractor breaches any of the warranties contained in this section, the breach shall be considered as a default in the performance of a material obligation of this Agreement, and the State may pursue any applicable remedy under the Agreement, including but not limited to, terminating the Agreement for cause pursuant to Section 2.152. The foregoing warranties do not apply where the alleged breach is the result of adherence to written specifications of the State, unauthorized use of a service or deliverable provided by Contractor in a manner for which it was not intended; unauthorized modification of such item by someone other than the Contractor or its Subcontractors working at its directions; unauthorized combination of the item with items not supplied by Contractor; or the State's failure to use an updated or corrected version of the item that would not have given rise to the alleged breach.

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**2.129 DISCLAIMER OF IMPLIED WARRANTIES**

THE FOREGOING WARRANTIES AND OTHER EXPRESS WARRANTIES CONTAINED WITHIN THIS AGREEMENT ARE IN LIEU OF, AND THE PARTIES EXPRESSLY DISCLAIM, ALL OTHER WARRANTIES EXPRESS OR IMPLIED INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

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**2.130 INSURANCE**

**2.131 Liability Insurance**

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

(a) The Contractor must provide proof that it has obtained the minimum levels of insurance coverage indicated or required by law, whichever is greater. The insurance must protect the State from claims that may arise out of, or result from, or are alleged to arise out of, or result from, the Contractor's or a Subcontractor's



performance, including any person directly or indirectly employed by the Contractor or a Subcontractor, or any person for whose acts the Contractor or a Subcontractor may be liable.

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

**(i) Commercial General Liability**

Minimal Limits:

- \$2,000,000 General Aggregate Limit other than Products/Completed Operations;
- \$2,000,000 Products/Completed Operations Aggregate Limit;
- \$1,000,000 Personal & Advertising Injury Limit; and
- \$1,000,000 Each Occurrence Limit.

Deductible maximum:

\$50,000 Each Occurrence

Additional Requirements:

Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 04; and (2) include a waiver of subrogation..

**(ii) Umbrella or Excess Liability**

Minimal Limits:

\$10,000,000.00 General Aggregate



Additional Requirements:

Umbrella or Excess Liability limits must at least apply to the insurance required in (i), General Commercial Liability. Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds.

**(iii) Motor Vehicle**

Minimal Limits:

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

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

Minimal Limits:

\$1,000,000 Per Incident

Additional Requirements:

Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) include a waiver of subrogation.

**(v) Workers' Compensation**

Minimal Limits:

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

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

Additional Requirements:

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

**(vi) Employers Liability**

Minimal Limits:

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

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

Minimal Limits:

\$5,000,000 Employee Theft Per Loss

Deductible Maximum:

\$1,000,000 Per Loss

Additional Requirements:

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



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

Minimal Limits:

\$10,000,000 Each Occurrence

\$10,000,000 Annual Aggregate

**(ix) Cyber Liability**

Minimal Limits:

\$10,000,000 Each Claim

\$10,000,000 Annual Aggregate

Additional Requirements:

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

**(x) Property Insurance**

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

## **2.132 Subcontractor Insurance Coverage**

Except where the State has approved a subcontract with other insurance provisions, the Contractor must require any Subcontractor to purchase and maintain the insurance coverage required in Section 2.131, Liability Insurance. Alternatively, the Contractor may include a Subcontractor under the Contractor's insurance on the coverage required in that Section. The failure of a Subcontractor to comply with insurance requirements does not limit the Contractor's liability or responsibility.

## **2.133 Certificates of Insurance**

Before the Agreement is signed, and not more than 20 days after the insurance expiration date every year thereafter, the Contractor must provide evidence that the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents are listed as additional insureds as required. The Contractor must provide DTMB-Procurement with all applicable certificates of insurance verifying insurance coverage or providing, if approved, satisfactory evidence of self-insurance as required in Section 2.131, Liability Insurance. Each certificate must be on the standard "Accord" form or equivalent and **MUST IDENTIFY THE APPLICABLE CONTRACT OR PURCHASE ORDER NUMBER**

## **2.140 INDEMNIFICATION**

### **2.141 General Indemnification**

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following: Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State.



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**2.142 Code Indemnification**

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

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**2.143 Employee Indemnification**

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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 Agreement 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.

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**2.144 Patent/Copyright Infringement Indemnification**

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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 Deliverable created by Contractor or its subcontractors, or any service supplied by the Contractor or its subcontractors, or the operation of the foregoing, or the use or reproduction of any Documentation provided by the Contractor 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 infringing item, or its operation, become or in the 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 infringing item or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with an item 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 the difference between the amount credited and any additional reasonable costs incurred as a consequence of the State's 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) an infringing item developed based on written specifications of the State; (ii) use of the infringing item in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the infringing item by the State; or (iii) the State's failure to use any new or corrected versions of the infringing item made available by Contractor, provided that such versions possess all relevant functionality, or (iv) the combination, operation, or use of the infringing item with equipment or software not supplied by the Contractor under this Agreement.

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**2.145 Continuation of Indemnification Obligations**

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

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**2.146 Indemnification Procedures**

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

- (a) After the State receives notice of the action or proceeding involving a claim for which it shall seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice using procedures set forth in Section 2.025 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 Agreement; (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.
- (d) Contractor’s infringement indemnifications set forth in this Section 2.140 are Contractor’s sole and exclusive obligations concerning, and State’s sole and exclusive remedy for, any breach of the infringement warranty in Section 2.121(f) and any infringement claim asserted under this Section 2.144.

## **2.150           TERMINATION/CANCELLATION**

### **2.151           Notice and Right to Cure**

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If the Contractor materially breaches the Agreement, and the State reasonably determines that the breach is curable, then the State shall provide the Contractor with written notice of the breach and a time period (not more than 30 days) to cure the Breach, or if the Breach is not reasonably curable within 30 days Contractor shall be permitted to devise and make progress against an plan of cure approved by the State in its reasonable discretion. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches of the same nature or if the State reasonably determines 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**

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- (a) The State may terminate this Agreement, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Agreement 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 or to develop and make progress against an approved plan of cure.
- (b) If this Agreement is terminated for cause, subject to the limitations of liability set forth in Section 2.220, and provided the State has used reasonable efforts to mitigate its damages, the Contractor must pay all



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

- (c) If the State chooses to fully or partially terminate this Agreement for cause, charges payable under this Agreement shall be equitably adjusted to reflect those Services/Deliverables that are terminated, and the State must pay for all Services/Deliverables for which Final Acceptance has been granted, for Deliverables which the State retains, and for Work in Process that is not the subject breach. Services and related provisions of this Agreement that are terminated for cause must cease on the effective date of the termination.
- (d) If the State terminates this Agreement 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 Agreement for a termination for convenience.

### **2.153 Termination for Convenience**

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The State may terminate this Agreement 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 Agreement, (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 Agreement 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 Agreement in part, the charges payable under this Agreement must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Agreement that are terminated for convenience must cease on the effective date of the termination. In the event of a full or partial termination for convenience, the State shall compensate Contractor for its other reasonable costs resulting from the termination, including but not limited to amortization of labor and non-labor costs under this Agreement, provided that such termination costs in the aggregate shall not exceed \$1 million.

### **2.154 Termination for Non-Appropriation**

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- (a) Contractor acknowledges that, if this Agreement extends for several fiscal years, continuation of this Agreement is subject to appropriation or availability of funds for this Agreement. If funds to enable the State to effect continued payment under this Agreement are not appropriated or otherwise made available, the State must terminate this Agreement 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 Agreement is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Agreement shall be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.
- (c) If the State terminates this Agreement, 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. In the event of a full or partial termination under this Section 2.154, to the extent funds are available, the State shall compensate Contractor for its other



reasonable costs resulting from the termination, including but not limited to amortization of labor and non-labor costs under this Agreement, provided that such termination costs in the aggregate shall not exceed \$1 million. This Section shall not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

### **2.155 Termination for Criminal Conviction**

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The State may terminate this Agreement 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**

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The State may terminate this Agreement if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State shall pay the Contractor for only the work completed to that point under the Agreement. 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**

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- (a) If the State terminates this Agreement for any reason, the Contractor must, subject to any of its transition responsibilities under Section 2.170: (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Agreement 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) upon payment transfer license , and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Agreement and which are resulting from the Agreement (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Agreement.
- (b) Except as otherwise provided in this Subsection (b) if this Agreement is terminated before its expiration by the State for its own convenience or by the Contractor pursuant to Section 2.161, (i) 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 Agreement, for Work In Process, on a percentage of completion basis at the level of completion reasonably determined by the State; (ii) subject to payment in full by the State of applicable Services fees, the State will continue to have use of the Deliverables after the applicable termination; and (iii) 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, or except as otherwise provided in this section, costs or expenses incurred with respect to Services not actually performed for the State.
- (c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Agreement, and may further pursue completion of the Services/Deliverables under this Agreement by replacement contract or otherwise as the State may in its sole judgment deem expedient.

### **2.158 Reservation of Rights**

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Any termination of this Agreement 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**

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If the State breaches the Agreement and 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 Contractor may terminate this Agreement if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Agreement, (ii) breaches its other obligations under this Agreement 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.

Notwithstanding the foregoing, Contractor is obligated to provide Termination Assistance Services pursuant to Sections 25-28 of Attachment 2 of the Agreement.

## **2.170           TRANSITION RESPONSIBILITIES**

### **2.171           Contractor Transition Responsibilities**

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If the State terminates this Agreement, for convenience or cause, or if the Agreement is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor shall comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Agreement expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time not to exceed six (6) months. Contractor shall be compensated for the transition services at Contractor's applicable rates specified in the applicable Statement of Work.

### **2.172           Contractor Personnel Transition**

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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 Agreement. 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**

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The Contractor shall provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Agreement. The Contractor will provide the State with asset management data per the applicable Statement of Work. 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. At the end of the transition services period, the State will return to Contractor any Contractor Confidential Information or Contractor Materials in the State's possession or control and cease all access to the Contractor System.

### **2.174           Contractor Software Transition**

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The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Agreement. This must include any Documentation being used by the Contractor to perform the Services under this Agreement. If the State transfers any software licenses to the Contractor, those licenses must, upon expiration of the Agreement, 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.



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## **2.175 Transition Payments**

If the transition results from a termination for any reason, the termination provisions of this Agreement 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 Agreement expiration that result from transition operations) at the rates agreed upon by the State. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

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## **2.176 State Transition Responsibilities**

In the event that this Agreement 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.

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## **2.180 STOP WORK**

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### **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 Agreement for a period of up to 90 calendar days after the Stop Work Order is delivered to Contractor, and for any further period to which the parties may agree. The Stop Work Order must be identified as a Stop Work Order and must indicate that it is issued under this **Section**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order as provided in ; or (b) terminate the work covered by the Stop Work Order as provided in **Section 2.183**.

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### **2.182 Cancellation or Expiration of Stop Work Order**

The Contractor shall resume work if the State cancels a Stop Work Order or if it expires. The parties shall agree upon an equitable adjustment in the delivery schedule, the Agreement price, or both, and the Agreement shall be modified, in writing, accordingly, if: (a) the Stop Work Order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Agreement; 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 Agreement. Any adjustment will conform to the requirements of **Section 2.024**. Contractor may reassign Key Personnel during a Stop Work Order of more than 10 business days in duration after providing reasonable advance notice of its intention to reassign. Such reassignments of Key Personnel will not be considered unauthorized removals under Section 2.243 regardless of whether such personnel resume work under this Agreement after the Stop Work order is lifted.

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### **2.183 Allowance of Contractor Costs**

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

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## **2.190 DISPUTE RESOLUTION**

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### **2.191 In General**

All disputes regarding the submission and handling of requests for Changes shall be resolved under the Contract Change Management Process set forth in Exhibit 2-1. Any other claim, counterclaim, or dispute between the State and Contractor arising out of or relating to this Agreement or any Statement of Work must be resolved via the dispute resolution procedure set forth in the applicable Statement of Work.



## 2.192 Informal Dispute Resolution

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

## 2.193 Injunctive Relief

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

## 2.194 Continued Performance

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Each party agrees to continue performing its obligations under the Agreement 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 Agreement as provided in **Sections 2.150 and 2.160**, as the case may be.

## 2.200 FEDERAL AND STATE CONTRACT REQUIREMENTS

### 2.201 Nondiscrimination

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In the performance of the Agreement, 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 Agreement or any purchase order resulting from this Agreement 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 Agreement.



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**2.202 Unfair Labor Practices**

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

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**2.203 Workplace Safety and Discriminatory Harassment**

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

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**2.210 GOVERNING LAW**

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**2.211 Governing Law**

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

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**2.212 Compliance with Laws**

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

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**2.213 Jurisdiction**

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

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**2.220 LIMITATION OF LIABILITY**

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**2.221 Limitation of Liability**

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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 Contractor's indemnification obligation under Section 2.091(e) concerning State Data; Contractor's indemnification obligation under Section 2.144 with regard to claims for infringement of United States patent, copyright, trademark or trade secrets; to Contractor's indemnification obligations under Section 2.141 with respect to claims for personal injury or damage to tangible property caused by the gross negligence or willful misconduct of the Contractor; ; or to court costs or attorneys' fees awarded by a court in addition to damages after litigation based on this Agreement.

The Contractor's liability for damages to the State is limited to the greater of \$9,000,000.00 or two times fees paid by the State to Contractor pursuant to this Agreement during the twelve (12) month period preceding the event giving rise to the claim. The foregoing limitation of liability does not apply to Contractor's indemnification obligations under Section 2.144 with regard to claims for infringement of United States patent, copyright, trademarks or trade secrets; Contractor's indemnification obligations under Section 2.141 with respect to claims for personal injury or damage to tangible property caused by the gross negligence or willful misconduct of the Contractor; or to court costs or attorneys' fees awarded by a court in addition to damages after litigation based on this Agreement.



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

This Section shall survive the expiration or termination of this Agreement.

## **2.230 DISCLOSURE RESPONSIBILITIES**

### **2.231 Disclosure of Litigation**

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

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

- (a) the ability of Contractor (or a Subcontractor) to continue to perform this Agreement 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 Agreement or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
  - (1) Contractor and its Subcontractors will be able to continue to perform this Agreement and any Statements of Work according to its terms and conditions, and
  - (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.
- (c) Contractor shall make the following notifications in writing:
  - (1) Within 30 days of Contractor becoming aware that a change in its controlling ownership has occurred, or is certain to occur, Contractor must notify DTMB-Procurement.

### **2.232 Call Center Disclosure**

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

### **2.233 Bankruptcy**

The State may, without prejudice to any other right or remedy, terminate this Agreement, 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 Agreement.



To the extent reasonably possible, materials and Work in Process shall be stored separately from other stock.

## **2.240 PERFORMANCE**

### **2.241 Time of Performance**

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- (a) Contractor shall use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of **Section 2.241**, Contractor shall notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Agreement time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Agreement 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**

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### **2.243 Service Level Credits**

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It is agreed between Contractor and the State that the actual damages to the State as a result of Contractor's failure to provide the promised Services and/or Deliverables in the manner specified in Attachment 2, Exhibit A of this Agreement, would be difficult or impossible to determine with accuracy. The State and Contractor therefore agree that service level credits as set out in in this Agreement shall be a reasonable approximation of the damages that shall be suffered by the State as a result thereof. Accordingly, in the event of such damages, the State may assess service level credits as set forth herein. Service level credits will be assessed against the next payment due for Managed Services unless no other payments are due under the Agreement, in which case, Contractor will pay State in readily available funds. The State will notify Contractor in writing of any assessment of service level credits on or before the date the State assesses such credits. No delay by the State in assessing or collecting service level credits shall be construed as a waiver of such rights. Assessment of service level credits pursuant to this Section 2.243 shall be the State's sole and exclusive monetary remedy with respect to the failure or delay giving rise to the assessment. The State shall not be permitted to assess service level credits under this Section 2.243 where: (i) the parties have entered into dispute resolution proceedings under Section 1.105 of this Agreement regarding the facts and circumstances giving rise to the State's claim and where such dispute resolution proceedings are still pending; or (ii) where the applicable failure of Contractor results entirely or in part from the action or inaction of the State, its personnel, its other contractors, or other conditions or events set forth in Section 2.244 below. The aggregate amount of all service level credits will not exceed ten percent (10%) of Managed Services fees paid annually and will apply against the limitation of liability in Section 2.221.

If more than one service level failure results from the same cause, only the highest available credit shall be imposed. For example, if a network outage results in a failure by Contractor to meet the Availability SLA, and the On Line Response Time SLA, only the highest credit shall be payable, but Contractor's failure to meet the Issue Response Time SLA following the outage, (which was not itself caused by the outage) would result in a second, separate credit.

### **Unauthorized Removal of any Key Personnel**

It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Agreement, 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, 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 \$50,000.00 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 \$50,000.00 liquidated damages for an Unauthorized Removal, Contractor must pay the amount of \$1,666.67 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 \$50,000.00 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 \$100,000.00 per individual.

#### **2.244 FORCE MAJEURE; Excused Performance**

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Neither party shall be liable for delays or any failure to perform the Services or this Agreement due to causes beyond its reasonable control. Such delays include, but are not limited to, fire, explosion, flood or other natural catastrophe, epidemics, or public health restrictions, governmental legislation, acts, orders, or regulation, strikes or labor difficulties, to the extent not occasioned by the fault or negligence of the delayed party. Any such excuse for delay shall last only as long as the event remains beyond the reasonable control of the delayed party. However, the delayed party shall use its best efforts to minimize the delays caused by any such event beyond its reasonable control. Where Contractor fails to use its best efforts to minimize such delays, the delays shall be included in the determination of compliance with any applicable Service Level Agreement. The delayed party must notify the other party promptly upon the occurrence of any such event, or performance by the delayed party will not be considered excused pursuant to this Section, and inform the other party of its plans to resume performance. A force majeure event does not excuse Contractor from providing Services and fulfilling its responsibilities relating to the requirements of backup and disaster recovery of State Data except in the event that both the primary site and the disaster recovery site are the subject of the same or simultaneous force majeure events. In no event shall any of the following constitute a force majeure event: (a) failure, inadequate performance, or unavailability of Contractor's subcontractors, if any; or, (b) configuration changes, other changes, viruses, or other errors or omissions introduced, or permitted to be introduced, by Contractor that result in an outage or inability for the State to access or use the Services.

#### **2.250 APPROVAL OF DELIVERABLES**

##### **2.251 Approval of Deliverables**

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All Deliverables require formal written approval by the State, in accordance with the procedures set forth in this Agreement and any applicable Statement of Work. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications, in accordance with the acceptance criteria found in Attachment 2, Exhibit C of this Agreement.

##### **2.252 RESERVED**

##### **2.253 RESERVED**

##### **2.254 Process for Approval of Written Deliverables**

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The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Written Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that shall be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) Business Days resubmit the Written 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. Additional reviews beyond a second review may occur only when the second review determines the required corrections were not addressed in the corrected deliverable and may require identification as an issue or risk.

#### Contractor Written Deliverable Format and Inclusion

All Contractor Written Deliverables shall be developed and formatted, such that the documents can be amended to the existing project documents without rework.

The Contractor will employ the following approach for the State's approval of project work products and Written Deliverables, such as plans, or other work items:

1. The Contractor will carefully specify and describe the Written Deliverables or product and address their purpose, content and due date.
2. The Contractor will prepare and submit Deliverables in draft format before the final due date, when appropriate.
3. The Contractor will subject Written Deliverables to an internal review before submitting them to the State. The internal review will verify that each Written Deliverable's format, content, and quality meet the Contractor's standards.
4. The Contractor may schedule and conduct a walkthrough of a draft version with the State and then incorporate comments and review results in the final Written Deliverable.
5. The Contractor will submit final Written Deliverables to the State for approval.
6. For defects or the State's rejection of a Written Deliverables, the Contractor will promptly identify the necessary corrective action, assign resources, and make the appropriate notifications and updates to make sure that the Written Deliverable is modified and approved quickly.

## **2.260 OWNERSHIP**

### **2.260.1 Pre-Existing Third Party Materials**

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Any pre-existing third-party materials not addressed by the Proprietary Software License Agreement, and derivatives thereof, incorporated in a Deliverable or necessary to use a Deliverable will be licensed to the State either pursuant to Section 2.261 or under separate license terms set forth in a license agreement i) executed between Contractor and the State, or ii) obtained by the State from the applicable third party vendor.

### **2.261 Ownership of Deliverables**

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Contractor is and will be the sole and exclusive owner of all right, title and interest in and to all Deliverables and other work products, including all Intellectual Property Rights therein. Deliverables that the parties agree will be included in a subsequent release of the CGI Advantage solution software shall be licensed to the State pursuant to the Proprietary Software License Agreement as provided in Section 2.260.1, Subject to payment in full by the State of all amounts owed to CGI under the applicable Statement of Work, CGI grants to the State an irrevocable, nonexclusive, royalty-free right and license to use, execute, reproduce, modify and create derivative works from all other Deliverables and work products for Client's governmental uses within the State of Michigan or, with Contractor's advance written approval, outside the State of Michigan.

### **2.262 Ownership of Hosting Environment**

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As between the State and Contractor, Contractor is, and will remain, the sole and exclusive owner of all right, title and interest in and to the Hosting/Managed Services Environment, including all Intellectual Property Rights therein.



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**2.263. Client Data and Materials**

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The State hereby grants to Contractor a nonexclusive, royalty-free license to use any State Data and materials provided by it to Contractor during the Term of this Agreement for the purpose of performing the Services for the State.

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**2.264 Reservation of Rights**

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Neither party will be prevented from using ideas, concepts, expressions, know-how, skills and experience possessed by it prior to, or developed or learned by it in the course of, performance under the Agreement.

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**2.270 STATE STANDARDS**

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**2.271 Existing Technology Standards**

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

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**2.272 Acceptable Use Policy**

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To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see [http://michigan.gov/cybersecurity/0,1607,7-217-34395\\_34476---,00.html](http://michigan.gov/cybersecurity/0,1607,7-217-34395_34476---,00.html). All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

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**2.273 Systems Changes**

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

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**2.274 Electronic Receipt Processing Standard**

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

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**2.280 EXTENDED PURCHASING PROGRAM**

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**2.281 Extended Purchasing Program**

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The Agreement may, by separate written agreement of the parties, be extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. Contractor's election to participate in MiDEAL is subject to good faith negotiation of pricing and terms and conditions on a deal-by-deal basis. A current list of MiDEAL members is available at [www.michigan.gov/mideal](http://www.michigan.gov/mideal). Upon mutual written agreement between the State of Michigan and the Contractor, this Agreement may be extended to other states (including governmental subdivisions and authorized entities).

The Contractor must submit invoices to, and receive payment from, extended purchasing program members on a direct and individual basis.

Additional information regarding the MiDEAL Extended Purchasing Program is set forth in Attachment 8 to this Agreement.

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**2.282 Cooperative Purchasing**

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Subject to good faith negotiation of pricing and terms and conditions on a deal-by-deal basis, this Agreement may be extended to additional states or governmental jurisdictions (excluding MiDEAL organizations) upon



mutual written agreement between the State of Michigan and the Contractor pursuant to this Section 2.282. Political subdivisions and other authorized entities (schools, libraries, colleges, universities, hospitals, etc.) within each participating state or governmental jurisdiction may also participate in this Agreement if the state allows participation by such entities.

## 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 Agreement. Information on any relevant third party certification (such as Green Seal, Energy Star, etc.) should also be provided.

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

- (a) The Contractor shall use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State shall provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State shall advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor shall immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.
- (b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State shall order a suspension of Work in writing. The State shall proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State shall terminate the affected Work for the State's convenience.
- (c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor shall resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has



either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in a time as mutually agreed by the parties.

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

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

**Environmental Performance:** The Contractor's programs shall comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).

## 2.300 RESERVED

## 2.400 MANAGED SERVICES-SPECIFIC TERMS AND CONDITIONS

### 2.401 General

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#### A. Definitions

The following definitions shall apply with respect to this Section 2.401 and as applicable to other provisions of this Agreement.

1. "Content" means any information, data, and any other materials placed by the State and/or its customers and/or by Contractor on the State's behalf onto the Contractor System.
2. "Contractor System" means, collectively, all of the components of the infrastructure and computing environment used by Contractor to perform the Managed Services, whether owned by Contractor or its suppliers, including the Managed Applications, Contractor or third party facilities, hardware, operating systems, networking equipment, software applications and associated Contractor's databases, tables, data and documentation and training materials. "Contractor System" excludes Managed Application(s) to the extent the Managed Application is a third party product provided to Contractor by the State.
3. "Managed Application(s)" means the proprietary software application(s) listed in the Agreement that will be hosted and operated for use in providing Services to the State.

#### B. State Use of Managed Services

The State shall use the Managed Services only for the State's internal business purposes.

### 2.402 Use of Third Party Suppliers

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The State acknowledges that Contractor may obtain products and services used in providing the Managed Services from, and otherwise delegate obligations hereunder to, its affiliates, subcontractors, or other third party suppliers. Contractor shall be responsible to the State for performance of the Managed Services based on the use of such affiliates, subcontractors, or third party suppliers.



## **2.403 Right to Make Changes to the Contractor System**

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Contractor may make any changes in the Contractor System used in performing the Managed Services that Contractor determines in its sole discretion to be necessary or appropriate, including changes within the Phoenix Data Center, computer hardware, systems and/or applications software, programming languages, data communications, and location of systems and service equipment. Contractor will provide prior written notice (or, in the event of an emergency, prompt notice after the occurrence of such emergency) if Contractor believes such changes have a reasonable likelihood of adversely affecting the State's use of the Contractor System. Contractor may not alter the Contractor System in performing the Managed Services in a manner that alters business functionality, the State's Data, documentation and training materials, or Contractor's other obligations to the State under the Agreement, unless authorized by the State.

## **2.404 State Responsibilities for Managed Services**

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### **A. State Responsibilities**

The State will be responsible for the performance of its responsibilities as set forth in the Statement of Work.

### **B. State Data and Information**

Whenever Contractor's performance of the Services is dependent upon the State furnishing Contractor with a Managed Application, the State interfaces, connectivity, data, documents, information, materials or approvals, the State shall furnish such items in a timely fashion in a reasonable format specified by Contractor, or such other format as mutually agreed by the parties in writing. The State is responsible for ensuring that all physical media that the State furnishes to Contractor for processing meets the specifications of the manufacturer of the equipment with which such media are to operate and any other specifications that Contractor may reasonably establish. The State is also responsible for the adequacy and accuracy of all data and information that the State furnishes to Contractor and the results obtained therefrom. The State warrants that any State-provided specifications or requirements around which Managed Services are configured will be in compliance with applicable federal, state and local laws and regulations. The State warrants that it has acquired all necessary licenses and consents from third party vendors for any State-provided items required for Contractor to perform Managed Services hereunder.

### **C. Access to and Use of Contractor System**

The State agrees that its use of the portion of the Contractor System to which access is given shall be (i) in compliance with the terms of the Agreement and federal, state and local laws and regulations and communications common carrier tariffs applicable to Contractor, (ii) solely for the State's own internal use in receiving the Managed Services, unless otherwise permitted under the Agreement, and (iii) for proper business purposes. The State will not disclose, download, decompile or re-engineer the Managed Applications provided by Contractor or its licensors and used in the performance of Managed Services. As part of Contractor's security measures, it may assign to the State one or more user or identification codes and associated passwords that will enable the State and its users to access the Contractor System. The State agrees to maintain the security of its user or identification codes and associated passwords and agrees to be responsible for their proper use by its employees and, where permitted, individuals acting as independent contractors. The State agrees to comply with any rules of operation and security procedures established by Contractor for access to and use of the Contractor System, provided that the State has prior notice of such procedures. The State agrees that neither it nor its employees or and permitted independent contractors will attempt to gain or allow access to any data, files or programs of Contractor to which they are not entitled under Agreement, and that if such access is obtained by the State, or its employees or permitted independent contractors, the State, upon discovery of such unauthorized access, will promptly report such access to Contractor, and to the extent within State's control, cease all unauthorized access, return all Contractor, third party, or Contractor customer information obtained as a result of such unauthorized access, and safeguard any Contractor, third party, or Contractor customer information obtained as a result of unauthorized access. The State will be responsible for the actions of its employees, agents, and permitted independent contractors in connection with their access to and use or misuse of the Contractor System.



#### **D. Content**

The State warrants that, to the best of its knowledge, (i) the Content does not and will not contain unlawful, discriminatory, libelous, harmful, obscene or otherwise objectionable material of any kind and does not and will not violate any right of privacy or publicity, (ii) the Content transmitted during the term of the Agreement and the use of the Contractor System pursuant to the Agreement will not violate any applicable local, state, national or international laws, codes, ordinances or regulations, and (iii) the State shall not attempt to gain unauthorized access to other computer systems, any application/service for which the State has not paid fees to use, or data and information belonging to others that are also hosted on the Contractor System. The State warrants that it will not propagate computer worms, disabling codes or viruses or use the Contractor System to make unauthorized entry into any other computer or machine.

#### **E. Compliance with Laws**

Except as expressly provided in this Agreement, the State shall be solely responsible for ensuring that its use of the Managed Services will comply with all laws, rules, and regulations and decisions imposed by any jurisdiction in which the Managed Services are received or used.

#### **2.405 Error in Processed Data**

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The State shall be solely responsible for reviewing the business and functional accuracy of any processing output provided by Contractor prior to making use of such output, including responsibility for output reports. If any such results are inaccurate due to the fault of Contractor, and Contractor is notified of such inaccuracy within at least ten (10) business days or while still reasonably able to reprocess the affected data, Contractor's sole obligation and the State's exclusive remedy shall be for Contractor to reprocess the affected data at no additional charge to the State. If any such results are inaccurate due to the fault of the State, the State shall provide corrected data and Contractor shall be paid by the State on a time and materials basis for more than nominal effort or outside the normal course to reprocess the corrected data. Contractor shall not be responsible or liable in any other manner for any such results (whether foreseen or unforeseen).



## Exhibit 2-1 Contract Change Management Process

### 1. INTRODUCTION

This Exhibit 2-1 sets out the Contract Change Management Process. Contractor is not authorized to undertake any work to implement a Change (defined below) until the request for the Change and all relevant details have been mutually agreed upon, documented and authorized in a Change Order.

### 2. DEFINITIONS

Some capitalized terms used in this Exhibit 2-1 are defined in place. The following capitalized terms, when used in this Exhibit 2-1, will have the meanings given them below unless otherwise specified or required by the context in which the term is used. Any capitalized term used but not defined in this Exhibit 2-1 will have the meaning given to it elsewhere in the Agreement.

Defined Term	Meaning
<b>“Adaptive Maintenance”</b>	Any Service the State requests Contractor to perform pursuant to a Service Request that addresses upgrades to the ERP solution due to technical changes for system components that keep the system maintainable as agreed in this Agreement, including but not limited to the following services: (i) upgrades to the operating system or DBMS software required to stay on supported releases compatible with the installed ERP release, (ii) hardware, database, or application conversions that do not modify user functionality and that are required to stay on supported releases compatible with the installed ERP release, (iii) one time loads or reformats of user data (due to upgrades), or (iv) to support successful deployment of the proposed disaster recovery plan.
<b>“Additional Service”</b>	A service the State requests Contractor to perform pursuant to a Service Request that is related to but not already included within the scope of Contractor’s Services under this Agreement (i.e., it is different from, and in addition to, the Services Contractor is responsible to provide under this Agreement.
<b>“Contract Change Request” (or “CCR”)</b>	A document or online form pursuant to which a request for a Change is made by a party.
<b>“Defect”</b>	For purposes of this Exhibit 2-1, the term Defect shall mean anything that causes a Deliverable to fail materially to operate properly in a development, test or production environment or materially to conform to and perform in accordance with its requirements and specifications, as referenced or set forth in this Agreement or developed pursuant to this Agreement.
<b>“Deficiency”</b>	A sub-category of Defects - specifically, an omitted function, feature or performance characteristic of a deliverable or an included characteristic that materially deviates from the requirements and specifications for the applicable deliverable.
<b>“HLD”</b>	A high-level (functional) design for a software release or module.



Defined Term	Meaning
“Mandatory Change”	A Change requested by the State that Contractor is required to carry out: (i) in order for the Services or the State to be and remain in compliance with applicable laws and regulations, or (ii) in order to avoid a significant adverse effect on the State or the intended users of ERP Solution.
“System Enhancement”	In relation to a release or module of the ERP solution that has already been deployed in production by the State, a Service Request to add or modify its functionality that requires changes to be made to its configurations, master data structures, and/or development objects, including the creation of new or deletion of existing configurations, structures, and/or objects.

**3. DISTINGUISHING CHANGES FROM SERVICES AND CONTRACT CHANGE REQUESTS FROM OTHER SERVICE REQUESTS**

**3.1 Services**

The performance of any functions, activities, tasks, obligations, roles and responsibilities comprising the Services as described in this Agreement shall be considered part of the Services and, thus, shall not be considered Changes. This includes performance of any Adaptive Maintenance, the completion and delivery of all Deliverables materially in accordance with their respective requirements and specifications as referenced or set forth in this Agreement, and the diagnosis and correction of Defects or Deficiencies discovered in Deliverables prior to their Final Acceptance by the State or, subsequent to their Final Acceptance by the State, as necessary for Contractor to fulfill its associated warranty and support responsibilities under this Agreement.

**3.2 Changes**

For purposes of this Agreement, a “Change” is any of the following: (i) an Additional Service the State requests Contractor to perform under this Agreement (e.g., design and development of a System Enhancement to the ERP solution, which contains functions and features not included in this Agreement’s requirements for the ERP solution, such as in response to new statutory or regulatory requirements); (ii) a change requested by the State in the previously established business functionality requirements and/or technical requirements applicable to Deliverables; or (iii) an adjustment in project schedule or Contractor compensation necessitated by action, inaction, or delay by the State or its other contractors that materially affects the Contractor's ability to perform.

**3.3 Service Requests Versus Contract Change Requests**

Whenever the State submits a formal request to Contractor, or otherwise directs Contractor, to take specific action under or in relation to the Agreement (whether or not the requested action qualifies as a Change), the State’s request will constitute a “Service Request.” Any State Service Request that the State does not itself identify as a Contract Change Request will presumptively be deemed to be a request for Contractor to carry out previously contracted Services under the Agreement (i.e., not a Change) unless all of the following conditions are satisfied, in which case the Service Request shall also constitute a Contract Change Request:

- (a) The activities requested fall within the definition of a "Change" as set out in Section 3.2 above;



- (b) Prior to carrying out the Service Request, Contractor informs the State in writing that Contractor considers the Service Request to constitute a Contract Change Request and provides a reasonable explanation of the basis on which Contractor has made its determination; and
- (c) The State Project Executives or their designee acknowledges or agrees in writing that the Service Request constitutes a Contract Change Request.

Any dispute between Contractor and the State as to whether a Service Request constitutes a Contract Change Request will be escalated and resolved via first escalating to the State's Project Director and if it cannot be resolved there to the State's Project Executives for resolution.

#### 4. SERVICE REQUEST SUBMISSION AND PROCESSING

##### 4.1 Service Request Submission

- (a) Service Requests may be submitted by the State in any agreed form. Service Requests will specify (i) the date submitted; (ii) the submitter's organization and contact information; (iii) a description of the requested actions; (iv) their objectives or purposes; (v) the requirements and specifications of any Deliverables to be delivered as a result; (vi) the requested prioritization and delivery schedule; and (vii) whether the State considers the request to be a Contract Change Request.
- (b) Contractor may, on its own initiative and at its own expense, prepare and submit a proposal for a proposed Contract Change Request to the State's Project Executives. However, except as otherwise provided in this Section 4.1(b), the State will be under no obligation to approve or otherwise respond to a Contract Change Request initiated by Contractor. Contractor may be entitled to a Change Order adjusting as applicable the project schedule or Contractor compensation, where the Change Order is necessitated by action, inaction, or delay by the State or its other contractors or by other events or conditions beyond Contractor's reasonable control that materially affect Contractor's ability to perform.

##### 4.2 Contractor Responses to Service Requests

- (a) Contractor will open a ticket for and acknowledge its receipt of each Service Request promptly after receiving it. If the Service Request is marked "**Urgent**," Contractor will acknowledge it the same business day if reasonably possible or, if not, within 24 hours after receiving it.
- (b) As soon as practicable thereafter and to the extent applicable, Contractor will prepare and deliver to the State a written response: (i) describing the actions Contractor proposes to take to fulfill the request, including a list of any Deliverables Contractor proposes to develop; (ii) the effect, if any, the proposed actions would have on other Project work streams or Deliverables; (iii) Contractor's proposed schedule for carrying out the requested actions; (iv) the effort needed; (v) additional risks created and (vi) any other information Contractor considers relevant to the Service Request, including an explanation of any reasons why Contractor recommends the State not proceed with the Service Request. If there is no specific and quantified mention of impact and/or risk on the rest of the Project, it will be deemed that there is none.
- (c) If Contractor considers the Service Request to constitute a Contract Change Request, Contractor's response will including the following additional information: (i) a statement that Contractor considers the Service Request to be a request for a Change and an explanation of the basis for Contractor's determination; (ii) a listing and description of the incremental resources Contractor estimates would be required to fulfill the request; and (iii) Contractor's proposed additional charges for carrying out the Change.
- (d) After the State receives Contractor's response, the parties will meet if necessary to discuss it and decide whether and how to proceed.



- (e) For the avoidance of doubt, if a Service Request is for Contractor to perform a previously contracted aspect of the Services or to carry out a Mandatory Change, Contractor does not have the right to refuse to carry it out if directed by the State to do so except as otherwise provided in Section 5.2.

#### **4.3 Determining Contractor's Permitted Charges for a Change**

- (a) Contractor's proposal in response to a Contract Change Request will:

- (i) Contain a brief description of any incremental new or additional functions that will be required of Contractor, together with a good faith projection of the resulting additional resources, impact on the schedule of all Deliverables, and associated additional charges, if any, that would be attributable to them; and
- (ii) If applicable, contain a brief description of any functions then being performed by Contractor in rendering the existing Services affected by the Change that would no longer need to be performed or which could be performed at a reduced volume level as a result of the Change, together with a good faith projection of the resulting resource reductions, impact on the schedule of all Deliverables, and associated reductions in Contractor's charges, if any.
- (iii) Contractor's price quote for a Change will be based upon netting the associated additional charges and reduced charges, if any. Contractor's proposed charges for the Change will be set forth in Contractor's proposal, showing separately the associated additional charges, charges reductions, and resulting net charges.

- (b) Contractor's proposed labor charges for Contractor personnel who will carry out a Change proposed to be performed on a time and material basis will not be higher than such charges would be using the rates specified in the Agreement.

#### **4.4 Additional Information for a Proposal**

- (a) If Contractor reasonably determines that it must obtain or develop additional information in order to prepare and submit a proposal in response to a Service Request, it may so advise the State. Alternatively, if the State reasonably determines that additional information about a proposal is required for it to make an informed decision regarding the proposal, the State may request Contractor to provide the additional information.
- (b) In either such case, the parties will meet promptly to discuss the additional information to be provided by Contractor (which will be at Contractor's expense), its effect on the submission timing of Contractor's proposal, and the completion date. The parties will work together to keep the burden of developing such additional information reasonable in relation to the scope of the proposal. If the parties do not reach agreement within three business days as to the additional information to be provided by Contractor, the dispute will be escalated and resolved via first escalating to the State Project Director and if it cannot be resolved there to the State's Project Executives for resolution.
- (c) Contractor will prepare and deliver such additional information (and, as applicable, an updated version of its proposal) as soon as reasonably possible under the circumstances.

#### **4.5 State Approval or Rejection of Contractor Proposals**

- (a) All proposals submitted by Contractor to the State will constitute offers by Contractor to provide the products and services described therein under the Agreement on the terms proposed. Unless otherwise mutually agreed by the parties in writing, proposals will remain open for acceptance by the State for up to 120 days from receipt, and the parties will meet as necessary during such period to discuss the proposal.



- (b) If the State requests that changes be made to Contractor's proposal, Contractor will prepare and submit a revised proposal to the State without undue delay. The parties will work together to keep the burden of Contractor developing a revised proposal reasonable in relation to the scope of the proposal. Promptly after Contractor's submission of a revised proposal, the parties will meet to discuss it if necessary.
- (c) The State's final approval of Contractor's proposal in response to a Contract Change Request will be in the form of a duly executed Change Order issued by DTMB Procurement.

#### **4.6 Service Request Status Tracking and Reporting**

- (a) Contractor will maintain up-to-date status information for all Service Requests to which the State Project Director or their designee will be given remote online access.
- (b) The status of Service Requests at any stage in the Change Management Process will be categorized based upon status categories mutually agreed to by the parties.
- (c) Contractor will provide as part of its monthly status reporting to the State a summary specifying the status of all pending Service Requests and the status of all Change Orders executed pursuant to this Change Management Process. The monthly status report will record the number, individual dollar value and aggregate dollar value of all Change Orders, by Contract year.

### **5. URGENT SERVICE REQUESTS AND MANDATORY CHANGES**

#### **5.1 Urgent Service Requests**

The parties will develop and follow an expedited process suitable for handling Service Requests designated by the State as "**Urgent**".

#### **5.2 Mandatory Changes**

Service Requests for Mandatory Changes will be subject to the procedures set forth in this Change Management Process so as to ensure they are carried out in a controlled and disciplined manner. The parties will negotiate in good faith to reach agreement on the terms and conditions, including price, governing Mandatory Changes. Where the parties are unable to reach agreement on terms governing a specific Mandatory Change through good faith negotiation, The parties will submit the matter to dispute resolution pursuant to Section 2.190. Subject to the foregoing process, Contractor may not refuse to submit a proposal or enter into an appropriate Change Order for, or to otherwise carry out, a Mandatory Change as directed by the State. The State may, in its discretion, require Contractor to implement a Mandatory Change on an expedited basis where the State reasonably believes that expedited implementation of the Mandatory Change is necessary to limit the State's compliance risk or to otherwise mitigate potential adverse consequences to the State; provided however that in the absence of a good faith agreement and pending conclusive dispute resolution concerning the applicable price of such a Mandatory Change, Contractor shall be compensated for such Change at the hourly rates included in this Agreement for such efforts.

### **6. STATE RIGHT TO REPRIORITIZE AND CANCEL SERVICE REQUESTS**

Contractor acknowledges and agrees that the State will have the right, in its sole discretion, to reprioritize, temporarily suspend, or cancel any Service Request at any time, subject to any applicable advance notice requirements that may be set forth in the Agreement. If the State's decision to reprioritize or temporarily suspend a Service Request is not due to the fault of Contractor (or its subcontractor), the parties will initiate a Contract Change Request to equitably adjust the affected elements of the Project Plan and other related impacts to the Project.

### **7. COSTS AND EXPENSES**

Except as otherwise expressly provided in this Exhibit 2-1, each party will be responsible for bearing all costs and expenses incurred with respect to its participation in this Change Management Process.



**Attachment 1: Glossary**

<b>Term</b>	<b>Definition</b>
Days	Means calendar days unless otherwise specified.
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
ACH	Automated Clearing House (ACH) is an electronic network for financial transactions in the United States. The ACH Network is governed by the National Automatic Clearing House Association, which sets the operating rules for automated transactions around the United States. This network allows banks to clear their automated payments through the U.S. Federal Reserve and Electronic Payments Network, which serve as ACH operators.
Additional Service	Means any Services/Deliverables within the scope of the Agreement, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
ADPICS	The Advanced Purchasing and Inventory Control System (ADPICS) is a CICS/Cobol/DB2 procurement management system designed to specifically address the purchasing, receiving, and accounts payable requirements of the State of Michigan.
Agreement or Contract	Refers to this Agreement or Contract, as defined in the preamble.
AICPA	American institute of CPAs
Audit Period	See Article 2, Section 2.110
BAI	Bank Administration Institute. BAI Files refers to electronic file and data formats established by the Bank Administration Institute.
Background Technology	All pre-existing software, data, know-how, ideas, methodologies, specifications and other technology in which Contractor owns such Intellectual Property Rights as are necessary for Contractor to grant the rights and licenses set forth in Section 2.321, and for the State to exercise such rights and licenses, without violating any right of any third party or any law or incurring any payment obligation to any third party, and that: (a) are identified as Background Technology in any Statement of Work; and (b) were or are developed or otherwise acquired by Contractor prior to the Effective Date with respect to the initial Statement of Work, or the date of the State's request for additional Services, with respect to any other Statement of Work.
Business Day	Whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
Blanket Purchase Order	An alternate term for Agreement as used in the State's computer system.
Business Critical	Any function identified in any Statement of Work as Business Critical.
CAFR	Comprehensive Annual Financial Report (CAFR) is a set of U.S. government financial statements comprising the financial report of the State that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB). GASB provides standards for the content of a CAFR in its annually updated publication <i>Codification of Governmental Accounting and Financial Reporting Standards</i> .
Chronic Failure	Defined in any applicable Service Level Agreements.
Contractor or Prime Contractor	The firm providing services to the State under direct contractual agreement.
COTS	Commercial-Off-the-Shelf Software.
DCDS	Data Collection and Distribution System
Configured Software Deliverable	ERP or third party application software: <ul style="list-style-type: none"> <li>configured to meet State requirements in accordance with a design approved by the State</li> </ul>



Term	Definition
	<ul style="list-style-type: none"> <li>subject to unit testing by the Contractor in accordance with this Agreement</li> </ul>
Custom Software Deliverable	The customized computer program(s), other than the ERP Solution, including programming tools, scripts and routines, the Contractor is required to or otherwise does develop for the State under this Agreement, as described more fully in each Statement of Work, including all updates, upgrades, new versions, new releases, enhancements, improvements and other modifications made or provided pursuant to the applicable Statement of Work.
Deliverable	A required service or outcome that must be provided by the Contractor to the State as required or identified by or in an Agreement. Deliverables may include, but are not limited to: designs, specifications, hardware, tools, components of technical environments, custom software, modifications and enhancements to software, documented analysis, plans, reports, training, services to the State, support or assistance to the State, documentation, testing or related services, provided expertise, or achievement of specified outcomes.
Documentation	All user manuals, operating manuals, technical manuals and any other instructions, specifications, documents and materials, in any form or media, that describe the functionality, installation, testing, operation, use, maintenance, support and technical and other components, features and requirements of any Custom Software Deliverable.
DOT	Michigan Department of Transportation. May also be stated as MDOT.
DTMB	Michigan Department of Technology, Management and Budget
EDI	Electronic Data Interchange
EFT	Electronic Funds Transfer
Environmentally preferable products	A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.
ERP	Enterprise Resource Planning System.
ERP Implementation Project or Project	The project to implement an ERP system and any related application software. Contractor services under this Agreement are provided in association with the ERP Project. Reference to the ERP Implementation Project may also be made using the term 'Project'.
ERP Solution	The ERP Solution represents the entire suite of application and other software needed to meet the State's requirements, proposed by the Bidder to meet such requirements' or implemented by the Contractor to meet State requirements and timelines.
Final Acceptance	The States acceptance based on submitted Deliverables having been reviewed and approved in accordance with applicable acceptance criteria related to Custom Software Deliverables and Configured Software Deliverables or other criteria as may be established or defined elsewhere in this Agreement.
Force Majeure	See Article 2, Section 2.244.
Hosting Environment	The Hosting Environment includes all servers, server software, hosting platforms, storage space, telecommunications connectivity and equipment and other hardware, software, technology and other materials the Contractor is required to, or otherwise does, use, provide or provide access to as part of the Contractor's requirement to host, support, and maintain the ERP Solution.
Hosted Services	Hosted Services or Hosting Services generally refers to those services required to provide project, production, or production QA technical environments, as specified, for use by the State in association with the ERP Project or with production use of the ERP and other applications once any implementation of the ERP and other application software has occurred.
HRMN	The Human Resources Management Network (HRMN) is State's human resource and payroll system.



Term	Definition
Implementation Services Agreement	Contract No. 071B4300138 by and between the parties, dated the same date hereof.
Incident	Any interruption in Services, diminution in the quality of services, or observed defect that impacts business operations.
Index Code	An element used on MAIN transactions that infers preset values for other coding block elements prior to validation or other processing.
Intellectual Property Rights	All or any of the following: (a) patents, patent disclosures and inventions (whether patentable or not); (b) trademarks, service marks, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith; (c) copyrights and copyrightable works (including computer programs), mask works and rights in data and databases; (d) trade secrets, know-how and other confidential information; and (e) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection provided by applicable law in any jurisdiction throughout the world.
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders
Key Personnel	Any Personnel identified in the Agreement as Key Personnel.
MAIN	MAIN is a CICS/Cobol/DB2 based system implemented in 1994 and functions as the State's financial reporting and accounting system.
Managed Services	Managed Services refers to those services described in Attachment 2 of the Agreement. Within Attachment 2, the term may also apply to that section of the services related to IT application maintenance and expanded Job Setup services described in Sections 18 to 23.
MIDB	Michigan Informational Database (MIDB) is the State's financial data warehouse.
New Work	Any Services/Deliverables outside the scope of the Agreement and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
NSF	NSF is a designation given to checks received by the State which have been dishonored by the bank on which drawn due to insufficient funds in the bank account on which the check was issued.
PCA	Program Cost Accounting Code. A coding block element used in MAIN.
PCO	Project Control Office – This term may be used interchangeably with PMO.
PMO	Project Management Office – This term may be used interchangeably with PCO.
QA	Quality Assurance. This term may be used to describe a firm, hired by the State to provide management advice, to assist in reviewing Contractor deliverables, and support the State in ensuring the integrity of design and development decisions. Alternatively, it may be used to refer to a 'Quality Assurance' Environment, a name given to a technical environment that mirrors the production technical environment in terms of infrastructure, product set, systems software, DBMS, application software, configuration, and capacity that is used to test application and other changes prior to migrating them to the production environment. Such an environment may also be called a Production QA environment.
R*STARS	The Relational Standard Accounting and Reporting System (R*STARS) is a comprehensive statewide financial management and accounting information system. It is used as the financial system for the State.
RMDS	The Report Management and Distribution System controls access, distribution, and retention of all reports generated by MAIN
Run Book	A 'Run Book' or 'Runbook' is a routine compilation, in electronic or physical book form, of the procedures and operations which the administrator or operator of the system carries out. Procedures documented in the Run Book will include those to begin, stop, and supervise the system as well as those needed for the handling of special requests and of contingencies. The Run Book will have step-by-step instructions decision to



Term	Definition
	determine and carry out the appropriate course of action given a particular scenario.
RESERVED	Section is not applicable or included in this RFP. This is used as a placeholder to maintain consistent numbering.
RFP	The State' Request for Proposal084R4300001 soliciting proposals for ERP software, implementation services, hosting and managed services.
RTI	A code that can be entered on R*STARS transactions that infers one or more full accounting distributions prior to validation or other processing.
RTM	Requirements Traceability Matrix
Security Rich	A Security Rich environment is one proactively managed to be in compliance with required State, Federal, and other applicable laws, policies, and standards as referenced in Article 1, section 1.108 environment and as further specified in the Security Section of the Technical/General requirements provided in Attachment 10 of the Implementation Services Agreement.
Service Level Agreement (SLA)	A service-level agreement (SLA) defines selected standards of service and Contractor reporting that must be provided by the Contractor in association with the Agreement. The Service Level Agreement will stipulate service level credits that apply if the required service levels are not met.
Services	Any function performed for the benefit of the State, including any of the services Contractor is required to or otherwise does provide under this Agreement or any Statement of Work, as more fully described in this Agreement or such Statement of Work.
AICPA SOC reports	Service Organization Control (SOC) reports are internal control reports on the services provided by a service organization providing valuable information that users need to assess and address the risks associated with an outsourced service. They are provided by American Institute of CPAs.
Software Configuration	The process or result of defining or refining application functionality through means other than programming. Such means may include (but are not limited to) entry of parameters, selection of table based options that control processing, and user or administrator selected options that control or tailor the user interface. Configuration does not include creation or modification of programming code or use of scripting language.
Software Deliverable	Computer program(s) including programming tools, scripts and routines, the Contractor is required to or otherwise does implement for the State under this Agreement, as described more fully in each Statement of Work, including all updates, upgrades, new versions, new releases, enhancements, improvements and other modifications made or provided pursuant to the applicable Statement of Work.
Software License	The Software License Agreement, attached as Attachment 9 to this Agreement by and between the parties, dated the same date hereof.
Software Maintenance Agreement	The Software Maintenance Agreement, attached as Attachment 10 to this Agreement by and between the parties, dated the same date hereof.
Software Vendor	The manufacturer and provider of ERP or third party application software proposed for use by the State. The Software Vendor is the entity that grants a license to use the ERP or other Software and that provides maintenance services once such software is licensed.
State	The State of Michigan
State Location	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
State-Specific	Infrastructure, hardware, software, tools, and processes/procedures that are defined, deployed, and/or assigned specifically for the State and are thus not leveraged by Contractor on a common basis across other Contractor clients. This would include but not be limited to virtualized servers including the operating system and all software installed above it, as well as the respective database server/instances in providing the State's specific ERP environments.



Term	Definition
Statement of Work	Article 1, Attachments 2-8 of this Agreement, as applicable. Any subsequent Agreement Changes affecting the scope of work as may be negotiated and agreed to by the State.
Subcontractor	A person or firm that provides material or service(s) that the Prime Contractor is obligated to provide to the State via an Agreement.
SUITE	State Unified Information Technology Environment or SUITE is the name of the State's project management and software engineering methodology.
UAT	User Acceptance Test
Unauthorized Removal	Contractor's removal of Key Personnel without the prior written consent of the State.
Upgrade	Contractor's obligations with respect to a Minor Release upgrade of the ERP Solution, per Section 20.B of Attachment 2. Release upgrades of the underlying software or infrastructure, per any use of the term "upgrade" outside of Section 20.B of Attachment 2, is limited to being undertaken in conjunction with Contractor's Minor Release upgrade obligations in Section 20.B such that compatibility is maintained across the ERP Solution with the release of the Advantage ERP Software in production use by the State. Use of the terms "update" and "upgrade" outside of Section 20.B of Attachment 2 is therefore limited to the Contractor patching and/or applying smaller changes to the respective element of the ERP solution.
Work in Progress	A Deliverable that has been partially prepared, but has not been presented to the State for Approval.
Work Product	Refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Agreement.
Written Deliverable	Refers to any deliverable named in Attachments 2 - 7 that is created and submitted to the State in document, diagram, presentation, spreadsheet, or printed output form. Examples of such deliverables include (but are not limited to) plans, designs, test scripts, reports, or analysis.



## **Attachment 2: Hosting and Managed Services Statement of Work**

### **1.0 General**

- A. Contractor shall design and implement a computing environment to support implementation and operations of the State's ERP system as required by the ERP Project Implementation Schedule.
- B. Contractor shall establish and provide a primary ERP production site hosting at a Tier 3 compliant facility (as defined by the Uptime Institute, self-assessed by Contractor, and with respect to Tier 3 standards of material importance to successful delivery of Hosting and Managed Services under the Agreement) for the State ERP Solution as configured, extended, and modified for the State. The ERP Solution includes site specific code, reports, interfaces, forms, and other application components.
- C. In conjunction with the provision of such hosting, the Contractor shall establish and maintain a 'Production Ready' ERP Production Environment and Production QA environment that meets the capacity, processing, security, and other standards documented in Attachment 5: Capacity, Processing, and Other Standards and Section 1.106: Environment by March 1, 2015. The Production QA environment will mirror the Production environment and will have equal capacity so as to allow the State to:
  - 1. Test application and other software updates in an otherwise identical environment
  - 2. Fail over to the Production QA environment without loss of performance, throughput, or responsiveness
  - 3. Process large input files in the QA environment first to verify that the data is acceptable and that processing can occur within the State's batch window. Note: The State intends to continue processing production-volume end-to-end payroll testing bi-weekly on an on-going basis. This will include testing the ERP components of the end-to-end processes.
- D. The Contractor shall own or lease all hardware, system software, third party tools, and network components necessary for supporting the solution. Contractor ownership of hardware, system software, third party tools, and network components requires that the Contractor assume all responsibility for future replacements, upgrades, or expansions to these owned components to provide reliable service, manage risk of failure or outage, replace components as recommended or required by manufacturers based on age or time in service or to maintain agreed to standards for performance, throughput, responsiveness, and availability given expected increases in State processing needs and volumes over time.
- E. The Contractor will procure and maintain licenses for the system software and supporting tools as identified in Attachment 6 and not procured in connection with the Implementation Project. The Contractor shall procure the license for the monitoring tools used by the Contractor to monitor the system.
- F. All specialized software components (application/business logic) and business applications shall be owned or licensed by the State. Ownership of all application data shall be retained by the State.
- G. The Contractor shall establish and maintain a dedicated connection between the primary production site hosting facility and the State's LMAN that:
  - 1. Provides optimal performance.
  - 2. Ensures a highly secure connection to the State' network.
  - 3. Provides full end-to-end redundancy so no single point of failure will prevent normal operations.
- H. The connection between the Contractor's hosting facility and the State's network shall occur in the State's DMZ or using an alternative means that improves performance and/or security and has been approved by the State.



- I. The Contractor's infrastructure shall integrate with State intranet and public facing web components, as needed.
- J. The hosting environment, including air conditioning and other application system equipment, shall meet all published manufacturer's guidelines and manufacturers' recommendations during the term of this Agreement.
- K. The hosting environment shall be equipped with Uninterruptible Power Supply (UPS) protection and back-up generation capability throughout the entire term of this Agreement. Such protection shall cover the entire server operations area including climate control system, lighting, consoles, LAN, WAN, and phone system, and shall meet all manufacturers' requirements. The UPS provided will be sufficient to allow the Contractor to manage power during a short term outage and to provide several hours of emergency power to the most critical systems.
- L. The Contractor shall house the ERP Hosting Environment for the State in a facility with Controlled Access to ensure physical site security.
- M. The hosting environment shall have:
  1. The State will have approval over firewall rules that impact their environment. Specific firewall rules required to enable communications between Contractor and the State will be jointly determined during the setup and transition process and an overview describing the final firewall approach will be provided to the State as a confidential work product.
  2. Connectivity for EDI processing
  3. A network architecture that isolates State traffic from any other Contractor client's traffic and that is designed to be 'Security Rich'. The State's environment will be deployed with its own dedicated application and database instances to maintain complete segregation of the State's data, Contractor may not isolate the State's traffic at all times and if so, shared traffic would be limited to traversing core leveraged equipment with strong security standards and protections. Further, Contractor will provide an overall network architecture that includes numerous monitoring and active protection tools that meet the State's specific security requirements.

To the extent Contractor's network architecture does not isolate State traffic from other Contractor client traffic in the limited case noted above, the following would apply where the State's traffic is not isolated:

    - State data on any shared network segments must be encrypted
    - Shared network segments will not mix data of different security levels unless the internal traffic is encrypted in a layer 3 tunnel. That is internet traffic (untrusted) will not traverse the same segments as trusted (internal State communications) or FISMA traffic will not traverse the same network as non-FISMA traffic.
    - Systems not a part of the State's environment will have no access to systems that are a part of the State's environment.
- N. The Contractor must maintain a secure network connection directly from the ERP hosting environment to the State of Michigan's ODFI bank (currently Comerica). At a minimum the Contractor shall:
  1. Provide one point-to-point encrypted connection with back-up between the ERP hosting environment to the State of Michigan's ODFI bank.



2. Provide one point-to-point encrypted connection with back-up between the ERP Disaster Recovery hosting environment to the State of Michigan's ODFI bank.
  3. Provide all equipment necessary to meet this requirement.
  4. Manage proactive and reactive network processes
- O. The physical/geographic location of the active hosting center and all related services must be based in the continental United States of America.
- P. The physical location shall not have a negative effect on system performance. This will be validated by the Contractor meeting the SLAs (in Exhibit A).
- Q. Contractor is providing a leveraged platform in a Managed Services model for the State's ERP Solution as defined in Exhibits D and E and within the sizing parameters specified in Attachment 5. Physical data centers and hardware, including storage, backup, and network infrastructure, as well hypervisor/virtualization technology, the RBDMS, and supporting tools and services are not State-Specific. Virtualized servers including the operating system and all software installed above it as well as the respective database server/instances are State-Specific in providing the State's specific ERP environments. Therefore, throughout this Agreement, only State-Specific elements are subject to State approval and as and where applicable throughout Attachment 2. All commitments to provide adequate capacity and performance without additional fees are conditioned on the State remaining within the sizing parameters specified in Attachment 5 and any growth rates specified in the Agreement.

## **2.0 Hardware, System Software, and Infrastructure Maintenance and Support**

The Contractor shall provide maintenance and support for hardware, system software, production environment tools, and non-application software this maintenance and support shall include:

- A. Providing replacement copies or correction services to correct any error, malfunction, or defect in the System Software, as required by this Agreement.
- B. Hardware and system resource monitoring, allocation, and management.
- C. Disk space partition and usage management.
- D. Hardware failure determination and resolution.
- E. Hardware maintenance as required; diagnosis and repair of defective hardware by replacing parts; correction services to correct any error or malfunction; and installation of hardware upgrades and new systems
- F. Installation, testing, and deploying new releases of operating system, other system or operating environment software, DBMS, and security software.
- G. Updating versions of the System Software, DBMS, Security Software, or other operating environment software for improvements, extensions, maintenance releases and updates, error corrections or other changes that are logical improvements or extensions of the original software supplied to the State.
- H. Monitoring, maintaining and managing system availability, stability, and performance
- I. Monitoring the availability of System Software, DBMS, and other non-ERP application fixes and implementing such fixes as appropriate



- J. Implementing and maintaining database security (create and maintain users and roles, assign privileges)
- K. Performing database tuning and performance monitoring
- L. Maintaining all virtualization and technical environments, as mutually agreed
- M. Performing Documentation updates.
- N. Providing remote technical support.
- O. A configuration management plan and process for hardware and software maintenance for all hosted environments.
- P. Establishing hardware maintenance schedules and performing hardware maintenance according to those schedules.
- Q. Establishing hardware refresh schedules and replacing hardware according to those schedules.
- R. An Annual Technology Plan identifying upgrades for input from and approval by the State.
- S. Making technical support requests to applicable software or other vendors when appropriate under the terms of licensing and support agreements for products licensed or owned by the Contractor.
- T. Adding hardware and storage capacity as required in the Capacity Plan or as needed to meet agreed to performance standards in Attachment 5.
- U. Establishing an Asset Management Tracking system that records all hardware (physical and virtual) including equipment and software procured, operated and supported by the Contractor for use by the State, as set forth in the agreement.
  - 1. The Contractor shall produce a report of all hardware (physical and virtual) including Manufacturer, Model/Type, Year, Storage Disk Space, RAM, Tape Management, Processor, Operating System, Server monitoring software, Database and Version, All Software & Versions, Vulnerability Scans (frequency and types), Current Physical Location, and ERP Environment within 30 days of the ERP environment implementation.
  - 2. Asset tracking information (as defined in Subsection U.1) will be provided to the State for all elements of the solution that are dedicated State assets. The Contractor leverages a shared platform on which the State would be one of several clients and thus the asset data set for the entire shared infrastructure would materially exceed the resources needed for a dedicated State system. As part of the implementation, the Contractor will provide an asset management inventory of what would be needed to deploy the solution specifically for the State (i.e. on premise) and the Contractor will maintain that inventory on an ongoing basis. The Contractor can also provide more information on the implemented architecture and approaches of the purpose-built cloud that will be used to operate the State's hosted ERP solution should the State require additional information.

### **3.0 Hardware, System Software, and Infrastructure Maintenance Timeliness, Tracking, Scheduling**

Contractor shall schedule all system software, infrastructure and hardware maintenance in advance and will make such during off-peak hours as approved by the State. As noted in Section 38 of this Agreement, Contractor's maintenance window is 7:00 p.m. Friday ET (once nightly cycle processing has concluded) until



7:00 p.m. Sunday ET on the second weekend of every month. The Contractor will include exceptions to the maintenance window that will allow the State to meet its processing and system availability needs for time and attendance reporting. The Contractor does not usually take all available maintenance windows nor does the window generally last the entire scheduled time.

- A. The Contractor shall apply updates to the system in response to software updates introduced by the publisher or manufacturer of the software with 90 days advance notice to the State.
- B. The Contractor must ensure software compatibility with ERP software patches and service packs with 30 days advance notice. The Contractor must give 6 months advance notice of major operating system updates.
- C. All proposed software updates shall be documented and must be approved by the State Project Director. Proposed software updates must identify at a minimum:
  - 1. The reason for the update.
  - 2. The plan to ensure recoverability.
  - 3. The off-line test plan and test results.
  - 4. Actions to roll back the update if errors or problems are encountered.
  - 5. Verification procedures to demonstrate the success of the update and that no other systems or subsystems are adversely affected.
  - 6. The proposed schedule for the update addressing critical processing needs and associated risks
  - 7. Notification recipients.
- D. The Contractor shall provide:
  - 1. A process for reporting and tracking problems, and applying software maintenance updates and bug fixes.
  - 2. A process for receiving, estimating, and scheduling State-requested software upgrades.
  - 3. Electronic access to an archive of all past monthly maintenance activity reports.
- E. The Contractor shall work with the State to plan and conduct an acceptance test for all changes made to hardware, infrastructure, system software, and other non-application software tools or components. The planning, execution, and verification of such testing shall be a joint responsibility of the Contractor and the State. Final acceptance will be determined by the State.

The State will:

- 1. Provide all WAN support and the necessary network connectivity up to the Contractor Service Delivery Center demarcation point, as agreed to by the Parties; and
- 2. Provide additional WAN capacity for any supported server resource that has reached critical usage levels and is impacting the Contractor's ability to provide the Services or relieve the Contractor of any affected Service Levels until such time as the required capacity is installed.
- 3. Assist the Contractor in developing procedures for handling all planned and unplanned outages affecting the environment including review, approval, communication and proper documentation; and
- 4. Notify the Contractor of any planned or emergency changes to the State's environment affecting the Contractor's provision of the Services.



#### **4.0 Capacity, Availability, and Performance Management**

The Contractor shall monitor, plan, provide, and perform capacity, availability, and performance management as described below:

- A. The Contractor shall accommodate the ERP application's initially planned use and capacity as well as an expected growth rate of 5% per year of CPU usage. The infrastructure must be scalable by design in order to accommodate changing capacity as necessary. Adding of processing capacity beyond the expected growth rate may have implications on State provided Software licensing and will be done using the Change Request process.
- B. Contractor shall meet the performance, throughput, responsiveness, availability, and capacity as documented in Attachment 5.
- C. Definition and maintenance of the Capacity Management process shall be a joint effort between the State and the Contractor as described below:
  1. State staff will be responsible for defining application plans and identifying capacity requirements for ERP Application Software on a quarterly basis (unless needed more frequently). The Contractor shall monitor and assess capacity requirements, changes, and/or requests that may impact capacity and make recommendations to the State, as applicable.
  2. The Contractor shall maintain sufficient resource capacity as necessary to provide the ERP Hosting Services including CPU, data storage and tape resources.
  3. The Contractor shall analyze any State requests for additional capacity and determine action needed to provide needed capacity to meet State Requirements. The Contractor shall obtain the State's approval for any actions to be taken in response to State requests.
  4. The Contractor shall perform load balancing, performance tuning, and configuration adjustments to optimize existing Hardware/environment after consultation with the State and as needed to meet Contractor's obligations in this Agreement.
  5. The Contractor must implement system performance improvements (e.g. hardware upgrades) needed to meet agreed to SLAs. The contractor confirms that in the event that they are unable to meet performance and throughput commitments, based on the statistics provided in Attachment 5, due to a lack of the proposed Hosting Solution, the Contractor will provide additional hardware and/or processing capacity to meet those commitments at no additional cost to the State.
  6. The Contractor shall increase capacity up to 5% upon request from the State within ten (10) business days, unless otherwise agreed to at the time of the request. Increases in processing capacity will use the Change Request process.
  7. The Contractor must provide performance statistics reporting tools to allow the State to tune the ERP Software. Under Managed Services the Contractor is responsible for performance tuning.
  8. The Contractor will work with the State on a case-by-case basis to address specific ERP application performance problems.

#### **5.0 Service Level Agreement Documentation and Reporting**



- A. The Contractor shall maintain the service level agreement documentation. Periodic reviews of the service level agreement requirements must occur at a minimum annually and both parties must approve any changes.
- B. The Contractor shall provide monthly reports with approved format and content to the State showing its performance against all aspects of the Service Level Agreement included in Exhibit A.
- C. The Contractor must utilize tools to achieve real time performance monitoring of the service level agreements and make such information available to the State.
- D. The Contractor shall notify the State of any performance, availability, reliability, capacity, and other issues related to service level agreements within 24 hours or sooner if immediate action is required.

## **6.0 Change Management and Tracking**

- A. The Contractor shall provide, maintain, and utilize a State approved tool to manage and track Changes. State staff must have access to utilize this software tool. During the implementation effort, the State will have access to the Perforce tool. For production Managed Services, the Contractor will provide the State with access to the Advantage Support Center portal, which is supported by an underlying Remedy software tool for change management tracking.
- B. The Contractor must track Systems Software, hardware, infrastructure, and other non-application software changes.
- C. The Contractor shall promote all software changes to the test and production regions. State staff shall create the ERP application software package to be promoted. All other change packages shall be created by the Contractor. Under this Agreement, the Contractor is responsible for creating the application software packages and promotion.
- D. The Contractor must report on change results.
- E. The Contractor and the State are both responsible for new technology/product research. The Contractor must provide technical guidance regarding products/systems selection and the Contractor must implement the technology solution that has been approved by the State.

## **7.0 Operations and Production Support**

The Contractor shall provide operations and production support, as follows:

- A. The Contractor must implement, execute and maintain overall processing schedules as directed by the State:
  - 1. Run production jobs in accordance with the state approved processing schedules
  - 2. Monitor processing for adherence to processing schedules
  - 3. Complete processing within mutually agreed-upon time periods
  - 4. Respond to new processing requests and requirements
- B. The Contractor must complete scheduled batch processing jobs in accordance with the scheduled processing specifications (e.g. times, dependencies, etc.).
- C. The Contractor shall perform all system console operations.
- D. The Contractor shall manage machine resources.
- E. The Contractor shall assure platform product availability within the parameters of the service level agreement as defined in Exhibit A.



- F. The Contractor shall develop and maintain the Tape Library System, if a tape library system is included in the ERP solution.
- G. The Contractor shall perform all tape mounts, if a tape library system is included in the ERP solution.
- H. The State will provide support for printing at State local printers.
- I. The Contractor must follow documented restart procedures or notify the State's On-Call staff member within 10 minutes of an abnormal ending of a state-owned or Contractor-owned job. Additional on-call procedures including escalation procedures must be mutually agreed upon between the Contractor and the State.
- J. The Contractor must address abends or abnormal job terminations in accordance in accordance with State policies and direction.
- K. Contractor shall provide sufficient appropriately certified operations staff to manage the environment, and must ensure all staff are adequately trained and technically qualified.
- L. The Contractor shall execute reruns as requested by the State as reasonable in the normal course of operating an ERP application or to correct Issues or failures resulting from Contractor's failure to satisfy its responsibilities under the Agreement and perform job restarts in accordance with requirements provided by the State.
- M. The Contractor shall provide timely notification of the potential to miss Critical Batch Job schedule deadlines.
- N. The Contractor shall develop and document operations standards and procedures with input from the State.
- O. The Contractor shall perform automated report distribution operations using the ERP Report Distribution software as further defined and mutually agreed upon during the ERP application implementation.
- P. The Contractor will maintain this Report Distribution system while the State will maintain administrative privileges on this system to define new reports, access controls, and forms.
- Q. The Contractor shall provide system, ERP application, and data backups. Such backups will include:
  - 1. System and other non-application software backups as per agreed upon schedule
  - 2. Application software backups as per agreed upon schedule
  - 3. Full volume application data back-ups on a weekly basis and incremental back-ups before and after each batch cycle.
  - 4. Other scheduled application data backups
  - 5. On-request back-ups as needed to meet the SLA and Disaster Recovery requirements in this Agreement or as mutually agreed.
- R. The Contractor shall provide all system, application, and data restoration and recovery to provide for the recovery of application, data, and system, as needed for Contractor to meet the requirements of this Agreement.

## **8.0 System Installation**

In association with the ERP System Implementation:



- A. The Contractor shall install, configure, and verify the operational readiness of all hardware, system software, security, data base management system software, third party tools, and other components as required to establish a complete ERP production and operations environment and a complete production QA environment that mirrors the production environment. This task shall be completed by a date approved by the State Project Director that allows for timely completion of all required ERP environment verification review, testing, performance testing, acceptance testing, and implementation activities associated with the phase 1 implementation of the ERP System for the State.
- B. The Contractor shall provide the ERP production hardware, system software, database management system software, third party tools, and other components, as required to establish the complete ERP production and operations environment and a complete production QA environment needed to support phase 2 ERP implementation (and continuing production operations from previous implementations). This task shall be performed for phase 2 implementation on dates approved by the State Project Director that allows for timely completion of all required ERP environment verification review, testing, performance testing, acceptance testing, and implementation activities associated with the phase 2 implementation of the ERP System for the State.
- C. The Contractor shall install the State approved, configured, extended, and tested ERP software application complete with all reports, interfaces, and other site specific code and loaded production parameters or any additions or changes required for each ERP Project Implementation Phase as specified in the Implementation Services Agreement.
- D. After the scheduled ERP Implementation has been completed the Contractor shall coordinate, install, configure, maintain, upgrade, and uninstall System Software, DBMS Software, and any other non-application software, or third party products or tools as required to maintain capacity, performance, and availability or as required for the ERP technical and operations environment, or as agreed to by the parties.

## **9.0 Database Support**

The Contractor shall provide ERP Application Data Base Management System (DBMS) maintenance and support as follows:

- A. Installing, configuring, maintaining, and upgrading Database System Software and associated program products upon State approval
- B. Installing and applying Database fixes as requested by the State or as identified by Contractor if under a Managed Services model and per update/upgrade requirements and Section 20 in this Agreement.
- C. Identifying and resolving Database and Database subsystem problems and/or related database problems
- D. Providing ongoing Database subsystem performance management
- E. Providing physical database design, review, and support, as required
- F. Providing DBMS performance utilization tracking
- G. Table reorganization synchronization, and compression activities, as needed, to ensure optimum application performance per Contractor's obligations in this Agreement
- H. Table space and directory structure management activities
- I. Ongoing data integrity maintenance at the database table level
- J. Any other activities, as needed, to ensure the integrity and optimal performance of the database



## 10.0 Reserved

## 11.0 Security

- A. The Contractor shall deploy commercially reasonable, up-to-date security processes and resources in an effort to prevent unauthorized access to the State of Michigan's IT equipment to support confidentiality, availability, and integrity of not only the physical equipment, but also the data and transmission of data between those systems. The Contractor will accomplish this through infrastructure protection services.
- B. Infrastructure protection services shall include the physical and logical security components for the facilities and networks in Contractor sites and non-Contractor managed sites. Physical access control requirements will be applicable to CPUs, channel attached devices, and physical system and master consoles (such as interactive devices providing a command interface to the operating system without having identification and authentication of the operator), portable media storage, and print output.
- C. The Contractor shall ensure that all sensitive data is encrypted at rest and in transit.
- D. The Contractor shall ensure that the provided network meets all State telecom interface standards as referenced in Section 1.106.
- E. Contractor shall ensure that:
  - 1. The network is protected by server and desktop anti-virus enterprise software. Anti-virus software must be updated with the latest virus definitions as they are released by the software publisher.
  - 2. Any Contractor workstations not used on the State network will be scanned by the Contractor.
  - 3. Any Contractor workstations used on the State network will be scanned by the State and approved prior to being attached to the network for the first time.
  - 4. The network is protected from hacking by firewalls and intruder detection software, and manual monitoring of incoming traffic as requested.
- F. The Contractor must ensure documentation, electronic files, and data are developed, used, and maintained in a secure manner, protecting the confidentiality of all materials, records, and files.
- G. The Contractor shall obtain and provide a third-party certification annually regarding the level of security practiced by the Contractor and based on the COBIT framework which may include the following:
  - 1. Information Security Risk Assessment
  - 2. Digital Signatures
  - 3. Intrusion Detection
  - 4. Viruses and other Malicious Logic
  - 5. Control Risk Self-assessment
  - 6. Firewalls
  - 7. Irregularities and Illegal Acts
  - 8. Security Assessment (penetration testing, data encryption effectiveness, vulnerability analysis, and effectiveness of controls)
- H. The Contractor shall provide an annual independent Type 2 SSAE-16 (SOC 1) report and an annual independent Type 2 SOC 2 attestation report specific to the State's ERP application and its operating environment as part of the proposed fixed price. The specific scope and control objectives will be reasonable and must be annually approved by the State prior to commencement of the SOC-related services.
- I. The Contractor shall perform system security subsystems administration and execution
- J. User-IDs for the State employees and resources will be managed by the State Security administrator. System IDs and Contractor resource IDs will be managed by the Contractor.
- K. The Contractor shall establish and maintain compliance with the following Federal and State security policies as identified in Section 1.106 Environment.



- L. All proposed solutions must be compliant with the Federal Information Security Management Act (FISMA) and with security policies of the State as listed in Section 1.108 of this Agreement. FISMA compliance for the environment where the State's solution will be hosted is required prior to March 1, 2015 regardless of the extent to which sensitive, personal, or other covered data may or may not be captured, stored, or used in the proposed solution. Compliance must be verified annually by:
  - 1) obtaining validation of FISMA Compliance from a Federally Accredited 3<sup>rd</sup> Party Assessment Organization that is approved by the State and providing the State a copy of the full Certification & Accreditation (C&A) preparation package, or
  - 2) obtaining a FEDRAMP provisional ATO.
- M. The Contractor must provide encryption at the disk and database levels for all production and non-production environments including databases, backup disks, tapes and any media where the State's data or files are stored and/or accessed.

The State shall:

- I. Develop, maintain and update the State IT Security Policies, including applicable State information risk policies, standards and procedures
- II. Provide a State Single Point of Contact with responsibility for account security audits
- III. Support intrusion detection and prevention and vulnerability scanning pursuant to State IT Security Policies
- IV. Provide the State security audit findings material for the Services based upon the security policies, standards and practices in effect as of the Effective Date and any subsequent updates
- V. Assist the Contractor in performing a baseline inventory of access IDs for the systems for which the Contractor has security responsibility
- VI. Authorize User IDs and passwords for the State personnel for the Systems software, software tools and network infrastructure systems and devices under Contractor management
- VII. Approve non-expiring passwords and policy exception requests, as appropriate.

## **12.0 EDI Responsibilities**

- A. The Contractor must provide, maintain, and upgrade all required EDI software to ensure full required functionality per industry standards.
- B. The Contractor will provide the system software support for the EDI product and the State staff will provide support services for the application objects.
- C. The Contractor must provide EDI software access to authorized State personnel.
- D. The Contractor must provide EDI operations: EDI Development, EDI Test, and EDI Production environments consistent with its integration with the ERP application.
- E. The Contractor, with assistance from State staff, must perform version control migrations of EDI components (e.g. trading partner transactions (maps), application data formats, validation/translation tables etc.) into Test and Production.

## **13.0 RESERVED**

## **14.0 Additional Services**

The Contractor shall provide additional services not covered under this Agreement using the rate card identified in Attachment 3.



## 15.0 On-Going Governance

The Contractor shall provide Issue Escalation & Resolution procedures and submit them for the State Project Director's review and approval. Once finalized the Contractor shall be responsible for identifying, monitoring, tracking, reporting, and escalating issues that require decisions. The Contractor shall also be responsible for providing any required analysis, identification of required alternatives, and recommendations.

At a minimum, the meetings defined in Section 1.302 must be held between appropriate representatives of the Contractor and the State to review the Contractor's performance under the Agreement. The meetings will be held in Lansing, Michigan, or by teleconference, as mutually agreed by the State and the Contractor. The Contractor must publish meeting agendas distributed sufficiently in advance of the meeting to allow meeting participants a reasonable opportunity to prepare for the meeting.

## 16.0 Disaster Recovery

- A. The Contractor shall provide a disaster recovery facility (DR facility) to be implemented with the Phase 1 implementation of the State's ERP Project, currently planned for August 1, 2015. The DR facility shall logically mirror the primary production site, meet capacity and throughput requirements as specified in the Service Level Agreement, adhere to all security, connectivity, and interface requirements for the primary site. The DR facility must:
1. Be a 'warm site' that can recover critical elements of the ERP and other applications during a declared disaster within Recovery Time and Recovery Point Objectives specified in section 16.0 Q and R.
  2. Be electronically accessible to the State within the documented Recovery Time Objective (RTO) after Declaration of a disaster;
  3. Continue to operate (after a disaster) site until such time that an active site is reestablished and fully operational.
  4. Be on a different power grid and in a different geographic location than the Primary Production site. The recovery site must be a minimum distance of 40 miles from the active site.
- B. The Contractor must have all necessary legal rights to deploy all hardware components necessary for the Disaster Recovery facility and solution. Contractor shall be responsible for future upgrades, system replacement or the addition of processing power to satisfy demands for increased performance at the disaster recovery site.
- C. The Contractor shall procure licenses for the system software and supporting tools. The Contractor will procure the license for the monitoring tools used by the Contractor to monitor the system.
- D. All specialized software components (application/business logic) and business applications will be owned or licensed by the State. Ownership of all application data and intellectual property will be retained by the State
- E. When the Disaster Recovery site is active following a declared disaster, the physical location shall not have a negative effect on application and network performance. This will be validated by the Contractor meeting SLA Standards 3 and 4 provided in Exhibit A, on a consistent basis.
- F. The Contractor must establish and maintain a dedicated connection between the disaster recovery facility and the State's LMAN that meet these three requirements:
- i. It must provide optimal performance per Contractor's obligations under this Agreement.
  - ii. It must ensure a highly secure connection to the State' network.
  - iii. It must provide full end-to-end redundancy so no single point of failure would prevent normal operations.



- G. The cost for implementing any high-speed telecommunication circuits between the disaster recovery facility and the State's LMAN shall be borne by the Contractor.
- H. The connection between any disaster recovery facility and the State's network must occur in the State's DMZ. The Contractor may propose alternative methods for connecting to the LMAN that will improve performance but must demonstrate that the security concerns of the State are not compromised. The State must approve any alternative method.

### **Maintenance and On-Going Support of Infrastructure and Associated Software**

- I. The Contractor must provide maintenance and support for hardware and software as required to keep the Disaster Recovery environment synchronized with the Primary Production Site environment as required to meet the specified RPO and RTO, or as required during any periods when the Disaster Recovery site has become active following a disaster. This maintenance and support shall include, as needed for Contractor to satisfy the foregoing requirement and Contractor's SLA obligations in this Agreement:
  - 1. Providing replacement copies or correction services to correct any error, malfunction, or defect in the System Software.
  - 2. Providing replacement hardware or correction services to correct any error, malfunction, or defect in the hardware.
  - 3. Updated versions of the System Software that are improvements, extensions, maintenance releases and updates, error corrections or other changes that are logical improvements or extensions of the original software supplied to the State.
  - 4. Documentation updates.
  - 5. Access to remote technical support.
  - 6. Provide change management plan and process for hardware and software maintenance for all hosted environments.
  - 7. The Contractor must establish and maintain the hardware maintenance schedules.
  - 8. Contractor must provide and annual plan for technology upgrades for input and approval by the State.
  - 9. As the Contractor is licensing the system software on behalf of the State, the Contractor will open technical support requests with the system software vendors when appropriate under the terms of licensing and support agreements for the product.
  - 10. Propagating any changes made to the Disaster Recovery site during its active use following a declared disaster back to the Primary Production site as needed for full synchronization prior to the Primary Production being reactivated.
- J. All maintenance updates to the software and hardware must be scheduled in advance and take place during off-peak hours as approved by the State when the Disaster Recovery site is operational and active. See the Service Level requirement relating to the maintenance window in Exhibit A.
- K. The Contractor shall provide the State with an annual technology plan for the Disaster Recovery Site infrastructure to keep it consistent with the Primary Processing Site infrastructure. This plan will detail the major infrastructure upgrades planned for the year along with a high level schedule, which will be developed with the State's assistance.
- L. The Contractor shall provide electronic access to an archive of all past monthly maintenance activity reports as applicable to meeting the RTO and RPO in this Agreement in the absence of the Disaster Recovery being active. These reports must show all updates and other changes to the hardware and software environment needed to maintain capacity, access, and synchronization with the Primary Processing Environment.

### **ERP Application Maintenance**



- M. The Contractor shall perform all maintenance and updates to the ERP and other application software at the Disaster Recovery Site to keep it synchronized with the Primary Production Site.
- N. During any period where the Disaster Recovery site has become active following a declared disaster, the Contractor shall perform all ERP software maintenance required including any upgrades, software patches, software fixes, and technical configuration changes that may be required to address issues, problems, or meet software vendor support requirements per Contractor's obligations in this Agreement. The Contractor shall also propagate any changes made initially to the Disaster Recovery site to the Primary Production Site (as required to achieve full synchronization) prior to that site being reactivated.

#### **Disaster Recovery Plan and Guide**

- O. The Contractor shall create an initial Disaster Recovery Plan that is approved by the State, update it annually (or more often, if needed), store the plan at the Disaster Recovery Site and provide the State with a separate copy. The plan will include a review of recovery configurations to ensure there is adequate capacity to meet the requirements of the State in the event of a Disaster. The state will approve the initial plan and each annual update. The State will be responsible for entering the plan into the Living Disaster Recovery Planning System. In addition, the Contractor shall also produce a Disaster Recovery Guide that specifies roles and responsibilities of the Contractor and the State in the event of a disaster and that documents procedures to be followed.

#### **Update Disaster Recovery Configurations**

- P. The Contractor must update the recovery configuration(s) at the Disaster Recovery Center as required by the approved Disaster Recovery Plan.

#### **Recovery Time Objective (RTO)**

- Q. The Contractor will recover the critical ERP and other applications within 48 hours of a disaster being declared using the approved declaration process.

#### **Recovery Point Objective (RPO)**

- R. The Contractor must meet an RPO of no greater than 24 hours prior to the disaster being declared.

#### **Contractor Staffing**

- S. The Contractor must provide and maintain resources sufficient to enable Disaster Recovery Services.
- T. The Contractor must provide qualified staff to perform disaster recovery planning, testing, required maintenance and upgrades, and to perform required services in the event that the disaster recovery site is needed for processing after an outage at the Primary Processing Site as specified in Section 16.0 DD. The State shall have the right to request replacement of any Contractor staff member, who in the reasonable view of the State, is not sufficiently skilled or has not demonstrated adequate performance.
- U. The Contractor must supply the personnel necessary for the maintenance of the Disaster Recovery Plan, testing of the Disaster Recovery Services and provision of services related to a disaster which requires activation and use of the disaster recovery site. Such personnel shall include the roles specified in Attachment 4 Key Personnel and shall meet the qualifications specified for such personnel in that section.

#### **Backups and Archival**

##### **V. Disaster Recovery Back-ups - System**

The Contractor must maintain weekly encrypted back-ups of all System Software, Configurations, and other Critical Software.

**W. Disaster Recovery Back-ups - Application**

When the Disaster Recovery site becomes active following a declared disaster, the Contractor must schedule and execute encrypted back-ups for data and for application software source and object libraries. This will include those in the State production environment libraries once the Disaster Recovery site is active and test, and development environment libraries if after a protracted period of time these environments are established and the Disaster Recovery site therefore becomes the Primary site.

**X. Off-site media storage**

The Contractor must develop, maintain, and execute off-site media storage procedures for archival and recovery purposes, utilizing an industry standard off-site third-party contractors, for all back-up media, including:

1. Log and track media both on and off-site
2. Perform required rotation of media
3. Pay all fees and costs associated with off-site media storage

All archival data included shall be encrypted.

**Disaster Recovery Test Planning and Testing**

- Y. The Contractor, with input from the State, must create and maintain a test plan for conducting Disaster Recovery Tests for the State ERP System. The state will approve the test plan approximately 6 months preceding the Disaster Recovery Test. The initial plan will be created three months in advance of the Phase 1 'Go-Live' date (currently expected to be August 1, 2015).
- Z. The Contractor must conduct a Disaster Recovery Test in accordance with the approved Disaster Recovery Test Plan every 12 months, beginning within 3 months after the Phase 2 'Go-Live' date (currently expected to be October 1, 2016) that will adequately demonstrate the Contractor's ability to recover the Data Center Services and critical ERP Applications, transfer of operations to a Recovery Center and communicate with the State's ODFI. State staff will be actively involved in executing the disaster recovery test. The Dates for the Disaster Recovery Tests will be mutually agreed upon by the State and Contractor. For the initial test, the Contractor will provide assistance to the State in organizing for and conducting the State's role in such testing.
- AA. The Contractor must provide a Disaster Recovery test platform sufficient to execute the DR Test Plan and test the recovery of Configurations, Critical Software, and related Application Software data.
- BB. The Contractor, with approval from the State, must schedule the disaster recovery test dates. The State requires forty-eight (48) hours of test time per year after the site is prepared and all pre-conditions for testing have been established.
- CC. During the scheduled test the Contractor must perform the following tasks:
1. Conduct testing by performing test recovery of designated configurations and critical software as defined in the Disaster Recovery Test Plan
  2. Communicate with recovery site as required before, during, and after completion of testing to adequately conduct and document testing
  3. Test and verify environment integrity and functionality – The State will be involved in testing functionality as well
  4. Provide written confirmation that the software and files from the Recovery Site were synchronized from the active site production environment.
  5. Document and track findings to closure, and provide post test results to the State –The State will be involved in documenting findings as well.



6. Create and execute an action plan addressing any problems identified in the execution of the DR Test Plan, and provide the State a copy of such plan.
7. Provide a Final Report on the DR Test to the State.

### **During a Declared Disaster**

DD. During a declared disaster the Contractor must perform the following tasks:

1. Provide immediate notice of any Disaster which has occurred, which Contractor expects to occur, or of events which may lead to a Disaster, via verbal contact with one or more of the State's designated representatives, so that the parties may determine when and whether to declare a Disaster and may do so expeditiously to receive priority Disaster Recovery Services.
2. Take immediate action to prepare the Recovery Center for use and provide the resources necessary for recovery of the Configurations and Critical Software; utilizing capacity which is equivalent to the current State configuration or better.
3. Provide sufficient office space and equipment for 25 State staff at an off-site location outside of Lansing, MI to support the application in addition to space needed for Contractor's staff.
4. Reroute the affected data communications circuits to the Recovery Center.
5. Provide all other network connectivity to the Recovery Center, as specified in the configuration specifications.
6. Provide operational and technical service and assistance sufficient to restore and operate all critical ERP applications as defined within the Disaster Recovery Plan.
7. Deliver to the Recovery Center all off-site back-up media necessary to perform Disaster Recovery.
8. Deliver to the Recovery Center off-site back-up media necessary to allow the Contractor to recover Application Software data within the recovery time objective.
9. Operate the Critical Software on the Configuration at the Recovery Center.
10. Furnish all supplies and storage media which are included in the scope of DR or the Agreement.
11. Pay all costs associated with off-site back-up media, including transportation to and from the storage facility and the Recovery Center.
12. Pay all travel and living expenses incurred by Contractor personnel in the performance of the Contractor's Disaster Recovery responsibilities.

EE. The Contractor shall provide operational and technical service, and assistance sufficient to restore and operate all critical ERP applications as defined by the Disaster Recovery Plan. Critical applications include the following:

1. ERP solution including 3<sup>rd</sup> party proposed software
2. Application configuration management tools specific to the State
3. ODFI Bank connection
4. EDI Software
5. Problem and Request (change) management tools specific to the State

### **'Failback' or Reversion of Processing Back to the Primary Production Site**

FF. The Contractor shall provide all required services, hardware, software, repairs, and maintenance needed to restore the Primary Production Site and to re-establish State ERP processing consistent with



specifications, requirements, and service levels in this Agreement or will establish an equivalent Primary Production Site that is fully compliant with the requirements and specifications for such a site included in this Agreement.

- GG. The re-activation of the Primary Production Site shall be coordinated with and at the mutual agreement of the parties and will be done in a manner that causes as little disruption as possible. The Contractor shall ensure that any updates or maintenance done to the Disaster Recovery Site while active has been propagated to the Primary Production Site prior to its reactivation and that the two sites are completely synchronized.
- HH. Once the Primary Production Site has been reactivated and is being used for the full range of State ERP processing, the Disaster Recovery Site will revert to secondary site status and Contractor will resume maintenance, upkeep, and other services required under this Agreement applicable to the DR site when it is not the active site used for processing.

### **17.0 Establish, Maintain, and Operate a Hosting Service Desk**

The Contractor shall establish, maintain, staff, and operate a Hosting Service Desk that provides a single point of contact for day-to-day communications between the State key personnel/IT staff and Application Administrators. Initial calls from standard State Users will go to the State's Help Desk (level 1). Escalated level 2+ requests and incidents are reported by a select number of State Users to the IT organization through the Service Desk in accordance with the documented procedures. It is the single contact point for select State Users to record their level 2+ problems and requests related to the supported servers and the Applications on those supported servers. If there is a direct solution then the Service Desk will provide immediate resolution, if not then it shall create an incident report. Incidents will initiate the appropriate chain of processes: Incident Management, Problem Management, Change Management, Release Management and Configuration Management. This chain of processes shall be tracked using a trouble ticketing system provided by the Contractor, which records the execution of each process, quality control point, and stores the associated output documents for traceability. Such processes and procedures will be documented by the Contractor, reviewed with the State, and must be approved by the State to the extent they are State-Specific. Contractor responsibilities shall also include:

- A. Handling incidents and requests through full life cycle management of all service requests as set forth in the Run Book or other supporting documents.
- B. Provide a Single Point of Contact for entry and exit to the service process and providing an interface essential to the service processes specific to the Contractor's 3<sup>rd</sup>-party providers for the ERP solution as defined in Attachment 6.
- C. Providing ease of use and a good customer experience for the State Users interacting with the Hosting Service Desk.
- D. Maintaining security and assuring data integrity as required in this Agreement.
- E. Providing timely and effective communication which keeps the State Users informed of progress and of appropriate advice on workarounds.
- F. Maintaining documentation of all incidents, services requests, change and release packages, and environment updates and deployments
- G. Maintain synchronization between technical environments as required to allow for timely and effective testing.



- H. Categorize and document the relative importance of each incident according to the severity levels as agreed to by the Parties.
- I. Monitor and manage each incident, including incidents associated with changes, and report on the status of resolution efforts until it is corrected or resolved and an authorized User confirms such resolution, as set forth in the Run Book or other supporting documents.
- J. Assist the State with the prioritization and maintenance of outstanding work logs
- K. Implementing measures to help avoid unnecessary recurrence of incidents, by performing root cause analysis and event correlation.
- L. To the extent an incident is due to errors or bugs in software licensed either by the State or the Contractor, referring such incident to the licensing entity or other entity responsible for resolution and performing all coordination, follow-up, and required actions to resolve the incident.

### **Managed Services Components**

#### **18.0 Break Fix Support**

The Contractor will provide 'break fix' support starting 12 months after the final ERP Implementation. This support shall include all actions required to return the ERP solution to working order with accurate data after a failure or problem has occurred. Such support will include identification, analysis, and correction of software and data defects directly related to a software defect in the ERP solution including those related to programming, configuration, scripting, job streams, data conversion or data inaccuracy caused by or allowed by a software or technical configuration defect. It shall also include rectification of any problems that cause ERP components to perform below agreed to standards for availability, online performance, or batch performance. Break fix support shall include all work required to investigate, correct, test, and deploy software, data (as coordinated with the State) or other 'fixes'. This shall include the application of any patches to application software, DBMS, operating system, or other components required to rectify a production incident. This service will be substantially delivered in coordination with the State Help Desk operation.

#### **19.0 Help Desk Support**

The Contractor shall participate in the operation of the State Help Desk by:

- A. Receiving and providing triage, investigation, technical, functional, operations, warranty, and break fix support as described above via the Help Desk organization using its procedures. Specific areas of responsibility would include:
  - 1. All ERP solution components (as enhanced and configured for the State by or jointly with the Contractor as a part of the Implementation Services Agreement).
  - 2. All ERP interfaces, reports, workflows, and forms
- B. Provide status reporting to Help Desk and State management related to ERP Solution incidents, pending solutions, completed fixes, and scheduled deployments to implement the fixes.
- C. Supporting needed communications with State Agencies related to reported problems, workarounds, choices related to solutions, State and Contractor actions required to implement the solutions, operations impacts of any solutions, and scheduled release dates for fixes and solutions.



The State will provide all level 1 (Initial Triage) Help Desk support for all incidents including Hosting infrastructure and the proposed ERP solution. The State will be responsible for receiving and logging incidents and resetting passwords (level 1), providing functional explanations in response to user questions (level 2), closing incidents, and communicating 'work arounds' and fix schedules to the broad user community. The Contractor will be responsible for level 3 support related to application technical configuration and programming (including that related to interfaces and ERP Solution reports). It shall also rationalize, streamline, and consolidate (where necessary) procedures regarding and services provided by the Contractor Hosting Services Desk. In all instances, hosting related level 2+ resolutions will be the obligation of the Contractor. Level 2+ application related problem resolutions will be provided by the Contractor.

The State will:

- I. Be responsible for all end-user training (hardware and software)
- II. For in-scope State-retained systems, provide systems status information to the Contractor Service Desk and updates as they occur. The Contractor will maintain such information as set forth in the production schedule or other supporting documents
- III. Maintain and distribute a State contact list, including names and telephone, mobile/pager and fax numbers, for use by Contractor Help Desk staff to contact appropriate State personnel for problem determination assistance and escalation and ensure such personnel are available as required
- IV. Assist the Contractor in establishing call prioritization guidelines and escalation procedures
- V. Ensure end-users have a basic level of understanding of the Contractor Service Delivery processes and adhere to such processes for accessing the Services
- VI. Communicate support responsibilities and procedures to the State Single Point of Contact and Third Party service providers (for example, providing call status and resolution to the Contractor Help Desk) and ensure adherence to such procedures
- VII. Assist the Contractor, as requested and in a time frame commensurate with the assigned problem Priority Code and associated Service Level commitment, in the resolution of recurring problems.
- VIII. Be responsible for the resolution or closure of all calls related to products and services that are not within Contractor required services.

## 20.0 Major and Minor Technical Upgrades and Updates

This section defines the technical upgrade and update activities that will be performed by the Contractor under the terms of this Agreement.

- ▶ A Patch is a correction to the Advantage ERP Software application specific to one (or a very small set of tightly related) Issue(s), independent of Issue Severity.
- ▶ A Hot Fix is the application of a Patch intended to update the existing customer software in a quick turnaround to support Critical (Severity 1) Issues and Serious (Severity 2) Issues as defined in Exhibit B. Delivery of Hot Fixes is typically undertaken on an as-needed basis given the criticality of the required Issue correction in order to meeting Contractor responsibilities under the SLA.
- ▶ A Patch Set is a select, client-specific group of Patches intended to update the existing customer Advantage Software in a longer turnaround time than what is described for the single Hot Fix above as it tends to principally address Moderate Issues, as defined in Exhibit B. Generally delivery of a Patch Set is a scheduled event containing a pre-defined set of Hot Fixes. A set typically contains between ten (10) and twenty (20) resolutions, but may contain only one resolution (for example, for resolutions of Critical



Issues). Patch Sets can typically be tested in a client test environment and moved to production without any additional implementation efforts (e.g. upgrading the underlying software or full regression testing)

- ▶ Minor releases include new product functionality requested by the user community or necessitated by legislative and regulatory changes as well as resolutions to software incidents reported from the prior release. A minor release enhances the application's functional and technical capabilities without introducing a wholesale change in the software or its underlying technical architecture.
- ▶ Major Releases occur infrequently and contain significant functional enhancements that span the product line and are accompanied by major changes in technical architecture.

#### A. Implementation of Patch Sets:

1. With the exception of Hot Fixes required to meet the Contractor's Issue Resolution obligations under the SLA, Advantage ERP Software updates for the State between Minor Releases will be implemented via Patch Sets.
2. During regular meetings, the State and the Contractor will agree to the timing and schedule of Patch Set implementation.
3. The number of patches included in a Patch Set is expected to be between fifteen (15) and twenty (20).
4. The patches included in a Patch set will be selected by the State, in consultation with the Contractor.

#### B. Implementation of Minor Releases:

1. Contractor anticipates and has included provisions for the technical implementation of up to one (1) additional Minor Release during the term of this Agreement.
2. The timing and scheduling of the implementation of a Minor Release Upgrade will be based upon mutual agreement. Deferral of a Minor Release Upgrade is at the State's option provided it does not prevent remaining current on the System and thereby undermining the Contractor's ability to support the State.
3. In advance of a Minor Release Upgrade, the Contractor will track requested Patches of more immediate importance to the State. Provided the State is operating within the general service limits defined in this Agreement and absent other voluntary extensions in the Contractor's scope of services, the Contractor is willing to coordinate inclusion of a small number of patches identified during the Contractor's internal Minor Release Upgrade planning efforts without additional fees. The total number to be included is expected to be less than the number defined for a Patch Set in this Agreement.
4. The elapsed duration for any Minor Release Upgrade will be as proposed by the Contractor and agreed to mutually with the State.
5. The Contractor will provide technical project management services associated with the Minor Release Upgrades at no additional cost.

Contractors are to comply with the following:

- A. The State's requirement is to always operate on a set of Application and Technical Infrastructure components that are on the current support model and terms as provided by the underlying software or Hardware provider. (e.g., production ERP modules must be on the ERP Software Vendor's then current supported version listing)



- B. As part of annual planning and coincident with monthly governance review meetings, the Contractor is to inform State of any software, hardware or infrastructure components that are moving beyond a current support model and the Contractor's plan to implement the required updates in a controlled manner to the applicable State environments to maintain compliance with software vendor support models without disrupting the State's operational needs. In addition, the Contractor is to inform the State of any software upgrades that are available but not yet required to maintain compliance with the software vendor support models. An explanation of the features, changes, and benefits available with such upgrades will be provided to the State so that a decision can be made as to whether the upgrade shall be implemented prior to any requirement for compliance with the software vendor support model. If the State decides that the upgrade should be performed, the Contractor shall provide a plan to implement the upgrade in a controlled manner in the applicable State environments.
- C. Provide analysis and explanations of the functional and technical changes associated with any application upgrade and any impacts on user functionality, production schedules, reporting, security, interfaces, customizations, MIDB, or other operational or functional impacts.
- D. Based on a review of the Contractor's upgrade plan (inclusive of all elements required to effectively manage, resource, test, validate and implement the change as outlined elsewhere in this statement of work, the State and the Contractor will schedule a mutually agreeable upgrade Project and authorize the Contractor to perform these upgrade services to maintain the required support model or to obtain the benefits of the upgrade even if not immediately required to maintain compliance with the software vendor support model.
- E. Upgrade planning must factor any regularly scheduled batch processing or system availability as well as any seasonal processing requirements (e.g. monthly financial closes) and should be scheduled to maintain compliance with system availability as specified under State SLAs and in consideration of then prevailing production schedule.

#### **21.0 Discretionary Services**

Contractor shall be responsible for making minor alterations or enhancements as mutually agreed to Applications within the scope of the Managed Services. Due to the sporadic nature of these requirements (e.g., minor display field changes, edits, reports, etc.), the State may require the Contractor to provide these services as needed. The Contractor must include, for each year of the Agreement, a pool of eight thousand (8,000) hours per year, to be used for such services. The Contractor must also provide tracking and reporting of hours used and remaining available within a given year. Upon receipt of an approved request from the State, the Contractor shall:

- A. Prepare and deliver a proposal that includes the following:
  - 1. A Project Plan including project schedule
  - 2. Delivery cost and resource estimates for each phase of the Project
  - 3. Cost estimates for the ongoing maintenance resource and infrastructure requirements and costs for the solution(s) post-implementation
  - 4. Provisions for project management due diligence including:
    - a. Preparation and maintenance of project plans and schedules using Microsoft Project or other tool as may be required by State standards at the time
    - b. Preparation and maintenance of project organization and staffing chart
    - c. Status reports and weekly status meetings



- d. Issue identification, logging, review, escalation, and resolution
  - e. Monitoring, reporting, and analyzing actual results versus forecasted results including budget, hours, milestone achievement, estimates to complete, key dependencies, key quality or acceptance gates and any other items the Contractor or State deems necessary to deliver the Project
- B. For each proposed project approved by the State, the Contractor shall:
1. Deliver Projects in a manner that is designed to help minimize disruption to the State business environment.
  2. Balance Project scope, quality, effort, schedule, budget, and resource risks or conflicts jointly with the State.
  3. Develop and report business and technical risk and impact analyses.
  4. Conduct post-delivery analysis, documenting preferred experiences, and compiling recommendations for purposes of continuous service improvements.

## 22.0 Larger Projects

Contractor shall be responsible for significant new and revised configuration, alterations or enhancements to Applications within the scope of the Managed Services that cannot be performed using the pool of hours available in section 21.0 either due to the insufficiency of hours in the pool or because the nature of required changes and enhancements exceeds the parameters established for performing work under that section. The Contractor must include, in their proposed annual cost for Managed Services, the cost for any significant change and enhancement projects requested by the State based on hours required by labor category and the Contractor's Rate Card. Upon receipt of an approved request from the State, the Contractor shall:

- A. Prepare and deliver a proposal that includes the following:
1. A Project Plan crafted to satisfy the requirements of SUITE, the State's required methodology
  2. Delivery cost and resource estimates for each phase of the Project
  3. Cost estimates for the ongoing maintenance resource and infrastructure requirements and costs for the solution(s) post-implementation
  4. Provisions for project management due diligence including:
    - a. Preparation and maintenance of project plans and schedules using Microsoft Project or other tool as may be required by State standards at the time
    - b. Preparation and maintenance of project organization and staffing chart
    - c. Status reports and weekly status meetings
    - d. Issue identification, logging, review, escalation, and resolution
    - e. Monitoring, reporting, and analyzing actual results versus forecasted results including budget, hours, milestone achievement, estimates to complete, key dependencies, key quality or acceptance gates and any other items the Contractor or State deems necessary to deliver the Project
- B. For each proposed project approved by the State, the Contractor shall:
1. Deliver Projects in a manner that is designed to help minimize disruption to the State business environment.
  2. Meet requirements of SUITE by mapping Contractor's methodology artifacts to SUITE, the State's required methodology including those related to required artifacts, touch-points, stage exits, and structured walkthroughs.



3. Balance Project scope, quality, effort, schedule, budget, and resource risks or conflicts jointly with the State.
4. Develop and report business and technical risk and impact analyses.
5. Conduct post-delivery analysis, documenting preferred experiences, and compiling recommendations for purposes of continuous service improvements.

The State reserves the right to request a fixed price proposal for any Large Project.

### **23.0 Managed Services Job Set-Up and Scheduling**

The Contractor Job Set-Up and Scheduling responsibilities include:

- A. The Contractor must maintain the Automated Scheduler System
- B. The Contractor must update the scheduler database to reflect scheduling changes/modifications to all environments
- C. The Contractor must assimilate batch jobs into all environments in accordance with processing schedules approved by the State, and according to mutually agreed upon implementation requirements
- D. Contractor staff is responsible for job set-up
- E. Contractor staff is responsible for defining job dependencies
- F. Contractor staff is responsible for identifying and implementing job recovery steps.

### **24.0 RESERVED**

### **25.0 Termination Services**

Services designed to assist the State at the conclusion of the Agreement term (either through expiration without renewal, cancellation or termination) to migrate the services back to the State or a new contractor as designated by the State.

- A. To the extent the Termination Assistance Services include any tasks which Contractor is not otherwise obligated to perform under the Agreement, the charges will be based on then-current rates for Services as specified in this Agreement or prevailing rates at the time of termination, whichever is lower. "Termination Assistance Services" will mean (a) to the extent requested by the State, the continued performance by Contractor of its obligations under the Agreement (including providing the Services which are subject to termination or expiration), and (b) the provisioning of such assistance, cooperation and information as is reasonably necessary to help enable a smooth transition of the applicable Services to the State or its designated Third Party provider ("Successor"). As part of Termination Assistance Services, Contractor will provide such information as the State may reasonably request relating to the number and function of each of the Contractor personnel performing the Services, and Contractor will make such information available to the Successor designated by the State.
- B. At the State's request to the extent the Contractor does not leverage a shared platform on which the State would be one of several clients, Contractor will (A) obtain any required consents from Third Parties and thereafter assign to the State or its designee leases for some or all of the equipment that was necessary as of the date of termination/expiration of this Agreement primarily for providing the Services, and the State will assume the obligations under such leases that relate to periods after such date; and (B) sell to the State or its designee, at the lower of Contractor's then current



book value, unrecovered capital payments or fair market value, some or all of the equipment owned by Contractor that was necessary as of the date of termination/expiration of this Agreement primarily for providing the Services. Contractor will also provide all users and other documentation relevant to such equipment which is in Contractor's possession. The State will assume responsibility under any maintenance agreements for such equipment to the extent such responsibilities relate to periods after the date of termination/expiration of this Agreement.

- C. To the extent the Contractor does not leverage a shared platform on which the State would be one of several clients, Contractor will obtain any necessary rights and thereafter make available to the State or its designee, pursuant to agreed terms and conditions, any Third Party services then being utilized by Contractor in the performance of the Services, including services being provided through Third Party service or maintenance agreements on equipment and software used to provide the services. Contractor will be entitled to retain the right to utilize any such Third Party services in connection with the performance of services for any other Contractor customer.
- D. For a period of up to twelve (12) months following the effective date of termination/expiration under other provisions of this Agreement, at the State's request Contractor will continue to provide Termination/Expiration Assistance. Actions by Contractor under this section will be subject to the other provisions of this Agreement.
- E. In the process of evaluating whether to undertake or allow termination/expiration or renewal of this Agreement, the State may consider obtaining, or determine to obtain, provisions for performance of services similar to the Services following termination/ expiration of this Agreement or to return these services to the State for ongoing operation. As and when reasonably requested by the State for use in such a process, Contractor will provide to the State such information and other cooperation regarding performance of the Services as would be reasonably necessary for the State or a Third Party to prepare an informed option analysis for such services, and for the State or a Third Party not to be disadvantaged compared to Contractor if Contractor were to be invited by the State to submit a proposal.
- F. Contractor acknowledges that, in the event it breaches (or attempts or threatens to breach) its obligation to provide Termination/Expiration Assistance as provided in this section, the State will be irreparably harmed. In such a circumstance, the State may proceed directly to court. If a court of competent jurisdiction should find that Contractor has breached (or attempted or threatened to breach) any such obligations, Contractor agrees that, without any additional findings of irreparable injury or other conditions to injunctive relief (including the posting of bond), it will not oppose the entry of an appropriate order compelling performance by Contractor and restraining it from any further breaches (or attempted or threatened breaches).
- G. Contractor will provide State an inventory of resources (or resource full time equivalents) then performing work under the Agreement to assist the State in determining the appropriate resourcing and skill model required for the State or a State contracted Third Party to assume the services as provided by the Contractor at the time of termination. This resource inventory will include (at a minimum); full-or part time equivalent resource models; skill and experience levels; education or technical skill certification levels required; and other mutually agreeable and pertinent information for the State to assemble or source the capabilities to perform the work described herein upon termination of the Agreement post transition of services. Contractors are to note State does not require names of individuals as part of fulfilling this requirement.



- H. Contractor will cooperate with the State in its attempts at transferring the services responsibilities to another provider in a manner in keeping with not adversely affecting the provision of ongoing services.
- I. Termination Standards
  - 1. The terminated or expired Services shall be transferred to the State or its successor(s) in an efficient and orderly manner.
  - 2. The impact on the State's business (including its personnel and customers) and the internal and Third Party IT-related costs incurred by the State in transferring the Terminated Services are acceptable to the State under the circumstances.
  - 3. The Terminated Services continue to be performed by Contractor without disruption or deterioration until the transfer has occurred: (i) consistent with the terms and conditions of this Agreement, or (ii) except as approved by the State.
  - 4. Any disruption or deterioration of the remaining Services following the transfer (except as approved by the State or included in the Termination Assistance Plan) to the extent the same is within the control of Contractor and as agreed with the State.
  - 5. In an effort to facilitate transition of responsibilities, the Key Personnel will continue to apply during the agreed Termination Assistance Period.

## **26.0 Termination Assistance Plan**

The Contractor shall assist the State (and the Successor, if applicable) to create a Termination Assistance Plan and shall be compensated for the reasonable associated effort at the hourly rates set forth in Price Table 4 of Attachment 3. The contents of Termination Assistance Plan will include, unless otherwise agreed, the services, functions, and activities as defined below:

- A. Documentation of existing and planned Projects and support activities.
- B. Identification of the Services and related positions or functions that require transition and a schedule, plan and procedures for the State or its designee assuming or reassuming responsibility.
- C. Description of actions to be taken by Contractor in performing Termination Assistance.
- D. Description of how the transfer of (i) relevant information regarding the Services, (ii) resources (if any), (iii) operations and (iv) agreements (if any) will be achieved.
- E. Description in detail of any dependencies on the successors necessary for Contractor to perform the Termination Assistance Services (including an estimate of the specific Contractor staffing required).
- F. Inventory of documentation and work products required to facilitate the transition of responsibilities.
- G. Assist the State in the identification of significant potential risk factors relating to the transition and in designing plans and contingencies to help mitigate the risk.
- H. Set out the timeline for the transfer of each component of the terminated Services (including key milestones to track the progress of the transfer).



- I. Define a schedule and plan for Contractor's return to the State of (i) the State Service locations then occupied by Contractor (if any), and (ii) the State Confidential Information, the State Data, documents, records, files, tapes and disks in Contractor's possession.

## **27.0 Termination Management Team**

- A. Contractor will provide a senior Project manager who will be responsible for Contractor's overall performance of the Termination Assistance Services and who will be the primary point of contact for the State in respect of the Termination Assistance Services during the Termination Assistance Period.
- B. The State will appoint a senior Project manager who will be the primary point of contact for Contractor during the Termination Assistance Period. Additionally, the State may appoint a Transformation Team that would be responsible for the review of then current services provided by the Contractor and work to facilitate an orderly transition of services.

## **28.0 Operational Transfer**

- A. Contractor will perform the activities reasonably required and under Contractor's purview to help effect a smooth and orderly transfer of operational responsibility for the Terminated Services.
- B. Facilitating access to the State source code, object code, object and production libraries, reference files, field descriptions, record layouts and technical specifications along with run documentation for the State software then in Contractor's possession including tools, scripts, run books, production schedules and procedures as required to support the in-scope Applications which may be used in training, knowledge transfer, sizing assessments, operational reviews and other uses required by the state at the time of Transfer.
- C. Cooperating with the Successors in conducting migration testing.
- D. Providing the State owned documents and information related to the functionality, program code, data model and data base structure, and access methods for the in-scope Applications and manual and automated processes used for the State, within the possession or control of Contractor, and reviewing such processes, documents and information with the Successor as reasonably requested.
- E. Cooperating with the State's test plans, back out procedures, and contingency plans as part of the migration of Terminated Services.
- F. After the transfer of the provision of Terminated Services to the State, its designee(s), or both, providing additional assistance as reasonably requested by the State to facilitate continuity of operations, through the end of the Termination Assistance Period.

## **29.0 Maintenance and Enhancement by State Employees or other Contractors**

The State shall have the right to have its own employees or other Contractors perform selected configuration, development, and maintenance work on the ERP software or other hosted applications in the event that Contractor is unable or unwilling to meet needed deadlines specified by the State. The Contractor shall provide any needed support.

## **Other Clarifications**

**30.0 Confirmation of MiDEAL Commitment**

Subject to Section 2.281 in Article 2, the Contractor has confirmed their commitment to leverage this Agreement as the basis for negotiations for MiDEAL members who may wish to leverage this Contractor for software, hosting, and services at a future date.

**31.0 Confirmation of CAFR source data**

The Contractor has confirmed their proposed fixed price solution meets this requirement that CAFR is to be produced from the ERP's ledger tables or from a data warehouse (MIDB or other solution) with a comprehensive systematic and efficient reconciliation method.

**32.0 Confirmation of Capacity and Performance**

The Contractor has confirmed, subject to the requirements in the RFP and the BAFO request, that in the event that the Contractor is unable to meet performance and throughput commitments due to a lack of the Contractor's Hosting Solution, the Contractor would provide additional hardware and/or processing capacity to meet those commitments at no additional cost to the State.

**33.0 Confirmation of Encryption Requirement**

The Contractor has confirmed that encryption will be provided at both the disk and database levels for all production and non-production environments including databases, backup disks, tapes and any media where the State's data or files are stored and/or accessed.

**34.0 Confirmation of Dedicated Communication Lines**

The Contractor has confirmed that their fixed price proposal includes dedicated lines from the primary and disaster recovery hosting centers to the State's LMAN. VPN lines over the internet will not satisfy these requirements.

**35.0 Confirmation of Hosting Environment**

The Contractor has confirmed that the proposed fixed price and hardware sizing, hosting environment, data storage and structure meets or exceeds the State of Michigan requirements as specified in the RFP and BAFO process. Price increases to meet the defined SLA's, disaster recovery needs, data storage/capacity needs, security requirements, response times, and any other infrastructure/hosting oriented requirements will not be allowed.

**36.0 Confirmation of Encrypted Communication Lines to ODFI**

The Contractor has confirmed that their fixed price proposal includes dedicated encrypted lines to the ODFI from both the primary hosting site and the disaster recovery site.

**37.0 Confirmation of Business Continuity Office Space**

The Contractor has confirmed that their fixed price proposal includes Business Continuity Office Space for State Staff in the event of a Disaster. The Office Space provided is not required to be in the DR Hosting Center.

**38.0 Confirmation of Maintenance Window**

The Contractor has confirmed that their fixed price proposal includes exceptions to the Contractor's standard maintenance window that would allow the State to meet its processing and system availability needs for time and attendance reporting, longevity payroll processing, and fiscal year end closing activities. These and any other special processing time periods are laid out and planned in advance as part of the processing calendar.

**39.0 Confirmation of Discretionary Services**

The Contractor has confirmed that their fixed price proposal includes the proposed 8000 hours of discretionary services per year. In addition, the Contractor has confirmed that the limit of 100 hours per request has been removed from the Discretionary Services pool of hours.

**40.0 Confirmation of On-Going Security Assessment Testing / Audits**

The Contractor has confirmed that their fixed price proposal includes that the following ongoing security assessment testing / audits will be included in the Contractor's proposed services:

- Information Security Risk Assessment
- Digital Signatures
- Intrusion Detection
- Viruses and other Malicious Logic
- Control Risk Self-assessment
- Firewalls
- Irregularities and Illegal Acts
- Security Assessment (penetration testing, data encryption effectiveness, vulnerability analysis and effectiveness of controls)

**41.0 Changes to the State's Infrastructure**

The State will be notified of any changes made to the infrastructure that is expected to affect the State's system. All changes to the infrastructure are performed using the Contractor's Change Management process which includes notification of the changes. Changes, whenever feasible, are applied to non-production environments before being promoted to production environments. The Contractor will provide ample notice of any planned changes. Generally, technical changes to the infrastructure are undertaken as part of planned maintenance and are coordinated with clients well in advance.

**42.0 Disaster Recover Site**

The Contractor's disaster recovery site is a Tier III facility and will be subject to the same annual SSAE No. 16 audit and controls as the primary site. Similarly, the disaster recovery facility will undergo the third party penetration testing conducted by Referentia or other 3<sup>rd</sup> party as mutually agreed between the State and Contractor, and annual security self-assessment.

All connections to the DR site will be actively monitored and reported to the State as part of the agreed upon SLA framework and metrics. In the event that an issue occurs, the Contractor will report the incident to the State as soon as possible based on the established governance and communication procedures.

**43.0 Security Vulnerabilities**

As required in Decision Director Requirement #885619, all critical security vulnerabilities will be patched within 30 days of issue identification for the Contractor-owned software and within 30 days of receiving fixes for third party software components once the appropriate notification and approval processes have occurred. The patching will occur during the normal maintenance window or as soon as possible, depending on the assessed risk of the vulnerability. Lower priority patching may also be applied within 30 days of the update being available, but non-critical vulnerabilities are evaluated relative to intrusiveness and relative risk of change vs. what it corrects.

Exhibit D and Exhibit E contain additional descriptions of the Hosting and Security Environments, Managed Services, and the Technical Architecture Description. Attachment 2 supersedes any conflicting information contained in Exhibits D & E.



**Exhibit A**  
**Service Level Requirements**

Subject to Article 2, Section 2.243, the State may assess Service Level Credits beginning for the first full month following the first ninety (90) days after the respective ERP module goes live and is in production use by the State as specified for:

- SLA Standard 1: Scheduled Hours of Online Availability for Non-Public Facing Components,
- SLA Standard 2: Scheduled Hours of Online Availability for Self Service Components
- SLA Standard 3: Online Response Time
- SLA Standard 4: Network Response Time
- SLA Standard 6: Completion Times for Critical Batch Jobs (exempt from 90 day burn in period)
- SLA Standard 8: Issue Response and Resolution Time
- SLA Standard 13: Monitoring and Auditing Security Breach

All times listed are Eastern time-zone.

<b>Standard 1</b>	<b>Scheduled Hours of On-Line Availability for Non-Public Facing Components</b>	
<b>Description</b>	For software that has been implemented for non-public facing components, the system must be accessible by users for the schedule hours listed below for the purpose of measuring the performance standards:	
	<b>Environment</b>	<b>Scheduled Hours of On-Line Availability</b>
	Development and Test Environments	6 a.m. – 6 p.m., Mondays – Fridays* 6 a.m. – 6 p.m., Saturdays*
	Development Report Distribution	6 a.m. – 12 midnight, 7 days per week*
	Production and Production QA	7 a.m. – 6 p.m., Business Days 7 a.m. – 4 p.m., Saturdays**
	Production and Production QA Report Distribution	7 a.m. – 6 p.m., Business Days 7 a.m. – 4 p.m., Saturdays**
<p>*Times listed are exclusive of notified Maintenance Windows. Standard maintenance window is as defined in Section 3.0 of Attachment 2.</p> <p>** During the Year End Close or other testing processes, these scheduled hours of on-line availability may be extended. (as requested by the State)</p> <p>Availability of environment includes redundant IP based Router and network from Lansing to the Contractor's hosting center.</p>		



<b>Measurement</b>	Downtime is measured from the time a problem record is opened and the outage has been coded until the problem has been resolved and service has been restored. Tracking tools approved by the State must be used to track and measure the availability objective.
<b>Target Performance</b>	99.5% compliance with target service level
<b>Period of Review</b>	Monthly
<b>Service Level Credit</b>	\$25,000 per month in which Target Performance level is not met. \$50,000 if the Target Performance level is not met in a subsequent consecutive month. If Target Performance is met 3 successive months, the Service Level Credit is \$15,000 per month in which Target Performance level was not achieved.

<b>Standard 2</b>	<b>Scheduled Hours of On-Line Availability for Self-Service Components</b>						
<b>Description</b>	<p>For software that has been implemented for Self-Service components (employee and vendor), the system must be accessible by users for the schedule hours listed below for the purpose of measuring the performance standards:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: center;">Environment</th> <th style="text-align: center;">Scheduled Hours of On-Line Availability</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Development and Test Environments</td> <td style="text-align: center;">6 a.m. – 6 p.m., Mondays – Fridays* 6 a.m. – 6 p.m., Saturdays*</td> </tr> <tr> <td style="text-align: center;">Production and Production QA</td> <td style="text-align: center;">7 x 24*</td> </tr> </tbody> </table> <p>*Times listed are exclusive of notified Maintenance Windows. Standard maintenance window is as defined in Section 3.0 of Attachment 2.</p> <p>Availability of environment includes redundant IP based Router and network from Lansing to the Contractor’s hosting center.</p>	Environment	Scheduled Hours of On-Line Availability	Development and Test Environments	6 a.m. – 6 p.m., Mondays – Fridays* 6 a.m. – 6 p.m., Saturdays*	Production and Production QA	7 x 24*
Environment	Scheduled Hours of On-Line Availability						
Development and Test Environments	6 a.m. – 6 p.m., Mondays – Fridays* 6 a.m. – 6 p.m., Saturdays*						
Production and Production QA	7 x 24*						
<b>Measurement</b>	Downtime is measured from the time a problem record is opened and the outage has been coded until the problem has been resolved and service has been restored. Tracking tools approved by the State must be used to track and measure the availability objective.						
<b>Target Performance</b>	99.5% compliance with target service level						
<b>Period of Review</b>	Monthly						
<b>Service Level Credit</b>	\$25,000 per month in which Target Performance level is not achieved. Amount rises to \$50,000 if the Target Performance level is not met in a subsequent consecutive month. If Target Performance is met 3 successive months, the Service Level Credit is \$15,000 per month in which Target Performance level was not achieved.						



<b>Standard 3</b>	<b>On-line Response Time</b>	
<b>Description</b>	Both online inquiry and online update of mutually agreed upon and selected single transactions must be achieved within the cumulative transaction response times specified below:	
	<b>Environment</b>	<b>Performance Standard</b>
	Production	<2.0 sec – 91% <3.0 sec – 93% <4.0 sec – 95% <5.0 sec – 97%
<b>Measurement</b>	Response times must be measured at the server.	
<b>Target Performance</b>	100% compliance with target service level	
<b>Period of Review</b>	Monthly	
<b>Service Level Credit</b>	\$25,000 per month in which Target Performance level is not met. \$50,000 if the Target Performance level is not met in a subsequent consecutive month. If Target Performance is met 3 successive months, the Service Level Credit is \$15,000 per month in which Target Performance level was not achieved.	

<b>Standard 4</b>	<b>Network Response Time</b>	
<b>Description</b>	The Contractor must perform the Processing Services in accordance with the Network Response Time Performance Standard measured as the network response time from the server at the Contractor's hosting center to the Lansing based vendor Router and back to the server host.	
<b>Measurement</b>	Average Network Response time must be <0.125 seconds.	
<b>Target Performance</b>	100% compliance with target service level	
<b>Period of Review</b>	Monthly	
<b>Service Level Credit</b>	\$25,000 per month in which Target Performance level is not met. \$50,000 if the Target Performance level is not met in a subsequent consecutive month. If Target Performance is met 3 successive months, the Service Level Credit is \$15,000 per month in which Target Performance level was not achieved.	



<b>Standard 5</b>	<b>Off-Line Batch Processing</b>
<b>Description</b>	<p>All scheduled output from normal nightly batch processing must be delivered to the specified State end user in the manner elected by such end user. For the purposes of this Section, the term “delivered” shall mean with respect to end users who are connected to the ERP Application Software and who elect to receive their output in electronic format, the Contractor must have such output available by 7 a.m. each Business Day.</p> <p>The Contractor must initiate production ‘on-request’ jobs within two (2) hours of receipt of an approved request, subject to the design limitations of the ERP Application Software, in no case shall initiation of such processing be delayed beyond the current night’s batch processing cycle.</p>
<b>Measurement</b>	The parties must develop a mutually acceptable tracking and reporting process for this service level objective. The specific, final batch processing requirements and the identification of critical batch jobs will be agreed upon during performance benchmarking that takes place as part of the ERP Implementation project.
<b>Target Performance</b>	100% compliance with target service level
<b>Period of Review</b>	Monthly

<b>Standard 6</b>	<b>Completion Times for Critical Batch Jobs</b>
<b>Description</b>	<p>The Contractor must complete normal nightly batch processing through the report cycle of the ERP Application Software within the batch processing window of 6 p.m. – 7 a.m., Business Days.</p> <p>The Contractor will work with the State to develop a table of Critical Batch Jobs prior to implementation in any ERP Project phase that includes: Job, Job Description, and Critical Completion Time. All jobs listed in that table shall be subject to the following standard in relation to the listed Critical Completion Time:</p> <p>The Contractor must perform the Processing Services in accordance with the performance standard identified below.</p> <p>&lt; 2 Missed Completions in previous 3 months</p> <p>For purposes of this section, a ‘Missed Completion’ is defined as a designated batch job completing beyond the specified “Critical Completion Time”</p> <p>The jobs listed in the table will include the following as well as others that will be identified as part of production planning.</p> <ul style="list-style-type: none"> <li>Payment and Warrant Request Interfaces</li> <li>Outbound Bank Interfaces</li> <li>Inbound Bank Interfaces</li> <li>EFT and Wire Transfer Jobs</li> <li>Report Distribution Jobs</li> <li>Final nightly batch or syncpoint jobs (that must be completed prior to the beginning of a new online day)</li> <li>Processing of EDI or eInvoice interface</li> <li>Time and attendance and employee travel and expense reimbursement interfaces (bi-weekly)</li> <li>• Warrant Writing Interfaces and/or Jobs</li> </ul>



<b>Measurement</b>	The parties must develop a mutually acceptable tracking and reporting process for this service level objective. The specific, final batch processing requirements and the identification of critical batch jobs will be agreed upon during performance benchmarking that takes place as part of the ERP Implementation project.
<b>Target Performance</b>	100% compliance with target service level
<b>Period of Review</b>	Monthly
<b>Service Level Credit</b>	The service level credit amount is \$50,000.00 per failure to meet the required service level.

<b>Standard 7</b>	<b>Daily Disaster Recovery Back-ups</b>
<b>Description</b>	The Contractor must ensure that Disaster Recovery Back-ups are complete, encrypted, prepared and either moved to the off-site storage facility on a daily basis per the mutually agreed schedule or replicated to the 'Hot Site' or 'Warm Site' as required by this Agreement.
<b>Measurement</b>	The parties must develop a mutually acceptable tracking and reporting process for this service level objective.
<b>Target Performance</b>	100% compliance with target service level
<b>Period of Review</b>	Monthly

<b>Standard 8</b>	<b>Issue Response and Resolution Time</b>												
<b>Description</b>	<p>The Contractor must respond to and resolve issues that have been designated as Contractor-owned issues within the times below, unless otherwise agreed upon by the State and the Contractor:</p> <table border="1" data-bbox="418 1276 1312 1654"> <thead> <tr> <th>ISSUE SEVERITY</th> <th>RESPONSE TIME</th> <th>RESOLUTION TIME</th> </tr> </thead> <tbody> <tr> <td>Critical</td> <td>10 minutes</td> <td>24 hours</td> </tr> <tr> <td>Serious</td> <td>1 hour</td> <td>48 hours</td> </tr> <tr> <td>Moderate</td> <td>1 day</td> <td>Per the Contractor's Patch Set obligations in Section 20.0</td> </tr> </tbody> </table> <p>Issue Severity Minor does not have predefined Response or Resolution times. Issue Severity Levels are defined in Exhibit B: Severity Level Definitions</p>	ISSUE SEVERITY	RESPONSE TIME	RESOLUTION TIME	Critical	10 minutes	24 hours	Serious	1 hour	48 hours	Moderate	1 day	Per the Contractor's Patch Set obligations in Section 20.0
ISSUE SEVERITY	RESPONSE TIME	RESOLUTION TIME											
Critical	10 minutes	24 hours											
Serious	1 hour	48 hours											
Moderate	1 day	Per the Contractor's Patch Set obligations in Section 20.0											
<b>Measurement</b>	The parties must develop a mutually acceptable tracking and reporting process for this service level objective.												
<b>Target Performance</b>	100% compliance with target service level												



<b>Period of Review</b>	Monthly
<b>Service Level Credit</b>	<p>\$25,000 per month in which Target Performance level is not met.</p> <p>\$50,000 if the Target Performance level is not met in a subsequent consecutive month.</p> <p>If Target Performance is met 3 successive months, the Service Level Credit is \$15,000 per month in which Target Performance level was not achieved.</p>

<b>Standard 9</b>	<b>Incident Resolution - Issue Triage, Closure and Recidivist Rate</b>
<b>Description</b>	<p>Incident Triage, Closure and Recidivist Rate will be determined by monitoring compliance with the following four key performance indicators (KPI):</p> <p>Incident Triage: Contractor to indicate high-level diagnosis and estimate to remedy to the State within 30 minutes of acknowledgement</p> <p>Incident Closure: Incident to be documented with root cause remedy, (where root cause is within Contractor's control), and procedures to eliminate repeat of incident within 24 hours of incident close</p> <p>Incident Recidivist Rate: Closed incidents not to reappear across all in scope Services no more than 2 times following incident closure.</p> <p>Incident means any Critical incident where the Services for which Contractor is responsible under the SOW are unavailable.</p>
<b>Measurement</b>	(Total Priority 1 Incidents for which Contractor is responsible under the SOW, where solution Services are unavailable) - (Number of Incidents where the KPI was not in compliance)
<b>Target Performance</b>	100% compliance with target service level
<b>Period of Review</b>	Monthly

<b>Standard 10</b>	<b>Capacity Monitoring &amp; Planning</b>
<b>Description</b>	<p>Capacity Monitoring &amp; Planning – Capacity Utilization Flag will be determined by monitoring compliance with the following five key performance indicators (KPI):</p> <p>Contractor Service Delivery Center CPU capacity not to exceed 95% aggregate sustained utilization by Supported server class (compute, file, web etc) for a period of 4 hours or 80% aggregate sustained utilization for a period of 8 hours. If this performance indicator has not been met then Contractor has notified the State and provided a remediation/enhancement plan as set forth in the Process Interface Manual or other supporting documents.</p> <p>Contractor Service Delivery Center disk capacity (online) not to exceed 80% utilization as measured by both available disk space and available I/O by server class for period of 5 days. If this performance indicator has not been met then Contractor has notified the State and provided a remediation/enhancement plan as set forth in the Process Interface Manual or other supporting documents.</p> <p>Contractor Service Delivery Center memory usage not to exceed 95% aggregate sustained utilization by server class for period of 4 hours. If this performance indicator has not been met then Contractor has notified the State and provided a remediation/enhancement plan as set forth in the Process Interface Manual or other supporting documents.</p>



	<p>Data center LAN and Wide Area connectivity elements not to exceed 90% aggregate sustained utilization on primary network backbone. If this performance indicator has not been met then Contractor has notified the State and provided a remediation/enhancement plan as set forth in the Process Interface Manual or other supporting documents.</p> <p>5. Flag, for the purposes of this Service Level, means a Contractor notification to the State as set forth in the Process Interface Manual or other supporting documents.</p>
<b>Measurement</b>	Number of instances where individual KPI's were not in compliance
<b>Target Performance</b>	99.5% compliance with target service level
<b>Period of Review</b>	Monthly

<b>Standard 11</b>	<b>Security Compliance</b>
<b>Description</b>	<p>Security Compliance will be determined by monitoring compliance with the following five key performance indicators (KPI):</p> <p>Material compliance with the State IT and Federal (FISMA) security policies for the classification of data contained in the systems</p> <p>Check the antivirus signatures every 12 hours and update of antivirus signatures when new signatures are available</p> <p>100% of environments (inclusive of memory, disk and other file structures) to be actively scanned for viruses, trojan horses, rootkits and other malware every 24 hours</p> <p>100% of environments to be reviewed for inactive/suspended user accounts every 30 days</p>
<b>Measurement</b>	(Total number of individual KPI's performed per month that were in compliance) / (Total number of individual KPI's performed per month)
<b>Target Performance</b>	99.5% compliance with target service level
<b>Period of Review</b>	Monthly

<b>Standard 12</b>	<b>Annual Security Review</b>
<b>Description</b>	<p>An appropriately scoped assurance engagement under the AICPA's SOC reporting framework is required. Details regarding scope and control objectives to be established at a later date.</p> <p>Contractor will assist and cooperate with this effort by providing Third Party or the State security personnel with appropriate access to Contractor's facilities and personnel as required to conduct these reviews.</p>
<b>Measurement</b>	Number of instances where individual KPI's were not in compliance
<b>Target Performance</b>	100% compliance with target service level
<b>Period of Review</b>	Annually



<b>Standard 13</b>	<b>Monitoring and Auditing Security Breach</b>
<b>Description</b>	<p>Physical, Network, System Security Breach Detection will be determined by monitoring compliance with the following two key performance indicators (KPI):</p> <p>Compliance with all Michigan breach notification laws and requirements including incident response procedures</p> <p>2. Physical, Network, System Security Breach Detection will be determined by monitoring compliance with the following two key performance indicators (KPI): Remote logging access (and system configuration/policy reviews) for SOM systems and their related networking and security systems.</p>
<b>Measurement</b>	Number of instances where notification requirements are met
<b>Target Performance</b>	100% compliance with target service level
<b>Period of Review</b>	Monthly
<b>Service Level Credit</b>	<p>\$25,000 per month in which Target Performance level is not met.</p> <p>\$50,000 if the Target Performance level is not met in a second or subsequent consecutive month.</p>

<b>Standard 14</b>	<b>SLA Reporting Timeliness</b>
<b>Description</b>	Meeting mutually agreed delivery dates related to completion of application maintenance tasks requiring coding changes, new coding, or application configuration.
<b>Measurement</b>	Number of instances where agreed upon delivery dates were met
<b>Target Performance</b>	100 % compliance with target service level
<b>Period of Review</b>	Monthly

<b>Standard 15</b>	<b>Asset Management Refresh – Asset Inventory Accuracy</b>
<b>Description</b>	Asset Inventory Element Accuracy will be determined by comparing the Contractor provided and maintained Asset Management Tracking system records against the State system generated record of Asset Inventory Elements. The scope of this comparison is all hardware (physical and virtual) including equipment and software procured, operated and supported by the Contractor for use by the State, as set forth in the agreement. Contractor will not be responsible for accuracy errors that are not caused by Contractor. Given use of a leveraged platform, the Contractor will provide and maintain a tailored Asset Management Inventory such that it would be applicable and accurate should the State want hosting to be undertaken at the State or other location, per Section 2.U of Attachment 2.
<b>Measurement</b>	Element Accuracy = (Total Accurate Asset Inventory Elements) / (Total Asset Inventory Elements)
<b>Target Performance</b>	98% compliance with target service level
<b>Period of Review</b>	Annually



**Exhibit B**  
**Severity Level Definitions**

The prioritization of all issues and software incidents under the Agreement shall be by Contractor in consultation with the State and based on State priority according to the following definitions, as further described in Attachment 10:

<b>Severity</b>	<b>Definition</b>
<b>1 - Critical</b>	A problem with Contractor supported Software causing critical impact to the client's business operation. No workaround is immediately available and work using the Software cannot continue.
<b>2 - Serious</b>	A problem with Contractor supported Software causing significant impact to the client's business operation. A workaround is available but is unacceptable on a long term basis.
<b>3 - Moderate</b>	A problem with Contractor supported Software that impairs some functionality, but a practical workaround exists.
<b>4 - Minor</b>	A problem that does not affect any functionality of the Software.



## **Exhibit C**

### **Deliverable Acceptance Criteria and Procedures**

This exhibit describes acceptance criteria for all Contractor Deliverables. The State shall not unreasonably delay or withhold acceptance of a deliverable, including for any issue that does not materially prevent the applicable deliverable from satisfying applicable acceptance criteria established in this exhibit. If after a reasonable number of attempts, Contractor is unable to accomplish acceptance, the State may seek remedies available to it under Article 2 of this Agreement.

#### **1. Written Deliverable Acceptance Criteria**

Written deliverables must be reviewed and approved by the State in accordance with Article 2, Section 2.254. In addition, each written deliverable will be accepted based on its compliance with a Written Deliverable Definition Document that shall be prepared for each written deliverable during project planning for each phase or at agreed upon dates that are included in the project plan. The Written Deliverable Definition Document must contain the following sections, headings, and information and must be approved by the State Project Director prior to any work commencing on the deliverable.

##### **Section 1: Summary**

- Deliverable Name/Number:
- Deliverable Submission Date:
- Interim Draft Due Date (if applicable)
- Targeted Review and Approval Times:
  - Initial Deliverable Review Period
  - Initial Deliverable Review Due Date
  - Due Date for Corrections and Revisions
  - Due Date for Second Review
- Format: (e.g. Microsoft Word, PowerPoint, Excel, Visio, ERD, Other)
- Open Issues: (Yes or No, if Yes refer to Section 4)
- Estimated Number of Pages:
- Number of Hard Copies
- Number of Soft Copies

##### **Section 2: Deliverable Description**

- Overview of Deliverable Purpose
- Document Structure and Required Content

##### **Section 3: Deliverable Approach**

- Overview of How The Deliverable Will Be Created
- Interim Draft Content (if applicable)
- Who is Involved in Creating the Deliverable
  - Contractor
  - State

##### **Section 4: Issues**

- Known Issues Related to the Deliverable (if any)
- Approach to Be Used in Resolving Known Issues
- Responsibilities Related to Resolving Issues
- Due Date for Resolving Issues and for Resubmission of Deliverable Definition



### **Section 5: Specific Acceptance Criteria**

- Any acceptance criteria or standards beyond those specified in the other sections of the document (if any)

### **Section 6: Review and Approval**

- State Reviewers (the names of State personnel assigned to review the deliverable)
- State Preliminary Draft Reviewers (if applicable)
- State Approvers (the names of State personnel who may approve the deliverable)

## **2. Service or Assistance Deliverable Acceptance Criteria**

Acceptance of All Service or Assistance based Deliverables (e.g. User Acceptance Test Assistance or Completed and Approved Agency Implementation and Change Management Assistance) shall be based on a review and approval of the service or assistance provided by the Contractor against the standards documented in a Service or Assistance Deliverable Definition Document that shall be prepared for each Service or Assistance deliverable during project planning for each phase or at agreed upon dates that are included in the project plan. The Service or Assistance Deliverable Definition Document must contain the following sections, headings, and information and must be approved by the State Project Director prior to any work commencing on the deliverable. In addition to criteria for acceptance included in the applicable Service and Deliverable Definition Document, the State may also evaluate service quality and timeliness of service provision as additional acceptance criteria if those have not been defined as part of the applicable Deliverable Definition. However, the State shall be obligated to provide feedback on any such intangibles as soon as possible during the provision of related services.

### **Section 1: Summary**

- Deliverable Name/Number
- Service or Assistance Start Date
- Expected Completion Date
- Expected Contractor Staff and Hours Required

### **Section 2: Deliverable Description**

- Overview of Service or Assistance to Be Provided
- Components of Service or Assistance to Be Provided
- Documents or Work Products to be Produced in Association with the Service or Assistance
- Programming Needed to Provide Service or Assistance
- Technical Environments or Technical Environment Work Needed for Service or Assistance
- Tools, Templates, or other Items required to Provide Service or Assistance

### **Section 3: Deliverable Approach**

- Service or Assistance Approach
- Coordination Required
- Who is Involved in Providing or Using the Service or Assistance
  - Contractor
  - State

### **Section 4: Issues**

- Known Issues Related to the Service or Assistance (if any)
- Approach to Be Used in Resolving Known Issues
- Responsibilities Related to Resolving Issues
- Due Date for Resolving Issues and for Resubmission of Deliverable Definition



### **Section 5: Specific Acceptance Criteria**

- Any acceptance criteria or standards beyond those specified in the other sections of the document (if any)

### **Section 6: Review and Approval**

- State Reviewers (the names of State personnel assigned to review the service or assistance provided)
- State Approvers (the names of State personnel who may approve the service or assistance deliverable)

## **3. Data Conversion Deliverables**

Data Conversion deliverables that involve data conversion outcomes (e.g Successful Mock Conversion or Converted Data in Production Environment) shall be subject to review and approval of the State as a condition of acceptance. The review and approval will be based on compliance with the standards established in a Data Conversion Deliverable Definition Document that shall be prepared for each applicable deliverable during project planning for each phase or at agreed upon dates that are included in the project plan. The Data Conversion Deliverable Definition Document must contain the following sections, headings, and information and must be approved by the State Project Director prior to any work commencing on the deliverable. The Data Conversion Deliverable Definition may refer to sections of an approved Data Conversion Plan where applicable to avoid unnecessary duplication of information.

### **Section 1: Summary**

- Deliverable Name/Number:
- Deliverable Related Start Date:
- Deliverable Due Date:
- Targeted Review and Approval Times
- Expected Contractor Staff and Hours Required:

### **Section 2: Deliverable Description**

- Overview of Data Conversion to Be Performed
- Components of Service or Assistance to Be Provided
- Documents or Work Products to be Produced in Association with the Deliverable
- Programming Needed to Provide Service or Assistance
- Automated Routines to Validate Converted Data Produced by Contractor
  - Data Integrity
  - Record Count
  - Item Balance Checks
  - Overall Financial Balance Checks
  - Open Items Comparison
  - ERP Code and Other Validations
  - Other Automated Checks
- Technical Environments or Technical Environment Work Needed
- Crosswalks and Conversion Tables Needed
- State Input Needed
- Data Needed that Must Be Manually Loaded or Converted
- Known Data Cleanup Required
- Source and Target Data Structures (This may be provided via reference to another document)
- Conversion Time Window Standards
- Other

### **Section 3: Deliverable Approach**

- Analysis To Be Performed
- How Conversion Tables and Crosswalks will be Created



- Mock Conversions
- Review and Correction Process
- Coordination Required
- Plan for Successful Deliverable
- Who is Involved
  - Contractor
  - State

#### **Section 4: Issues**

- Known Issues Related to Data Conversion (if any)
- Approach to Be Used in Resolving Known Issues
- Responsibilities Related to Resolving Issues
- Due Date for Resolving Issues and for Resubmission of Deliverable Definition

#### **Section 5: Specific Acceptance Criteria**

- Any acceptance criteria or standards beyond those specified in the other sections of the document (if any)

#### **Section 6: Review and Approval**

- State Reviewers (the names of State personnel assigned to review the converted data deliverable)
- State Approvers (the names of State personnel who may approve the converted data deliverable deliverable)

#### **4. Software Deliverable Acceptance Criteria**

All software deliverables shall be subject to testing and demonstrations of completeness and quality as a condition of acceptance by the State. The purpose of software acceptance testing is to demonstrate to the satisfaction of the State that the software performs and carries out fully and in all respects the business requirements, programmatic functions and processes represented by the Contractor, or agreed to by the State and the Contractor, and that the related documentation is accurate and complete.

Acceptance criteria for interim software deliverables are described in the table below. These criteria apply to deliverables including:

- 1) ERP or third party COTS application software that must be installed, tested, and verified prior to final license fee payments.
- 2) Custom software, configured software, software extensions, software modifications, software enhancements, interfaces, reports, forms, and workflows or other development or configured software artifact produced during the project. For these software deliverable types, specific criteria apply to particular life cycle or testing stages (e.g. configured or developed software, system tested software, or performance tested software)

Final acceptance for software that has been implemented shall be based on both completion and approval of a User Acceptance Test and on the criteria for Acceptance described in Exhibit 2-1, Milestones 7 and 13 of Attachment 2 of the Implementation Services Agreement.



Type of Acceptance	Acceptance Criteria	Review and Approval Procedures
<p>Installation Acceptance Testing</p>	<p>Software Installation acceptance shall be based on the Contractor demonstrating to the State that the following criteria have been met:</p> <ol style="list-style-type: none"> <li>1. An installation testing plan has been developed and jointly agreed to by the State and the Contractor.</li> <li>2. The software is installed on the test servers and network access and communications have been established. Software configuration features have been demonstrated to function properly.</li> <li>3. Software security features have been demonstrated to function properly.</li> <li>4. Test tables, files and databases for the development and sandbox environments have been established and populated with test data.</li> <li>5. Server, database, and any client to server communications installation instructions are prepared and are demonstrated to be accurate when followed.</li> <li>6. System, software application and user documentation exists in soft copy format acceptable to the State, and is shown to be complete and accurate.</li> <li>7. Database backup and restoration facilities are demonstrated to function properly for test, training and production environments.</li> <li>8. Software backup and restoration facilities are demonstrated to function properly for test, training and production environments.</li> <li>9. The Contractor has furnished, at Contractor's expense, cases, scenarios and data sufficient to demonstrate that software units, modules, systems, integration capabilities, interface features and functions are present and operate properly.</li> <li>10. Online processing client, server, database and client to server communication software is demonstrated to:             <ol style="list-style-type: none"> <li>a) accomplish the business functions represented by the Contractor,</li> <li>b) software units, modules, systems, integration capabilities, interface features and functions operate properly,</li> <li>c) online user aids and help services operate properly,</li> <li>d) processing logic or data errors are detected and accurately reported,</li> <li>e) audit trail capabilities, with respect to online activities exist, are complete and accurately reported,</li> <li>f) The existence of all modules has been documented as having success, failure or deficiencies noted during testing.</li> </ol> </li> <li>11. Batch processing server and database software for test and production environments is demonstrated to:             <ol style="list-style-type: none"> <li>a) accomplish the business functions represented in the Contractor's Proposal</li> <li>b) software units, modules, systems, job control scripts, integration capabilities, interface features and functions operate properly,</li> <li>c) processing logic, processing control or data errors are detected and accurately reported,</li> <li>d) audit trail capabilities with respect to batch processing activities exist, are complete and accurately reported for the</li> </ol> </li> </ol>	<p>The Contractor shall have a period of up to ten (10) calendar days to correct defects discovered during testing and to re-test and demonstrate to the satisfaction of the State that the failures or deficiencies have been in fact corrected. If, after the error correction period has passed, the Contractor is unable to correct the defects, the State may at its sole option extend the time for correction on a day to day basis, or reject the software as unacceptable. The State agrees to participate with the Contractor in re-test activities within five (5) calendar days of written notice by the Contractor.</p> <p>The Contractor shall have a period of fifteen (15) calendar days to correct errors or omissions in the documentation discovered during testing and to submit such corrected documentation for the evaluation of the State. The State agrees to evaluate corrected documents within five (5) days of submittal by the Contractor.</p> <p>Unless otherwise agreed by the parties, upon completion and CGI's initial baseline software installation test, expected to be within 4 weeks of the project start date, the license software will be deemed approved, and the state will execute and provide to contractor an acknowledgement of receipt and acceptance of the ERP Solution Software as required pursuant to the Proprietary Software License Agreement.</p>



Type of Acceptance	Acceptance Criteria	Review and Approval Procedures
	<p>test and production environments,</p> <p>e) The existence of all modules has been documented as have successes, failures, or deficiencies noted during testing.</p> <p>The state has reviewed and approved the deliverable.</p> <p>The State Project Director may waive criteria 10 and/or 11 in whole or in part or require them after the start of installation acceptance testing if initial test results indicate that a full verification in those areas is required.</p>	
<p>Custom Software or Configured, Extended, and Modified COTS Software Acceptance</p>	<p>Acceptance for interim deliverables consisting of configured, extended, or modified COTS software shall be based on the Contractor demonstrating to the State that the criteria below have been met. Interim deliverables are deliverables that do not represent the final software deliverable (e.g. configured and unit tested software or developed and unit tested software, or system tested software).</p> <p><b>General Criteria (Applies to All Deliverables in this Category)</b></p> <ol style="list-style-type: none"> <li>1. A software testing plan or plans have been developed for the applicable software by the Contractor and approved by the State.</li> <li>2. The baseline software is stored separately from the extended or site specific software. (or the modified software if the software vendor has made any changes to the baseline code).</li> <li>3. A standard procedure has been established and tested for the migration of software from the development, any testing, and production environments.</li> <li>4. Any required server to server (and any client to server) communications have been established and have been demonstrated to work effectively.</li> <li>5. Developed and/or configured software has been demonstrated to function properly and in accordance with an approved design.</li> <li>6. Software security features have been demonstrated to function properly.</li> <li>7. All validated and applicable state requirements have been demonstrated as met.</li> <li>8. The software functions properly in concert with the hardware, storage solution, other infrastructure, DBMS, system software, security software, and other technical environment components.</li> <li>9. Test tables, files and databases were established and populated with test data that was needed to meet test objectives.</li> <li>10. System, software application, technical and user documentation exists and is shown to be complete and accurate.</li> <li>11. Database backup and restoration facilities are demonstrated to function properly.</li> <li>12. Software and configuration file backup and restoration facilities are demonstrated to function properly.</li> <li>13. The Contractor has furnished complete test cases, scenarios and data sufficient to demonstrate that software units, modules, systems integration capabilities, interface features and functions operate properly.</li> <li>14. With respect to online custom software, as well as extensions to and modifications of existing software, the software deliverable</li> </ol>	<p>Same as above. However, it is expected that while all criteria will be met before accepting a deliverable, that State reviews may occur as individual modifications, enhancements, or configuration efforts are completed by the Contractor and are submitted to the State.</p>



Type of Acceptance	Acceptance Criteria	Review and Approval Procedures
	<p>has demonstrated that:</p> <ul style="list-style-type: none"> <li>a) the business functions documented for the software modification or extension are accomplished,</li> <li>b) software units, modules, systems, integration capabilities, interface features and functions operate properly,</li> <li>c) online user aids and help services, as applicable, operate properly,</li> <li>d) processing logic or data errors are detected and accurately reported,</li> <li>e) audit trail capabilities are complete and accurate</li> </ul> <p>15. With respect to batch processing custom software, modifications, enhancements, or extensions, the batch processing server and database software has demonstrated that:</p> <ul style="list-style-type: none"> <li>a) business functions documented for the software modification or extension are accomplished</li> <li>b) software units, modules, systems, job control scripts, integration capabilities, interface features and functions operate properly,</li> <li>c) processing logic, processing control or data errors are detected and accurately reported,</li> <li>d) audit trail capabilities are complete and accurately reported.</li> </ul> <p>The State has reviewed and approved the deliverable.</p> <p><b>Configured, Developed, and Unit Tested Stage Criteria</b></p> <p>For software development and configured software deliverables, the Contractor has conducted software unit and unit integration testing, corrected any defects discovered, retested to verify that fixes were successful, and provides documentation of such testing.</p> <p><b>System and Recovery Tested Stage Criteria (Applies only to System and Recovery Test Deliverables)</b></p> <p>For system test deliverables involving tested software. (in contrast to deliverables related to system test plans, scripts, or the testing environment), The Contractor has conducted system tests according to a system and recovery test plan approved by the State; documented the results; fixed any defects and demonstrated that such fixes were successful via retesting</p> <p><b>Performance Tested Stage Criteria (Applies only to Performance Tested Software Deliverables)</b></p> <p>For performance tested software deliverables,</p> <ul style="list-style-type: none"> <li>• the software has been tested in accordance with an approved performance testing and tuning plan approved by the State;</li> <li>• all required software changes and database tuning has been performed;</li> <li>• the software has demonstrated required levels of online response time, external facing web response time, and batch throughput in conditions reasonably simulating peak production volumes and system usage</li> </ul>	



Type of Acceptance	Acceptance Criteria	Review and Approval Procedures
	<p>The State Project Director and/or his/her designee may waive demonstration of individual criteria that in his/her view have already been demonstrated 'as met' or that are of minimal relevance or importance in the case of a particular deliverable. The State Project Director and or his/her designees will meet with responsible Contractor personnel during project planning and in association with any test planning to assist the Contractor in developing a streamlined approach for design, development, testing, review, and approval that should allow for the State's software acceptance criteria to be met efficiently and within the project timeframes.</p>	



**Exhibit D**  
**Hosting and Security Environment**

The content below reflects that which is found in the Contractor’s original proposal to the State and does not necessarily consider changes resulting from State Addenda or the BAFO as reflected and included in the other sections of this Agreement. If Exhibit D contradicts content defined elsewhere in this Agreement, the other content will take precedence.

**1. Hardware and System Software Description**

A. Hardware

Exhibit D-1 shows the Application server requirements for Advantage ERP. The actual and complete hosting environment configuration provided by the Contractor may differ, but does not change the Contractor’s obligation to the State to provide an appropriately sized environment, nor does it alter the Contractor’s other obligations as defined elsewhere in this Agreement.

Server	Total Core (Spec)	Total Memory (Spec)	Description
Production Internet Web Server	4	8	Advantage Financial Procurement Vendor. HTTP Server only.
Production Application Server	12	40	Advantage Financial Management and ABI (WebSphere)
Production Application Server	4	12	Advantage Financial Procurement Vendor (WebSphere for VSS)
Production Application Server	8	24	Advantage Performance Budgeting (WebSphere)
Production Application Server	13	92	Advantage HRM (no payroll), ESS (timesheets) and Admin (if necessary) and (WebSphere)
Production Application Server	4	8	Adobe LiveCycle, and infoAdvantage ETL processes and interfaces (PDI)
Non-Production Internet Web Server	2	4	Advantage Financial Procurement Vendor. HTTP Server only.
Non-Production Application Server	12	56	Production QA - Advantage Financial Management and ABI (WebSphere)
Non-Production Application Server	12	54	Advantage Financial Management and ABI (WebSphere)
Non-Production Application Server	6	18	Production QA - Advantage Performance Budgeting (WebSphere)
Non-Production Application Server	6	18	Advantage Performance Budgeting (WebSphere)
Non-Production Application Server	8	40	Production QA - Advantage HRM (no payroll), ESS and Admin (WebSphere)
Non-Production Application Server	13	92	Advantage HRM (no payroll), ESS (timesheet) and Admin (WebSphere)
Non-Production Application Server	2	8	Adobe LiveCycle, and infoAdvantage ETL processes and interfaces (PDI)
<b>Total Cores/Memory</b>	<b>107</b>	<b>478</b>	

***Exhibit D-1: Advantage Application Server Requirements***



B. Data Storage

Exhibit D-2 shows the minimum database server requirements for Advantage.

Server	Total Core (Spec)	Total Memory (Spec)
Advantage - Production database server	8	32
Advantage - Non-production database server	8	32
Total Cores/Memory	16	64

**Exhibit D-2: Advantage Database Server Requirements**

Exhibit D-3 through Exhibit D-5 provide the Advantage ERP storage requirements proposed for the State for a period of ten (10) years. The storage requirements for the Disaster Recovery proposed for Michigan will be similar to the operational storage requirements listed below.

Year	Financial	HRM	VSS	PB	infoAdvantage	Transparency Data Mart	Tririga	Total Storage (TB)
0	200	700	35	35	220	35	250	1.4
1	577	850	40	90	717	60	300	2.6
2	973	1008	45	148	1239	86	353	3.8
3	1389	1173	51	209	1788	113	408	5.0
4	1826	1347	57	273	2363	142	466	6.3
5	2285	1529	63	341	2968	172	526	7.7
6	2766	1720	69	411	3603	204	590	9.1
7	3272	1921	76	485	4269	237	657	10.7
8	3803	2132	83	563	4969	272	727	12.3
9	4360	2354	90	645	5703	309	801	13.9
10	4946	2587	98	731	6475	348	879	15.7

**Exhibit D-3: Non-Production Storage Calculations**

Year	Financial	HRM	VSS	PB	infoAdvantage	Transparency Data Mart	Tririga	Total Storage (TB)
0	100	600	10	10	120	10	150	1.0
1	477	750	15	65	617	35	200	2.1
2	873	908	20	123	1139	61	253	3.3
3	1289	1073	26	184	1688	88	308	4.5
4	1726	1247	32	248	2263	117	366	5.9
5	2185	1429	38	316	2868	147	426	7.2
6	2666	1620	44	386	3503	179	490	8.7
7	3172	1821	51	460	4169	212	557	10.2
8	3703	2032	58	538	4869	247	627	11.8
9	4260	2254	65	620	5603	284	701	13.5
10	4846	2487	73	706	6375	323	779	15.2

**Exhibit D-4: Production Storage Calculations**



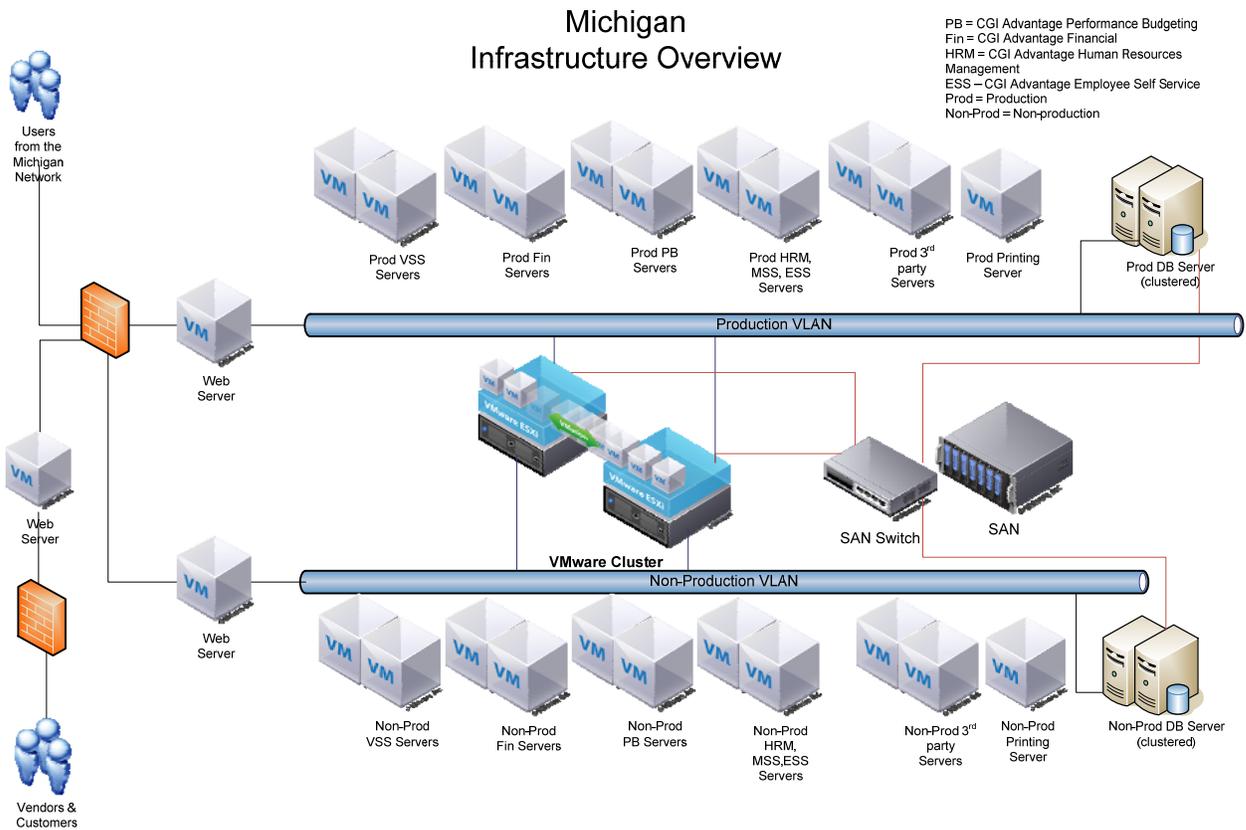
Year	Production Size in TB	Non Production Size in TB	Total in TB
0	1.0	1.4	2.4
1	2.1	2.6	4.7
2	3.3	3.8	7.1
3	4.5	5.0	9.5
4	5.9	6.3	12.2
5	7.2	7.7	14.9
6	8.7	9.1	17.8
7	10.2	10.7	20.9
8	11.8	12.3	24.1
9	13.5	13.9	27.4
10	15.2	15.7	30.9

***Exhibit D-5: Combined Prod/Non-Prod Storage Calculations***

C. Production and Non Production Infrastructure Overview

The Technical Architecture includes the implementation of the CGI Advantage ERP Solution supported by standard technology components within a Java EE open systems platform. CGI uses IBM WebSphere for application server and Oracle 11gR2 Enterprise Edition as the database. The hardware server environment consists of low cost but powerful x86 Intel-based processors using HP BladeSystem blade servers running Red Hat Enterprise Linux (RHEL 6). The RHEL OS environments run within VMware virtual machines (VMs). Data storage leverages the fault-tolerant Storage Area Network (SAN) storage implementation. Hardware components interconnect using Cisco networking and security equipment.

Our proposed Technical Architecture is a multi-tiered and consists of logical tiers of Web (presentation), Application (business rules), and Data. Exhibit provides a logical visualization of how our architecture organizes the primary components within the logical network zones for the production and non-production environments.



**Exhibit D-6: Advantage ERP Logical Architecture**

**D. Virtualization**

Given that the State is expecting the initial hardware capacity for production and production QA environments to be at least 20 percent in excess of that needed to meet performance and throughput requirements, CGI is proposing a virtualized infrastructure for Michigan's Production and Non-Production environments to optimize use of system resources and to scale vertically and horizontally to meet the current and future needs of the State. Virtualization is used for rapid provisioning and high utilization of resources; however, it also has a direct impact on the performance and scalability because the workload is better balanced across VMs and can be monitored and managed easily. Virtualization, using industry-leading VMware, assists in the disaster recovery process in the event of a severe outage. Virtual Machines (VM) are provisioned with resources (e.g., processing power, memory and disk storage) that are available within the Resource Pool. A Resource Pool is an aggregation of computing resources available across a cluster of physical servers.

A Resource Pool promotes efficient use of components through load balancing of resources within the pool instead of dedicated server resources where unused capacity cannot be used. Aggregating resources allows for easier implementation of optimization techniques, such as NIC teaming and multi-path processing implementations. VMs can be assigned with different levels of priorities to tailor the usage of computing resources. Resource pooling also enhances the usage of excess capacity for failover processing where VMs do not need to be statically bound to specific servers.

Virtualization provides the State with the ability to be proactive when a potential failure condition is detected or high resource utilization is observed through system monitoring. If imminent failure or excessive utilization is detected, an affected VM can be moved to use other resources within a pool



(e.g., degradation of NIC is identified) before the failure occurs. This virtualization capability provides flexibility to the proposed solution so it can grow with the increasing user and transaction loads.

E. Configuration Management and Issue Tracking Tools

CGI recognizes the importance of configuration management for controlling changes to Advantage. CGI has a solid methodology for quality assurance and change management and does not require specific third-party configuration management tools. The Advantage product team is rated at 3 on the CMMI maturity scale. The project team can use version control tools that the State already has in place, or CGI-recommended third-party tools that must be licensed. Because we do not know what the State may already have in place, for use during the ERP Implementation we are recommending Perforce for configuration management and JIRA for tracking issues which integrates well with Perforce. Change management and tracking tools used for hosting and managed services are described in Section 6.0 A of this Agreement.

1. JIRA

JIRA is a popular, web-based, issue tracking product from Atlassian. Every change to code checked into Perforce version control will have a related item in JIRA to document it. JIRA is simple to use and customize and integrates well with the CGI-recommended Perforce version control software. It provides dashboard and reporting capabilities.

2. P4D Perforce Server Revision Control

CGI recommends P4D Perforce Server Revision Control for software version control. Perforce is a widely used tool integrated with JIRA.

F. Other Technology/Platform Products

CGI Advantage™ ERP (Advantage) is supported by industry-leading third-party Technical Common Service components and Data Management solutions. Advantage uses a Java EE open standards implementation to provide the State with a non-proprietary application architecture implementation. CGI uses commercially available, standards-based, third-party technology components that are readily available and supported in the marketplace. We select each of these third-party components for technical fit, scalability, and reliability. The products, libraries, frameworks, and other products are listed in Exhibit D-7. We have broken out the products into those included by default within the Advantage stack from the third-party products which we are proposing which are outside this stack (

Exhibit D-8).

Software Provider	Product	Functions	Release Level	Next Release Level	Planned Next Release Date
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Adobe	LiveCycle Output	Printing, Design forms	ES 3	ES3.5	2014 1
Adobe	RoboHelp	Modify online help	10	11	2014 1
Convey Compliance Systems	Taxport	Generate 1099 Tax Forms	2013	2014	2014
DeltaXML	DeltaXML	XML comparison tool	3.0	6.4	2013 1
IBM	WebSphere Application Server	Java EE Server HTTP Server	8.5	9.0	2014 1
Pervasive Software, Inc	Pervasive Data Integrator	ETL	9.2	10.2.5	2013 1
Pervasive Software, Inc.	Pervasive Data Integrator Developer	ETL Design Toolkit	9.2	10.2.5	2013 1
Versata	Advantage Design Studio (based on Versata Logic Studio)	Application Development Toolkit	5.6.4	5.6.4	N/A
Versata	Versata Logic Server	Business Rules Engine	5.6.4	5.6.4	N/A
Libraries used in ERP:	Advantage ERP Support Libraries	Libraries required for development and implementation of ERP		Open source libraries so next releases and dates not easily determined	Open source libraries so next releases and dates not easily determined
Adobe Spry			1.6.1		
Apache Avalon Framework			4.1.2		
Apache Batik			1.1.1		
Apache Commons BeanUtils			1.8.3		
Apache Commons CLI			1.1.1		
Apache Commons Codec			1.2		
Apache Commons Collections			3.2.1		
Apache Commons Configuration			1.6		
Apache Commons DBCP			1.4		
Apache Commons HttpClient			2.0.1		
Apache Commons IO			1.4		



Apache Commons Pool			1.5.5		
Apache Commons-Logging			1.0.2		
Apache FOP			0.20.5		
Apache Jakarta Regexp			1.3		
Apache Java API for XML Parsing (JAXP)			1.2.2		
Apache log4j			1.2.14		
Apache POI			2.5.1		
Apache XMLBeans			1.0.4		
Bean Shell Software			1.2b5		
Bouncy Castle Provider Software			1.44.0		
Countdown for jQuery			1.5.8		
EXT-JS UI libraries			1.1.1		
Google Web Toolkit (GWT)			2.0.3		
GWT Drag-and-Drop Library			3.0.1		
GWT Incubator			2.0.1		
GWT Logging Library			3.0.0		
JArgs			1.6		
Java Caching System			1.3		
Jericho HTML Parser			2.6		
joda-time			1.5.2		
jQuery			1.2.3		
jQuery Context Menu Plugin			1.0.1		
jQuery iresizable and iutils plugins			1.2		
jQuery treeview plugin			1.4		
JSON.js			1.4		
JSON.simple			1.1		
JSON-lib			2.0		
Kiyaa!			0.9.2b		
OpenCSV			2.2		



opensaml, openws, slf framework, xmltooling and xmlsec			2.2.2		
Oracle XDK 9i XML Parser Software			2.0.2.6		
PDFBox			0.7.1		
Yahoo UI (YUI) Software			2.3		
Apache Ant			1.6		

**Exhibit D-7: Third-party Products Bundled in Advantage Toolkit**

Software Provider	Product	Functions	Release Level	Next Release Level	Planned Next Release Date
Adobe	FrameMaker	Works with PatternStream for budget book publishing	11	12	2014 <sup>1</sup>
Atlassian	JIRA	Issue tracking	5.1	5.2	2013
Finite Matters	PatternStream	Budget Book Publishing	3.2	3.3	2014 <sup>1</sup>
Apache	JMeter	Performance Testing	2.1	2.2	2014 <sup>1</sup>
Oracle	Database	Database Server	11gR2	12c	2013
Perforce Software Inc	P4D Perforce Server Revision Control	Software Version Management	2014	2015	2015

**Exhibit D-8:**

**Third-party Products Not Included in Advantage Toolkit**

<sup>1</sup>Estimates based on past release

**2. Integrated Development Toolset**

**A. Product names and descriptions**

ExhibitD-9 lists the products included in the integrated development toolset for the proposed solution. The CGI Advantage ERP itself is listed as the primary development tool because many application behaviors within Advantage are table-driven or can be configured without customizing the application code. Certain customizations do require additional tools which will be provided to the State. For example, customizing forms used for printing is handled within Adobe LiveCycle Designer. This section describes both built-in and external tools.

Software Provider	Product	Functions
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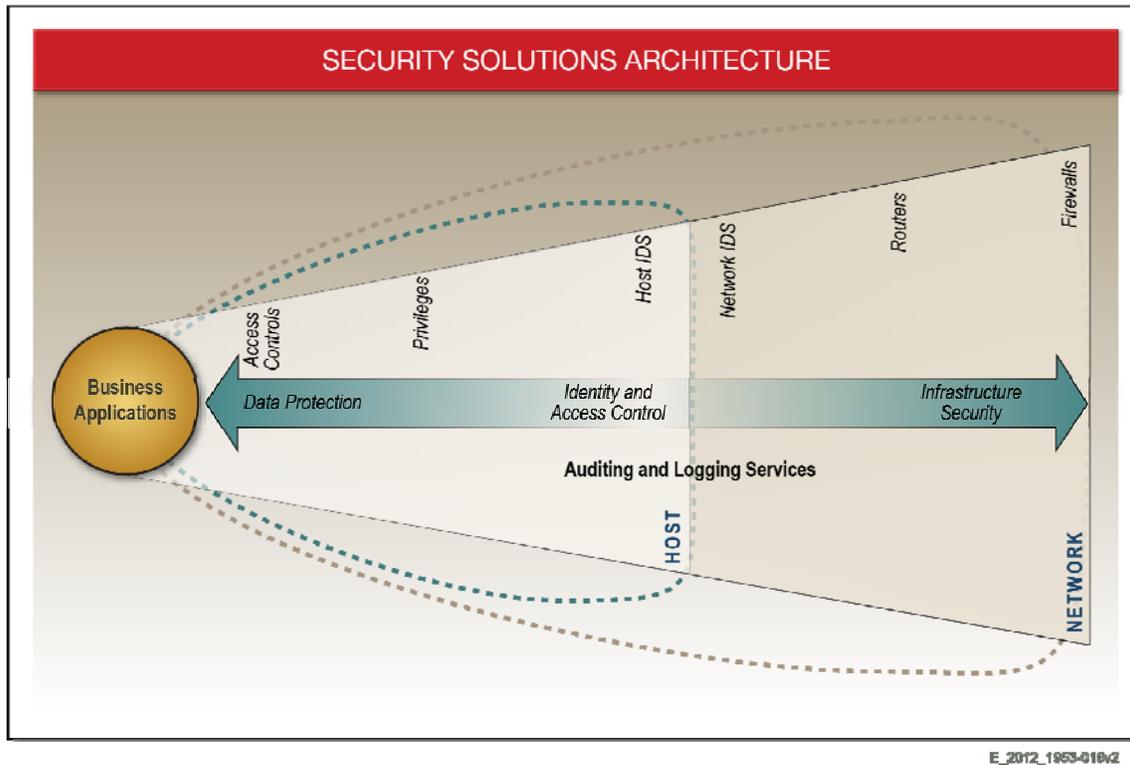


CGI	CGI Advantage ERP	Page: Hiding fields; reordering fields; changing captions Workflow rules: All maintenance Security roles: All maintenance Security Resources: All maintenance Business Rules: Table Driven
	CGI infoAdvantage	Reports: All maintenance
Versata	Advantage Design Studio (based on Versata Logic Studio)	Page: Adding new pages; adding fields; adding tabs; adding collapsible sections Table: Adding, removing, changing columns Business Rule: Non Table Driven
Adobe	LiveCycle Designer	Forms: All maintenance
	RoboHelp	Online help: All maintenance
Convey Compliance Systems	Convey Taxport	1099 Tax Forms: All maintenance
Eclipse Foundation	Eclipse IDE	Web services: All maintenance
IBM	WebSphere Application Server	Building and deploying development environment
Pervasive Software, Inc.	Pervasive Data Integrator Developer	ETL: design, development and maintenance
SAP	Business Objects Dashboard Designer	BI Dashboard: design development and maintenance
	Business Objects Universe Designer	Business Objects Universe: design & development
	Business Objects LiveOffice	BI Integration with Office Products
	Business Objects Mobile Add-on	Mobility support for BI
	Business Objects Web Intelligence Server	BI Report: design & development

**Exhibit D-9: Integrated Development Toolset**

**3. Security**

The Security Solution implements a strong security approach that leverages multiple layers of access control to prevent unauthorized use of system, maintain system process controls and log all transactions. This section provides an overview of the Advantage solution security architecture and deployment best practices. CGI will collaborate with the State to identify and refine the deployment and maintenance of security controls to meet the State's needs. D-10 shows the tiered security model for the State of Michigan. The access granted at each layer needs to be appropriately limited to support the goal of providing a secure environment.



**Exhibit D-10: Security Solution Architecture**

The security solution provides the logical, physical, and process security controls that protect the users and data of the solution. CGI's approach enables us to integrate applications, data, infrastructure, network security, governance processes, and controls. CGI organizes the services by security service domain:

- ▶ Identity Management and Access Control Services – refer to the services for the creation, modification, and deletion of users including authentication, access control to data, and processes, and supports separation of duties.
- ▶ Data Protection Services – involves maintaining the integrity of the data, including the processing of sensitive data leveraging data encryption, masking, and digital signatures.
- ▶ Infrastructure Security and Protection Services – security measures taken to prevent the network from being accessed by unauthorized users or compromised in any way. This includes intrusion protection and detection and protection from viruses, denial of service, and other Web-based threats.
- ▶ Audit and Logging – refers to security features that maintain the necessary transaction logs for system administration and auditing purposes. Every transaction is logged and time stamped for monitoring.

Administrators access security configuration via secure web pages where security functions are isolated from non-security functions. All security administration features are accessed through a separate secure login screen, isolating the system security features from end user functionality. Only a restricted set of security administrators have access to the Security module and can centrally manage security, approvals, and batch administration for Advantage modules.



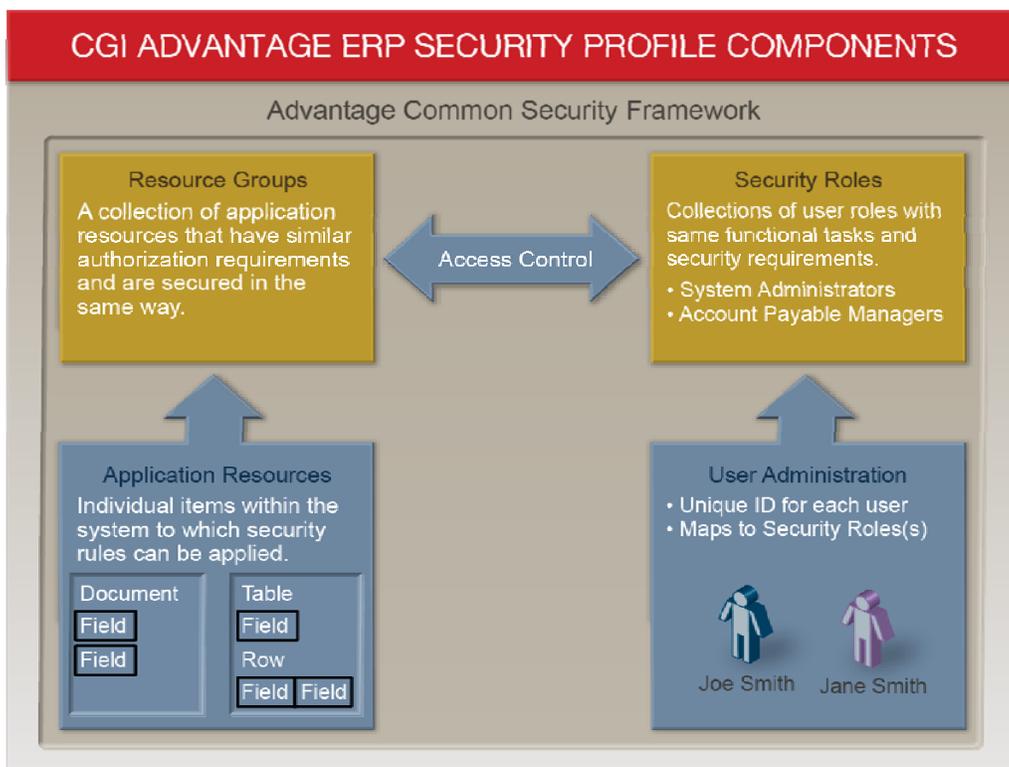
The Advantage application allows for the “decentralization” of some security functions, whereby individual Departments may be assigned responsibility for managing their users. The Advantage Security administration can be performed either from a central authority or through a decentralized system of security administrators. The following two approaches are available implementing decentralized or segmented security administration.

In this model, the central administrator handles higher-level security administration such as creating resource group and security roles. However, lower-level departmental Security Administrators can add, update, delete user and assign security roles to users. The departmental Security Administrators are only allowed to make these changes for users that belong to their organizations or specific organizations that they have been allowed access to. This allows for a decentralized security administration – allowing individual Departments to take ownership of their users. Advantage organizational security prevents departmental administrators from altering other Departments’ users and roles.

A. Identity Management and Access Control Services

Advantage includes an integrated web-based administrative application that provides safeguards, restrictions, and mechanisms to manage user profiles. Advantage security is administered through the web browser and does not require a separate security “application.”

From an access control point of view, it is more relevant to discern the user’s organizational responsibilities, rather than the user's personal identity. A user's security profile is determined by the combination of Security Roles assigned to them based on their functional tasks and security requirements, such as Budget Analyst, and Accounts Payable Manager. A profile is a way of expressing an organizational responsibility depending on the user’s job title or, more specifically, the tasks that a user is allowed to perform and the information they are able to access. Each user will have one to several Security Roles assigned to them to establish their security profile. ExhibitD-11 shows the components of a security profile in Advantage followed by a brief explanation.





### ***Exhibit D-11: Advantage Security Profile Components***

**Application Resources** – Application resources are objects to which security can be applied and include documents (i.e., business transactions), data and configuration tables, application pages (i.e., pages/forms viewable in the web browser), and reports. For example, a budget document, vendor inquiry, and procurement report are application resources. The row filtering function at the application resource-level provides the ability to prevent users (by role) from viewing rows in tables that have secured fields, and/or to prevent updates to records based upon secured field values.

**Resource Groups** – Advantage application resources may be grouped and controlled by similar security requirements or be controlled individually. Most Advantage customers prefer to individually secure resources that are viewable to end users (such as documents, application pages, and reports), and then secure the underlying data tables in groups. The ability to separate or combine resources in one or more resource groups is a fundamental feature, which allows Advantage to be configured to reflect unique requirements by our customers. Advantage resources are categorized by functional area, such as accounts payable, accounts receivable, fixed asset accounting, and are configurable.

**Security Roles** – A collection of user roles with the same functional task and security requirements. Advantage resource groups are then linked to one or more security roles which collectively grant necessary privileges to users with the same functional tasks and security requirements.

**Access Control** – The link used to define all Resource Groups in which a particular Security Role has access to. Access Control defines the actions (such as open, insert, copy, save, delete, modify) that users within a given Security Role can perform based on assigned Resource Group.

**User ID** – A unique identifier assigned to each user that enables the user to log into the system. Users will be assigned to one or more Security Roles.

#### Organizational Data Access

Advantage has the ability to control data access based on organization information associated with the users. This is configured and implemented in an “inclusive” or “exclusive” manner. Under the inclusive model, only users belonging to certain organizations have access to the data of specific organizations. The exclusive model prohibits access to users of certain organizations. This capability allows certain users, such as a user in an agency, to access data of other organizations.

The State can control user access to data by organization (e.g., Department) in four ways:

- ▶ Home – Users can only perform the assigned actions on documents and tables belonging to their home security organization
- ▶ Foreign – Users can only perform the assigned actions on documents and tables belonging to either their home security organization or to the specified foreign organizations
- ▶ Exclude Foreign – Users can perform the assigned actions on documents and tables, with the exception of those belonging to the specified foreign organizations
- ▶ None – Users can perform the assigned actions on all documents and tables

#### Field-level Data Access

Field-level security limits data access at very granular levels. For example, a specific role could be prohibited from viewing line items that exceed a certain dollar threshold. If used in conjunction with organizational access control, they limit line items associated with only their Department. Field access control allows the value of any field or combination of fields to determine authorization. For example,



field level authorization can be established so only certain users are allowed to access a vendor’s bank account number. Advantage field level security includes several field comparison options for further flexibility, including equal, not equal, inside a range, or outside of a range. Security field comparison can include defined values (e.g., “greater than \$50,000”) or system variables, such as User ID and current date.

Additionally, field masking and encryption provides additional capabilities to limit access to sensitive data. Sensitive data such as Taxpayer ID can be masked (\*\*\*\*\*) or partially masked (\*\*\*\*\*1234) based upon configuration by page and security role. Sensitive data may also be encrypted at the data level, and is unencrypted only for display based upon a user’s security configuration.

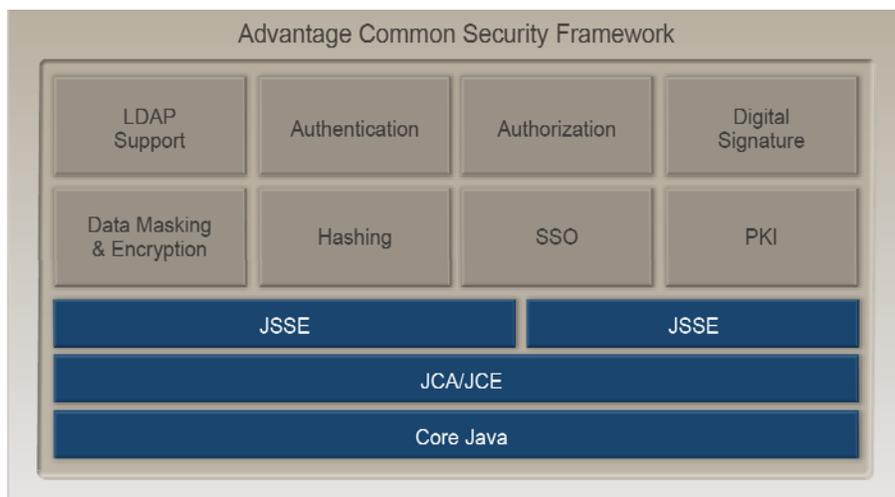
**B. Authentication and Authorization**

CGI Advantage includes a Java-based security framework, Advantage Common Security Framework (Advantage CSF). Advantage CSF provides fine-grained authorization, access, and data security services for all Advantage modules. The CGI Advantage CSF security architecture is firmly based on the guidance provided in the NIST Special Publication (SP) 800-53 “Recommended Security Controls for Federal Information Systems” and the “Guide for Assessing the Security Controls in Federal Information Systems,” NIST SP 800-53a.

The Advantage CSF supports the following access control features:

- ▶ Supports fine-grained authorization and role-based access control of application resources such as tables, data, and screens
- ▶ Supports enterprise-level and Department-level access controls, including centralized and decentralized administration models
- ▶ Provides preventative security controls and segregation of duties
- ▶ Integrates with security service providers such as the Oracle Identity and Access Manager Suite security components

Advantage CSF consists of a set of layered security services, which use Java security standards such as Java Cryptography Architecture (JCA), Java Cryptography Extension (JCE), Java Authentication and Authorization Service (JAAS), and Java Secure Socket Extension (JSSE). These integrated set of security functions is depicted in Exhibit D-11.



E\_2012\_1953-036



### ***Exhibit D-11: Advantage CSF Provides Layered Application Security Services***

Advantage provides a robust set of user security rules based on the industry standard approach of Role-Based Access Control (RBAC). Each user has a security role or multiple roles assigned to them. When they logon to the system, their role controls access to Advantage web pages, tables, fields, and functionality as well as to Business Intelligence, and Document Management using single sign-on portal capabilities. Advantage performs a series of checks to verify whether a particular user has access to perform the action being requested.

Advantage CSF provides configurable security checks and validations. Typical role-based access rules within a specific role restrict user to:

- ▶ Specific processing functions such as data entry, error correction, online edit, update, and approval
- ▶ Specific types of documents or transactions such as purchase orders, or cash receipts
- ▶ Specific types of data in specified documents (e.g., page and field level)
- ▶ Specific transactions or data views for a particular Department or organizational unit (e.g., division, bureau)

#### **C. Intrusion Prevention and Detection**

##### IBM AppScan Standard Edition

CGI uses IBM AppScan to perform vulnerability testing on new releases of Advantage ERP to help protect against the threat of cyber-attack by automating security analysis to detect exploitable vulnerabilities in web applications. AppScan includes the following features:

- ▶ Dynamic application security testing (DAST) to test for all common web application vulnerabilities
- ▶ Glass box testing for run-time analysis – a form of integrated application security testing (IAST)
- ▶ Static application security testing (SAST) of JavaScript to identify client-side vulnerabilities

IBM AppScan Standard Edition runs on a workstation and runs in phases. In the Explore Stage, the web application is run, fields filled in, and test requests created. During the Test Stage, AppScan sends thousands of custom test requests that it created during the Explore Stage. It records and analyzes the application's response, identifying security problems and ranking their level of security risk.

##### Audit and Logging

Advantage maintains audit logs for system administration and monitoring purposes. Advantage captures security violations and approval events within audit logs, recording the associated users and/or Advantage elements. The audit logging is normally used to monitor and gather data about activity on a given table or investigate suspicious activity. If there is a need to monitor the activity of specific users (e.g., power users or suspicious activity), Advantage can log the activities of the selected users. Similarly, for critical application resources that the State desires to be able to closely monitor, Advantage allows the logging of all user activity and data changes on the selected application resources.

Logging can be done at the following levels:

- ▶ **User Level** – Advantage allows the logging of the activities of any selected users. The application framework logs the user's actions and any security violations.



- ▶ **Table Level** – Advantage can be configured to log all changes to a specific table. The System Administrator can enable the logging of the users that access that Advantage ERP resource. Once enabled the application framework will log the table's record data before and after the change is made.
- ▶ **Document Level** – Advantage keeps all versions of successfully submitted business transactions/documents. Once a document is finalized, any change creates a new version. This provides a complete history of all document changes.

All document approval action history is logged and is available for online inquiry and reporting. In addition, work-in-progress can be tracked online, providing end users with the real time information on the status and complete lifecycle of the document. A document's approval log is a permanent part of the document record.

### Audit Reporting

The Data Warehouse (DW) and Business Intelligence (BI) tools can be used to create reports on the various logs. The user and table level audit logging information can be viewed by generating an Audit Log Report. The Audit Log Report can be generated by scheduling the "Audit Log Report" job through the CGI Advantage Job Framework. The summary audit report displays the following information:

- ▶ Date and time of the action
- ▶ User Id or Job Id that performed the action
- ▶ Name of the job that performed the action (the job name is always "Online" if the action was performed online)
- ▶ Action that was performed
- ▶ Primary key of the record on which the action was performed

Audits and logs are also available for automated problem detection and resolution. This includes automatic monitoring of the software and the database, and configurable monitoring to aid in software fixes and performance enhancements. These automated detections provide alerts to both the end users and to the technical support staff (via logs) to facilitate effective and efficient issue resolution.

Software and database exceptions are trapped within Advantage and alerts are issued online in the application. These error messages may also refer to additional information in the Advantage error logs. Software exceptions and database errors are also written to logs at the application server level. Log4j functionality, an industry-debugging standard is used for additional debugging support when necessary for errors that are difficult to identify or reproduce.

System performance can be monitored by turning on additional tracing, including performance traces and SQL traces. Depending on the situation, Advantage Customer Support and client help desk support can use a combination of application logs, database logs, traces, and data queries to determine cause of a specific problem.

### D. Data Security Including Encryption

The Advantage solution supports processing of sensitive data and includes data encryption, masking, and electronic signatures. Exhibit D-12 highlights CGI's solution's data protection services.



Data Encryption and Masking – Data at Rest	<ul style="list-style-type: none"> <li>▪ Supports encryption of sensitive data in storage devices</li> <li>▪ Supports configurable encryption algorithm which does not require code modifications</li> </ul>
Data Encryption and Masking – Data in Motion	<ul style="list-style-type: none"> <li>▪ Supports two-way encryption of sensitive data transmissions for data integrity, confidentiality, and end-point authentication</li> <li>▪ Configurable encryption algorithm support does not require code modifications</li> <li>▪ SSL protocol support enables secure transmission between back-end applications, user registry, etc.</li> </ul>
Electronic Signatures	Supports electronic signatures and key management.

**Exhibit D-12: Data Protection Capabilities**

Advantage Common Security Framework (CSF) supports encryption of data ‘at rest’ on various devices, such as data maintained in the file system and in the database. CGI’s solution supports various types of encryption. Each of the encryption types supports various encryption algorithms and is configurable within Advantage ERP CSF. Various encryption standards are supported such as DES, Advanced Encryption Standard (AES), RC4, Blowfish, CAST, user provided password based encryption for Symmetric Encryption, and RSA for Asymmetric Encryption.

Advantage supports electronic signatures. Electronic signatures provide an electronic means for performing a function equivalent to a physical signature, thus associating an individual with a particular piece of data.

Data ‘in motion’ or data transmitted between computer systems is subject to eavesdropping as well as interception and alteration by a malicious party. Advantage supports SSL communications between two parties.

**E. Protection against Viruses and Malware**

The infrastructure is continually protected by anti-virus software and anti-malware protection is provided by enterprise class software and automatic definition updates. Other protection methods include:

- ▶ Limited OS user rights on a given server to that required to perform the user’s given role
- ▶ Minimized Software install to only what is required for operation
- ▶ Hardened Server policy to improve security
- ▶ Disabled services and functions that are unnecessary
- ▶ Maintained currency with security patches and advisories in accordance with change control procedures
- ▶ Managed permissions and authorizations
- ▶ Limited root or administrator access
- ▶ Protected OS integrity using Host-based IDS

**F. Network and Communications Security**

Advantage ERP infrastructure servers are grouped into functional security zones to provide granular control and to group servers based on access levels and security. Functional zones make it easier to choose connections to allow between environments. For instance, Web servers are placed in a DMZ zone, and application servers are placed in a separate zone segregating public and private networks. Another aspect of network security is firewall enforcement at each layer of the infrastructure. Firewalls



enforce the security policies established for every security zone. All unauthorized traffic is blocked and logged.

Data ‘in motion’ or data transmitted between computer systems is subject to eavesdropping as well as interception and alteration by a malicious party.

**G. Internet Security**

Advantage ERP interactions utilize a browser on the client device and take advantage of SSL encryption to protect all communications with the server. The SSL algorithm is supported by all major browsers. It is incorporated into application-specific protocols like HTTP to form HTTPS. This is used to prevent unauthorized users from hijacking a session or reading the transmitted data. SSL requires negligible computing overhead and is acceptable security for banking, health care, and other sensitive industries.

**H. Password Management**

CGI’s solution supports various types of authentication mechanisms. The default authentication mechanism uses username/password authentication and is configurable in the online system by Administrators. Advantage supports up to a 16-character user ID and 16 character passwords for authentication. The State can alternatively use email address to authenticate users via LDAP server. Passwords can be valid for a set number of days based on a schedule determined by the State and can prevent the reuse of the same password for five cycles. Users will be locked out after a pre-determined number of invalid login attempts and can reset their own password by answering a secret question if they have forgotten it. Automated password management significantly reduces support center calls; however, passwords can also be reset online by an Administrator. The new automatically generated password is emailed to the user. Password are encrypted in the database, therefore it is not possible to see a user’s password online or in the database.

In addition, the State has the ability to configure the following rules around passwords, including an extensive array of user ID/password policy rules, as shown in ExhibitD-13.

Rule	Description
Enable User Password Reset	This checkbox enables the password reset feature. Enabling password reset allows users to access the password reset application to reset their own passwords after correctly replying to their password hint. This option is recommended for sites utilizing self-service applications.
Password Expiration Day Count	The number of days for which a user’s password is valid. After this duration expires, the user is forced to change the password before logging into the system.
Lockout Count	The number of unsuccessful login attempts before a user’s account is locked.
Password History Count	The number of past user passwords to remember. Users cannot reuse any password in this list.
Password Warn Day Count	The number of days before a user’s password expires and a warning is issued to the user indicating that the password will expire.
User ID Minimum Length	The minimum length for a user ID. This must be greater than zero.
User ID Maximum Length	The maximum length for a user ID. This must be greater than or equal to the User ID Minimum Length and less than the system maximum user ID length of 16.
Password Minimum Length	The minimum length for a password.
Password Maximum Length	The maximum length for a user password. This must be greater than or equal to the Password Minimum Length and less than the system maximum password length of 16.



Password Require Numeric (0-9)	Select this checkbox if passwords must contain a number (0-9). Selecting this increases the number of required characters by 1.
Password Require Upper Case (A-Z)	Select this checkbox if passwords must contain an upper case character (A-Z). Checking this increases the number of required characters by 1.
Password Require Lower Case (a-z)	Select this checkbox if passwords must contain a lower case character (a-z). Checking this increases the number of required characters by 1.
Password Require Symbol (@.-\$#%)	Select this checkbox if passwords must contain one of the following symbols (@.-\$#%). Checking this increases the number of required characters by 1.
Password Cannot Contain User ID	Select this checkbox if passwords may not contain the user's user ID (regardless of case). For example, if a user's user ID is "freduser," then selecting Password Cannot Contain User ID prevents the user from selecting passwords like "afreduser," "FredUser," "Freduser1," and "someFredUser2."
Password Cannot Contain "password"	Select this checkbox if passwords may not contain the literal "password" (regardless of case).

**Exhibit D-13: Advantage User ID and Password Rules**

If a change in password policy occurs, then the changed policy is enforced for each subsequent password change only. Any existing passwords remain even though they may not conform to the password policy after the change. If an existing user changes his password due to password expiration, then the new password is validated against the newly implemented password policy.



## 4. Upgrade Process

### A. Upgrade Creation, Testing, and Release

Contractor maintains a product roadmap of features planned for Advantage ERP in the next release and beyond. The feature list in the roadmap are compiled from market analysis, demand from existing customers and strategic enhancements that keeps the ERP on pace with evolving technology trends. Contractor works with its user community to shortlist the features for the next upgrade of Advantage ERP. Once the features are finalized for Advantage upgrade, Contractor goes through a rigorous CMMI Level 3 certified Software Development Lifecycle process to develop, system/QA test and release the features.

### B. Retrofitting Extensions and Customizations

Despite the extensive set of configuration options and table driven rules, CGI understands that some enhancements are wider in scope and require customizations to the software. CGI's solution includes a set of automated tools to assist in upgrading an Advantage implementation, which are discussed in the sections below.

Advantage ERP supplies a variety of automated scripts and tools to streamline the upgrade and make it that much simpler.

- ▶ **Advantage Upgrade Manager** – Customer site specific changes, such as the addition of user-defined data elements and pages, are typically recorded as specifications in the Advantage XML application repository. Advantage uses the application repository for two major purposes: to track changes for upgrade purposes and to deploy the run-time environment. The Advantage Upgrade Manager is a visual utility that identifies configuration changes that were made by a client and performs a robust three-way comparison/merge process with the repositories of the original base product release, the changed client changed product (e.g., repository reflecting the addition of user-defined data elements), and the new base product release. Advantage Upgrade Manager is described in more detail in the subsection following this one.
- ▶ **Database Scripts** – When Advantage is enhanced from one version to the next, additional tables or columns may be needed or new table driven options supplied. The software includes the relevant database scripts to automatically upgrade the previous releases to the new database structure.
- ▶ **Upgrade Jobs** – In certain cases, a new functionality may introduce database structure changes or value changes, which are better handled by upgrade jobs (Java) rather than SQL Scripts. These jobs are run at the time of upgrade and are no longer needed after the upgrade is completed.
- ▶ **System Assurance Reports** – The standard Advantage System Assurance reports are also very helpful during the upgrade process. System Assurance reports can be run before upgrading to capture the current state of the application, and then run again after the upgrade, to verify that the integrity of the data has not been compromised.
- ▶ **Configuration Management Tools** – The recommended configuration management plan, which includes the version control of software and data helps to mitigate risks by keeping the most important assets of the system safe in a controlled environment and allowing tracking changes and modifications. This approach allows for all changes to be tracked during the upgrade process.



## 1. CGI Accelerate

CGI Accelerate is a service that provides a certified, flexible, efficient, and reusable service offering that accelerates the upgrade process. CGI Accelerate provides a quality, time-saving methodology for CGI to build, test, and deliver a configured software package for the State.

With CGI Accelerate the State will receive a complete, focused approach to its upgrade. CGI Accelerate provides a grouping of services that can be specifically designed to fit the State's project needs. The offering takes advantage of best practices provided by CGI's implementation and upgrade methodologies and leverages proven tools, such as automated testing.

CGI Accelerate helps clients gain efficiencies and quality during their development and testing efforts. The result is a faster delivery method, allowing more focus on downstream project activities, such as go-live readiness and cutover preparation and less on installation, setup, and core testing activities. CGI Accelerate consultants develop, test, and deliver a custom delivery package for the State, allowing the State staff to focus on day to day operations, or other critical path organizational activities.

Some of the benefits of CGI Accelerate are:

- ▶ Compress upgrade implementation timeframes and reduce spending
- ▶ Improve quality and reliability
- ▶ Access new application features and functionality
- ▶ More efficient, outcome oriented testing; verified against client data
- ▶ Integrated and complete delivery package - Tested and reusable custom executables and products
- ▶ Includes CGI's best practices and methodologies
- ▶ Reallocate staff to other critical implementation activities

Key components of the CGI Accelerate offering are built into the implementation test plan activities proposed for the State. This includes automated test scripts that are executed for integrated system test and user acceptance test simulation. The automated UAT simulation scripts developed as part of the implementation are completely reusable by CGI and adjusted for the State's future user acceptance test efforts or other initiatives, thus significantly reducing the time to prepare and execute tests for future upgrades.

CGI has a long and successful history of developing and employing software development methodologies that make use of industry standard best practices to deliver successful solutions to CGI's customers. The use of standard methodology, processes, and tools that have been proven over numerous projects plays a big role in providing software quality.

CGI has built and refined the Advantage Implementation Methodology (AIM) that provides a clearly defined framework and a set of unique and reusable templates that enable us to continually confirm and refine our solution to provide the desired functionality.

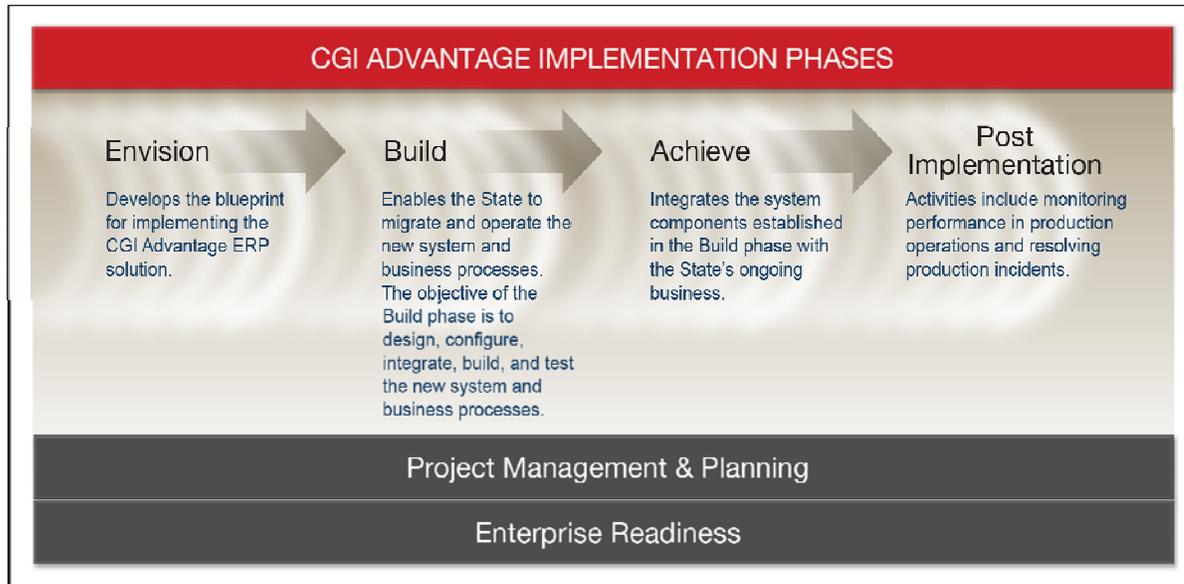
CGI's management framework within AIM applies to all phases and works in tandem with Project Management Institute's PMBOK methodologies. The Advantage Development Centers, a CMMI certified organization, leverages the templates and framework provided by the AIM methodology in the Envision and Build phases in conjunction with the universally recognized Rational Unified Process® (RUP) methodology to deploy an iterative, incremental process that guides a development team toward results.



## 2. Software Upgrade Methodology

The proven Advantage Implementation Methodology (AIM), shown in Exhibit D-14 is used for software upgrades when moving to future versions of Advantage. While applying patches to the existing Advantage product implementation follows the same overall methodology described below, the process is significantly condensed due to the smaller size of patches versus releases.

AIM is comprised of four phases: Envision, Build, Achieve, and Post Implementation. The four project phases have defined starting and ending points, based on key dependencies as well as specific entrance and exit criteria. Each phase builds upon the work and experience from the previous phase, and has activities to validate that the solution provides the desired functionality.



E\_2012\_1003-022v6

**Exhibit D-14: Advantage Implementation Methodology (AIM)**

When upgrading the Advantage software there are two perspectives that can be used in analyzing the upgrade: Technical Perspective and the Functional Perspective. The Technical Perspective entails viewing the upgrade in terms of the technical enhancements associated with the upgrade, the tools to perform the upgrade, etc. The Functional Perspective looks at the upgrade in terms of the functional enhancements and how these enhancements can be leveraged to better serve the State and its employees.

CGI has established a methodology for upgrading Advantage implementations which incorporates both the Technical and the Functional Perspectives when upgrading from one version of Advantage to another. Along with a methodology for upgrading, Advantage supplies a variety of automated tools and scripts to make the upgrade of Advantage a much easier task.

## 3. CGI Advantage Key Features

The CGI Advantage® ERP application development roadmap is designed to meet CGI customer's current and future needs and allows them to keep pace with the changing public sector landscape. CGI's client community provides direct input to this roadmap. This input is melded with CGI-initiated strategic initiatives to harness the opportunities presented by new technologies and evolving best practices help shape the ERP features to meet the current and future needs of our customers.



**Exhibit E**  
**Technical Architecture Description**

The Contractor will provide the following components and host the ERP Solution application

**1. Application Architecture and Key Technical Details**

**A. Web Server Tier**

Being a native web implementation, Advantage supports a thin client implementation using standard HTML for the client tier of the n-tier architecture. By using HTML, the State can leverage existing end-user hardware and network infrastructure. Advantage does not rely on proprietary “plug-ins” which can substantially impede performance and increased levels of desktop support across the State. A thin client approach gives the State the benefits of:

- Low or zero client administration
- Client portability through a browser
- Low bandwidth architecture across a TCP/IP network
- Secure access through the latest Internet security measures such as HTTPS (if required) with 128-bit encryption

The Advantage web server tier is a thin layer responsible for serving web pages to the browser client. The web server tier brokers and passes HTTP requests from clients to the application server components and passes the request results from the application server components back to the client. Multiple physical web servers can be deployed to support horizontal scalability for load balancing and fail-over services when connected through a load-balancing switch. Since no business logic or processing is occurring on this tier, the web server is acting as a “pass through” between the application server and end-user browser. As a result, processing requirements at the web server tier are minimal compared to the application server tier. In fact, many Advantage implementations will incorporate both the web and application server tiers into a single server or VM for internal facing applications. This reduces the overall processing and licensing requirements for the Advantage application.

**2. Application Server Tier**

The Advantage application server tier contains multiple logical software servers that perform various services such as business rules processing, transaction processing, and integration services. For reliable transaction processing, the Advantage architecture is supported by IBM's WebSphere Network Deployment, which is fully integrated with the Advantage components. WebSphere provides the processing environment using the industry standard Java Enterprise Edition (Java EE) specification. Advantage uses the Java EE specification to support an open, non-proprietary architecture. Some Java EE standards used by the Advantage solution include Enterprise Java Beans (EJB), Java Mail (SMTP, POP3 support), XML (Extensible Markup Language for transaction data formatting) and JDBC (Java relational database access).

The application server tier maintains all business logic and core application processes of the Advantage solution. Advantage fully adheres to a true multi-tiered architecture and enforces business rules at the application server tier.

**3. Database Server Tier**

The database server tier performs all data storage functions and is implemented using industry leading relational database management systems (RDBMS). The Advantage applications access the RDBMS



through standard SQL. The database server strictly processes standard SQL requests—there is no business logic at this tier, which complies with current web application leading practices for portability and general platform independence.

CGI's solution supports a variety of leading RDBMS products, including Microsoft SQL Server and Oracle. We have proposed a clustered database server tier to improve availability and we're proposing Oracle 11gR2 for the State's ERP solution.

#### **4. Overview of the Data Model and How Application Data is Stored**

CGI's solution includes a data dictionary that provides detailed descriptions of elements (e.g., tables, columns, and data types) within the database. Each release of the software includes an updated data dictionary and data model. In addition, CGI's solution includes an XML-based rich metadata layer, which includes information about the data structures as well as application business logic.

CGI Advantage ERP uses a single, unified data repository to store ERP active data and historical data, eliminating the need for data synchronization and data duplication. The operational database schema consists of domain-specific data models, which serves as the primary system of record, and builds an agile and trusted data foundation for the State.

An object-oriented application, CGI Advantage ERP leverages a standard RDBMS. The solution provides the object-to-relational mapping within the application to provide an efficient mapping of business logic to persistence layer. Transactional data within the operational database model has been normalized for high volume transaction processing with some de-normalization for performance improvements. The operational database supports a transactional process model. The data entering into CGI Advantage ERP is funneled through an appropriate business process or transaction. Transactions entered and processed either online by users or through system-to-system interfaces, are subjected to proper data validation, referential data integrity, and business rules adherence in real-time. No shadow files or other legacy process methods are used.

The enterprise-level CGI infoAdvantage data warehouse stores data for reporting, ad hoc queries, and analysis by authorized users in agencies, departments, and other business areas. The data warehouse comprises active and historical data. The enterprise data warehouse loads data from CGI Advantage ERP into a configurable dimensional data model designed specifically for State government reporting. CGI's proposed solution will replicate the infoAdvantage data warehouse into MIDB using the Oracle Active DataGuard tool.

#### **5. Online Processing**

CGI Advantage ERP uses a "document model" to record financial events in online forms. Each financial or procurement event has its own online document forms, such as an invoices, payments, and journal vouchers. Documents provide a single point of data entry and storage for each transaction. They can be entered in the online system, interfaced from external systems, or loaded from Excel spreadsheets. Once the data is in the CGI Advantage ERP, documents are subject to the same business rules and checks. Real-time system edits confirm that each document is a balanced business event—the debits must equal the credits. CGI Advantage ERP also validates that business rules and budget checks are satisfied before the transaction can be posted.

Once edits are passed, the transaction is posted in real-time to inquiry tables, including a single Accounting Journal (or General Journal). The detailed audit trail for the document is updated with the "who," "what," and "when" details for document entry, workflow approvals, and system posting. System documents (whether in progress, pending approvals, or completed) are stored in a central repository (the



Document Catalog) for inquiry and reporting, and are immediately available for authorized users across the State to view based on security settings.

When it comes to business events that lead to a chain of documents (e.g., requisition to purchase order to payment request), copy forward is a unique feature in CGI Advantage ERP that enables a user, with a single click, to copy pertinent information from an existing transaction into a new transaction, which its purpose is to reference or liquidate the source transaction.

As documents are processed, they update online inquiry tables with the appropriate financial, budget and specialized inquiry tables for a functional area, such as procurement or accounts payable. Online inquiry tables provide flexible search options to view system-generated summary and detailed information, such as the Accounting Journal or Vendor Invoice Registry. Powerful wildcard-based search functionality allows users to quickly filter and retrieve data to review and/or modify. Online queries allow users to drill down from summary data, such as account balances to details such as transaction level data. Users can track the lifecycle of a document across the spectrum of activity from a single inquiry table.

CGI Advantage ERP offers table-based workflow that is easily configured to route transactions by a value in a document field to a user or approval role at any level of the organizational structure. The user who created or submitted a transaction can view the progress of the transaction through the workflow process.

Reference tables store State business rules, system settings, and valid codes (such as Chart of Accounts). As documents are processed, they read the applicable reference tables to validate that transaction data is valid, complete, and meets applicable Michigan business rules, as well as to dynamically build the workflow approval routing path. Reference tables are maintained by users with the appropriate security authorization. Reference tables provide add, change, delete and copy/paste options for data maintenance while keeping a full audit trail of the “who, what, and when” behind each table update. Reference table data can be easily uploaded from an Excel format when the volume is significant.

Document modification is a simple “one-click” activity with full version control. Modifying a transaction creates a new version of the transaction with current data carried forward for changes to be made. Users can view the history of transaction versions online and can see documents upstream and downstream in a document chain.

The home page is the first screen users see after they log on to the system with their user ID and password. This home page can be personalized by each user, but navigation remains consistent. The center of the screen is the active page the user is working with, and the frames along the top and left side are used to navigate the application. The top menu contains links to business menus and icons to personalize the home page, return to the home page, access online documentation, review the Accessibility documentation (508 and W3C compliant), and logout. The left frame displays the appropriate menu options for the active page. On the home page, shown in the left menu includes:

- ▶ **Message Center** – Links to the user’s task in-box, alerts, and internal Advantage e-mails
- ▶ **Page Search** – Links to all Advantage pages for quick search and navigation
- ▶ **Document Catalog** – Provides a quick link to the online transaction repository for review and easy document entry
- ▶ **Report Search** – Enables easy access to system reports
- ▶ **History** – Tracks the user’s activity for easy access to previously used pages and documents
- ▶ **Favorites** – Stores each user’s preferred pages and documents



## 6. Batch Processing

Using the CGI Advantage Batch Framework, providers of inbound interface data deposit interface files in predetermined, secured locations where they are retrieved and processed by CGI Advantage ERP. This processing can be scheduled or triggered from detection by a polling component.

Similarly, outbound interface processes can be either scheduled or triggered to generate outbound interface files, which are deposited in pre-assigned, secure locations for receipt and processing by the interface partner. The CGI Advantage Batch Framework includes multi-level validations; integrated reconciliation; alerts and notifications; and administrative components directly within the system that support staff with direct access to interface data to support monitoring, analysis, and error resolution functions. This framework is used as the primary interface mechanism for the majority of Michigan interfaces, particularly during the initial implementation Waves of the project. The approach provides stability, performance, security, and the administration and management functions that are not available in the current operating environment.

## 7. Load Balancing and Failover

The Java EE application server supports the set-up of multiple application servers running the same application. The application server processes can run on the same machine (Vertical Scaling), or on different machines (Horizontal Scaling). The cluster appears to be a single server instance for the user. This clustering approach provides ability to do load balancing and failover. If an application server instance in the cluster fails, the application processing continues on the other application server instances of the cluster.

## 8. Data Integrity

The operational database supports a transactional process model. The data entering into CGI Advantage ERP is funneled through an appropriate business transaction. Transactions entered and processed either online by users or offline through interfaces/integration, are subjected to proper data validation, referential data integrity, and business rules adherence in real-time. No shadow files and other legacy process methods are used. Transaction business logic is processed at the application server level and not at the database level to conform to industry standard n-tier architectures. CGI Advantage ERP does not use business logic in database such as stored procedures and maintains business logic within a separate application tier that is distinct from the data tier in compliance with Java EE and web application leading practices for portability and general platform independence. The application server tier accesses the RDBMS through standard SQL calls over JDBC.

## 9. Interoperability

The Advantage Business Integration (ABI) component allows the CGI Advantage ERP to interoperate with systems outside the core ERP via real time and near time web services and/or near time or overnight file-based ETL processing. ABI allows the timing and method (web service or file) to be chosen as needed match the business need at each integration point. ABI will provide the integration for the third party applications, enterprise content management systems, and State applications and outside entities such as banks. The web services available through ABI conform to WS-I Basic Profile interoperability guidance.

## 10. Tools and Approaches Used to Configure the Software

Many application behaviors within Advantage are table-driven or can be configured without customizing the application code. Security configuration and workflow configuration are handled through the web-based user interface (UI) within the application. Certain customizations do require additional tools which will be provided to the State. For example, customizing forms used for printing is handled within Adobe



LiveCycle Designer. Please refer to Exhibit D, Section 2 for in-depth description of built-in and external tools and approaches used to configure Advantage ERP.

#### **11. Configuration Management and Technical Environment Management**

As new hardware and software CIs are introduced in building out the Michigan ERP environment, CGI will propose a maintenance schedule for each component beginning with the documented configuration management baselines and a full review of the availability targets, SLAs, underpinning agreements and vendor maintenance requirements that would include:

- ▶ Development of the hardware maintenance agreements and schedules as required for the Michigan ERP servers and storage devices based on vendor guidelines and warranty requirements
- ▶ Development of Operating Software, middleware and management tool patching, upgrade and release schedules
- ▶ Development of Security patches and update requirements as above
- ▶ Development of database product maintenance schedules which will address periodic requirements for vendor updates, patch management and product upgrades
- ▶ Use automation tools and processes for systems management and monitoring of the IT Infrastructure on a 24x7 basis, including:
  - HW Resources
  - Critical OS and other infrastructure Software File-System/Drives
  - Critical Server OS Daemons/Services
  - Critical Infrastructure Software processes
  - System log filter and redirection to a centralized server

#### **12. Any Pre-Configuration Delivered with the Software**

System configuration and setup consists of defining table-driven rules through standard Web pages. The CGI Advantage ERP is delivered with Day Zero data that sets its various configurations to the values that would work for most customers. The State can work with CGI to review these configurations and adjust the various modules to perform as required to meet the State's needs.

#### **13. Web Capabilities and Exposing Functionality of the System to the Web**

The IBM HTTP Server, based on one of the most widely used open source Apache Web Server, is used for both the internal (Intranet) and external (Internet or public facing) web servers. In keeping with thin client architecture, the web server provides no business logic, it only serves web pages.

Web servers are deployed in both a public-facing environment and in an internal (private) environment to support Michigan security guidelines. The public-facing internet deployment consists of Internet Web Servers that support self-service applications to vendors, employees and (in the case of the transparency portal) citizens at large. The internal intranet web servers provide private access by State internal users of the Advantage ERP and third-party applications.



**Attachment 3: Payment Schedule**

Summary Price Table: Software License, Maintenance, Hosting and Managed Services

CGI Advantage® Software License Fees	\$9,627,744
Bundled Software Products Fees	\$1,073,058
CGI Advantage® Annual Maintenance Fees (7 Year Total)	\$5,587,969
Other Proposed Application Software Annual Maintenance Fees (7 Year Total)	\$2,085,008
Hosting and Managed Services	\$32,253,616
<b>Total Estimated Contract Value</b>	<b>\$50,627,395</b>

Price Table 1: Hosting and Managed Services

Line No.	Service Categories	<u>Initial Year</u> through September 30, 2015	<u>Year 2</u> October 1, 2015 to September 30, 2016	<u>Year 3</u> October 1, 2016 to September 30, 2017	<u>Year 4</u> October 1, 2017 to September 30, 2018	<u>Year 5</u> October 1, 2018 to September 30, 2019	<u>Year 6</u> October 1, 2019 to September 30, 2020	<u>Year 7</u> October 1, 2020 to September 30, 2021	<u>Seven Year Total</u>
1	Fully Equipped Primary Processing Site (including installation of ERP and any other application software to be licensed by the State)	\$254,306	\$386,165	\$306,643	\$334,118	\$432,725	\$412,074	\$453,956	<b>\$2,579,989</b>
2	Hardware, System Software, and Infrastructure Maintenance and Support	\$790,065	\$352,256	\$357,101	\$356,431	\$356,082	\$356,008	\$355,778	<b>\$2,923,722</b>
3	Hardware, System Software, and Infrastructure Maintenance Timeliness, Tracking, Scheduling	\$3,017	\$4,206	\$4,179	\$4,604	\$4,660	\$5,088	\$5,450	<b>\$31,203</b>
4	Capacity, Availability, and Performance Management	\$27,151	\$39,240	\$40,159	\$40,739	\$41,898	\$42,092	\$42,822	<b>\$274,102</b>
5	SLA Documentation and Reporting	\$79,065	\$195,869	\$129,511	\$126,512	\$138,287	\$141,083	\$149,474	<b>\$959,799</b>



Line No.	Service Categories	<u>Initial Year</u> through September 30, 2015	<u>Year 2</u> October 1, 2015 to September 30, 2016	<u>Year 3</u> October 1, 2016 to September 30, 2017	<u>Year 4</u> October 1, 2017 to September 30, 2018	<u>Year 5</u> October 1, 2018 to September 30, 2019	<u>Year 6</u> October 1, 2019 to September 30, 2020	<u>Year 7</u> October 1, 2020 to September 30, 2021	<u>Seven Year Total</u>
6	Change Management and Tracking	\$116,621	\$250,411	\$140,472	\$137,630	\$138,239	\$141,194	\$144,642	<b>\$1,069,209</b>
7	Operations and Production Support	\$212,418	\$535,194	\$282,777	\$273,333	\$271,924	\$279,613	\$287,240	<b>\$2,142,499</b>
8	Database Support	\$91,046	\$253,442	\$140,310	\$136,340	\$135,318	\$138,238	\$140,920	<b>\$1,035,614</b>
9	Job Set-Up and Scheduling	\$78,262	\$208,234	\$104,256	\$98,023	\$97,240	\$99,602	\$102,317	<b>\$787,933</b>
10	Security	\$302,265	\$700,800	\$554,395	\$547,698	\$545,723	\$549,733	\$554,052	<b>\$3,754,666</b>
11	EDI Responsibilities	\$40,171	\$96,237	\$43,926	\$45,804	\$42,303	\$44,585	\$46,251	<b>\$359,277</b>
12	Establish, Maintain, and Operate a Hosting Services Desk	\$126,677	\$310,125	\$151,230	\$145,618	\$144,211	\$148,414	\$152,298	<b>\$1,178,572</b>
13	Disaster Recovery Site and Services	\$140,006	\$256,061	\$295,116	\$334,759	\$376,276	\$420,291	\$465,434	<b>\$2,287,942</b>
14	Total Hosting Services (sum of lines 1 through 13)	<b>\$2,261,070</b>	<b>\$3,588,240</b>	<b>\$2,550,073</b>	<b>\$2,581,609</b>	<b>\$2,724,887</b>	<b>\$2,778,014</b>	<b>\$2,900,634</b>	<b>\$19,384,527</b>
<b>15</b>	<b>Managed or SaaS Services</b>								
16	Break Fix Support				\$749,271	\$749,271	\$749,271	\$749,271	<b>\$2,997,086</b>
17	Help Desk Support				\$214,405	\$214,405	\$214,405	\$214,405	<b>\$857,618</b>
18	Managed Services Operations and Production Support (Incremental Difference between Managed Services Job Setup and Scheduling as described in Section 23 of Attachment F and Hosting Job Setup and Scheduling as described in Section 10 of Attachment F.	\$88,286	\$310,453	\$414,622	\$401,288	\$401,288	\$401,288	\$401,288	<b>\$2,418,513</b>
19	Major and Minor Upgrades				\$169,315	\$363,172	\$1,572,213	\$363,172	<b>\$2,467,872</b>
20	Discretionary Services (based on 8000 hours of Service, per full year)				\$1,032,000	\$1,032,000	\$1,032,000	\$1,032,000	<b>\$4,128,000</b>



Line No.	Service Categories	<u>Initial Year</u> through September 30, 2015	<u>Year 2</u> October 1, 2015 to September 30, 2016	<u>Year 3</u> October 1, 2016 to September 30, 2017	<u>Year 4</u> October 1, 2017 to September 30, 2018	<u>Year 5</u> October 1, 2018 to September 30, 2019	<u>Year 6</u> October 1, 2019 to September 30, 2020	<u>Year 7</u> October 1, 2020 to September 30, 2021	<u>Seven Year Total</u>
21	Total Managed or SaaS Services (Not Including Hosting) (sum of lines 16 to 20)	\$88,286	\$310,453	\$414,622	\$2,566,279	\$2,760,136	\$3,969,177	\$2,760,136	\$12,869,089
22	Total Hosting, Managed Services, or SaaS Services (sum of lines 14 and 21)	\$2,349,356	\$3,898,693	\$2,964,695	\$5,147,888	\$5,485,023	\$6,747,191	\$5,660,770	\$32,253,616

***Hosting and managed services will be invoiced and paid on a quarterly basis in advance and all invoices will be in aggregate for the Total Hosting and Managed Services fees and not include the allocation of fees to the State's categories represented above***



Price Table 2: Hosting and Managed Services Fixed Price Options for Three Additional Years

Line No.	Service Category	<u>Optional Year 1</u> October 1, 2021 to September 30, 2022	<u>Optional Year 2</u> October 1, 2022 to September 30, 2023	<u>Optional Year 3</u> October 1, 2023 to September 30, 2024	Total
1	Hosting	\$3,031,791	\$3,148,290	\$3,259,120	<b>9,439,201</b>
2	Managed or SaaS Services (if applicable)	\$2,394,515	\$2,401,597	\$2,423,049	<b>7,219,161</b>
3	Total (sum of lines 1 and 2)	<b>\$5,426,306</b>	<b>\$5,549,887</b>	<b>\$5,682,169</b>	<b>16,658,362</b>

*Contractor will perform additional technical Minor Release Upgrades as defined in Section 20.B of this Agreement during the original term or optional years immediately above for the added price of \$2.5M per technical Minor Release Upgrade. State recognizes that CGI implementation services of new features available from the release are not included. Includes code merge of Michigan extensions into the new release, delivery of system tested software of the CGI Advantage Software (not including Michigan interfaces, reports, forms), and software delivery of merged code to State.*

Price Table 3: Option for Hot Site

Line No.	Service Category	<u>Initial Year</u> through September 30, 2015	<u>Year 2</u> October 1, 2015 to September 30, 2016	<u>Year 3</u> October 1, 2016 to September 30, 2017	<u>Year 4</u> October 1, 2017 to September 30, 2018	<u>Year 5</u> October 1, 2018 to September 30, 2019	<u>Year 6</u> October 1, 2019 to September 30, 2020	<u>Year 7</u> October 1, 2020 to September 30, 2021	<u>Seven Year Total</u>
1	Warm Site Disaster Recovery Site and Services (Must match line 13 of Table 5)	\$140,006	\$256,061	\$295,116	\$334,759	\$376,276	\$420,291	\$465,434	<b>\$2,287,942</b>
2	Optional Hot Site Disaster Recovery Site and Services	\$1,613,981	\$556,946	\$541,451	\$580,183	\$622,235	\$669,423	\$717,433	<b>\$5,301,652</b>
3	Incremental Difference Between Hot Site and Warm Site Price	<b>\$1,473,976</b>	<b>\$300,885</b>	<b>\$246,336</b>	<b>\$245,424</b>	<b>\$245,959</b>	<b>\$249,132</b>	<b>\$251,999</b>	<b>\$3,013,710</b>



Difference in the Disaster Recovery Site and Services

For Contractor's Hot DR services, the Contractor's primary production site is located in Phoenix, AZ and our secondary site, located in Andover, MA will be used for Disaster Recovery. Data and servers will be replicated across these two geographically diverse locations, thereby mitigating the risk of a regional disaster impacting both data centers.

The disaster facility will have a full replication of physical and virtual servers, network (LAN, WAN and Internet), security and storage infrastructure to accommodate a full production workload and have the ability to continue to meet SLA's during a disaster scenario.

The disaster Oracle database cluster will be kept up to date with the production Oracle database cluster utilizing Active Dataguard to provide a continuous asynchronous feed of data as changes occur in real-time across an inter-data center replication circuit. This will provide a disaster recovery database with near zero data loss.

The virtual web and application servers are deployed on a VMware cluster and will utilize Site Recovery Manager as the method replicating production virtual servers to the disaster recovery facility. In the event of a disaster, the database and supporting application servers will be available and will meet the State's stated RTO/RPO objectives.

Price Table 4: Rates for Additional Services and Larger Projects

The work shall be completed on-site unless the State provides prior approval. The State does not compensate Contractors for premium overtime or holiday pay. The rates shall be firm, fixed for the duration of the Agreement. The rates are inclusive of any travel or other expenses as described in Section 1.600. The State reserves the right to negotiate lower rates and to seek a fixed price for any larger efforts it may wish to undertake using Contractor staff.

Professional Service Category (e.g. Programmer/Analyst)	Hourly Rate
Project Manager	\$260
Deputy Project Manager	\$235
Subject Matter Expert	\$245
Security Lead	\$300
Security Specialist	\$220
Technical Architect	\$245
Technical Lead	\$195
Team Lead	\$195



Professional Service Category (e.g. Programmer/Analyst)	Hourly Rate
Senior BA	\$175
BA	\$135
Senior PA	\$175
PA	\$135
Change Management/Communications	\$175
Tester	\$120
Trainer	\$135
System Administrator	\$135
Operations Support	\$135
Technical Writer	\$95
Project Assistant	\$70



### **Attachment 4: Key Personnel**

The Contractor shall provide qualified resources to fill the positions listed below. All candidates must be reviewed and approved by the State Project Director and State Project Executives before becoming active in these required roles.

#### **Contractor Key Personnel**

The following personnel have been designated as Key Personnel and are subject to the provisions of Article 2-Sections 2.062 and 2.243 covering Key Personnel and Service Level Credits.

##### **A. On-Site Project Executive**

Bidder must identify a Project Executive (PE) that will be considered the Contractor's Single Point of Contact (SPOC). This individual must be located in Lansing, Michigan. The duties of the SPOC shall include, but not be limited to:

1. Supporting the management of the Agreement
2. Facilitating dispute resolution
3. Advising the State of performance under the terms and conditions of the Agreement
4. Develops long and short term goals for meeting and improving delivery of service to the State
5. Anticipates and analyzes future problems, needs and opportunities, determines probable effects of various alternatives and recommends a course of action to obtain the desired results
6. Works closely with the Client Service Director to ensure activities are consistent with department priorities and IT strategic plans

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.

##### **B. On-Site Operations Manager**

Once operational, the Contractor must provide a full time On-site Operations Manager, located in Lansing, Michigan, who will serve as the initial point of contact for the State on all operational matters throughout the Agreement. The Contractor's operations manager responsibilities include, at a minimum:

1. Manage all defined Contractor responsibilities in this Scope of Services.
2. Manage Contractor's subcontractors, if any.
3. Serve as the point person for all operational issues.
4. Coordinate and oversee the day-to-day operational activities.
5. Coordinate and oversee the hosting service desk.
6. Assess and report operational feedback and status.
7. Escalate operational issues, project risks, and other concerns.
8. Review all operational deliverables and provide feedback.
9. Proactively propose/suggest options and alternatives for consideration.
10. Utilize change control procedures.
11. Prepare project documents and materials.
12. Manage and report on the operational budget.
13. Conduct weekly operational update meetings.
14. Provides all reports as identified in Exhibit F: Required Reports

##### **C. Delivery Project Executive**

Once operational, the Contractor must provide a Delivery Project Executive (DPE). The Delivery Project Executive will be the On-Site Project Executive's counterpart and will have similar responsibilities.

**D. Service Delivery Manager**

Once operational, the Contractor must provide a Service Delivery Manager (SDM). The Service Delivery Manager will be the On-Site Operations Manager's counterpart and will have similar responsibilities.

**E. Data Base Administrator**

Once operational, the Contractor must provide a Data Base Administrator. The Contractor's Data Base Administrator (DBA) responsibilities include, at a minimum:

1. Maintains all databases required for development, testing, education and production usage
2. Performs capacity planning required to create and maintain databases
3. Performs ongoing tuning of all development, testing, education and production databases
4. Evaluates new releases of database software and its tools to ensure the hosted site is running on products that are most appropriate
5. Plans and implements back-up and recovery of the databases
6. Administers all database objects, including tables, views, indexes, sequences, packages and procedures
7. Troubleshoots problems regarding the databases.
8. Evaluates user requests for modified database components to determine feasibility, time required, compatibility with current systems, and computer capabilities.
9. Provides technical support to application development team.

**F. Disaster Recovery Lead**

Once operational, the Contractor must provide a Disaster Recovery Lead. The Contractor's Disaster Recovery Lead responsibilities include, at a minimum:

1. Serve as the point person for all Disaster Recovery related issues working in conjunction with the On-Site Operations Manager.
2. Coordinate and oversee the Disaster Recovery activities including planning, testing, and execution of the Disaster Recovery Plan.
3. Assess and report Disaster Recovery feedback and status.
4. Escalate Disaster Recovery issues, project risks, and other concerns.
5. Review all Disaster Recovery deliverables and provide feedback.
6. Proactively propose/suggest options and alternatives for consideration.
7. Utilize change control procedures.
8. Prepare project documents and materials.
9. Conduct periodic Disaster Recovery update meetings.

**G. On-Site ERP Application Maintenance Lead**

Once operational, the Contractor must provide a full time on-site ERP Application Maintenance Lead, located in Lansing, Michigan, who will serve as the ERP subject matter expert and single point of contact for application maintenance for ERP and any third party application software for the State throughout the Agreement. The Contractor's ERP Application Maintenance Lead will work with approval from the State Project Director and responsibilities will include, at a minimum:

1. Serve as the point person for all application issues.
2. Assist the State in establishing priorities for all pending work, projects, and actions.
3. Coordinate and oversee the day-to-day application activities.
4. Coordinate and oversee the third party software support, if any.
5. Coordinate all application break/fix, application patch management, major and minor upgrades to the ERP and any third party application software.
6. Coordinate impact analysis on site specific customization and interfaces due to enhancements, upgrades, break/fix, patches, and large projects.
7. Coordinate work efforts managed through the discretionary services hours or large projects.
8. Coordinate with the Help Desk for application related incidents.



9. Escalate application issues, project risks, and other concerns.
10. Proactively propose/suggest options and alternatives for consideration.
11. Utilize change control procedures.
12. Prepare project documents and materials.
13. Manage and report on the discretionary services hours and budget.
14. Manage and report on the Service Level Agreements related to Managed Services
15. Conduct weekly operational update meetings.

On-Site Project Executive	TBD subject to the approval of the State	Part Time	October 2017
On-Site Operations Manager	Syed Waseem	Full Time	October 2017
Delivery Project Executive	Kim Thorn	Part Time (25%)	March 2015
Service Delivery Manager	Nick Kimberlin	Full Time	March 2015
Data Base Administrator	Shared Resource	Full Time across Shared Resources	March 2015
Disaster Recovery Lead	Shared Resource Assigned/designated to coordinate Disaster Recovery testing or in the event of an actual Disaster	Part Time across Shared Resources /	March 2015
On-Site ERP Application Maintenance Lead	TBD subject to the approval of the State	Full Time	October 2017

All personnel may be subject to the State’s interview and approval process. Any Key Personnel substitution must have the prior approval of the State.

Normal State working hours are 7:00 a.m. to 5:00p.m. ET, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.

The Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

Should the State of Michigan issue an Executive Order thru the Office of State Employer mandating DTMB furlough days, the Contractor will not seek additional costs from the State for project schedule extensions to the extent such extensions are needed due to Contractor’s inability to complete deliverables and milestones in accordance with the project schedule as a result of the above mentioned furlough days. In every case possible the State and the Contractor will work towards completing respective tasks and deliverables in such a manner as to minimize any extension to the project schedule caused by furlough days.

When requested by the State, the Contractor must provide an organizational chart indicating lines of authority for personnel involved in performance of this Agreement 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.



### **Attachment 5: Capacity, Processing, and Other Standards**

- A. The initial processing capacity established for the Primary ERP Production Environment and the Production QA Environment must exceed by 20 percent that required to meet the performance requirements in the RFP general/technical requirements as follows:
1. Process up to 700,000 Time and Leave batch transactions within a nightly batch window of three (3) or less hours on a bi-weekly basis.
  2. Generate up to 1.5 million Labor Distribution records within a seven (7) hour batch window. These records are generated as a result of processing the gross payroll expenditures associated with the 700,000 Time and Leave transactions and an additional 350,000 employer deduction records cited in 1 above.
  3. Once per year, for special payroll processing, in addition to the 700,000 routine Time and Leave transactions, an additional 2 million time records are generated through the payroll calculation process to address longevity and lump sum payments. During this pay period, generate up to 1.5 million Labor Distribution records within a 16 hour batch window as a result of processing the gross payroll expenditures associated with these 2.7 million Time and Leave transactions and an additional 350,000 employer deduction records.
  4. Process up to 250,000 other ERP or third party application transactions within a nightly batch window of seven (7) hours.
- B. The Primary ERP Production Environment and the Production QA Environment must provide data storage capacity sufficient for 10 full years of production data without archiving. In addition, the data storage capacity must also be sufficient to provide for inception-to-date transaction detail for all active projects and grants regardless of age.
- C. The ERP solution must be able to capture employee time for the State's approximately 47,000 employees for labor distribution costing purposes.
- D. The Contractor shall accommodate the ERP application's initially planned use and capacity as well as an expected growth rate of 5 percent per year of CPU usage. The infrastructure must be scalable by design in order to accommodate changing capacity as necessary
- E. The Contractor would recover the critical ERP and other applications within 48 hours of a disaster being declared using the approved declaration process
- F. The Contractor must meet an RPO of no greater than 24 hours prior to the disaster being declared
- G. More than 1,000 jobs are included in the batch process:
1. Nightly Batch Cycle: 300 jobs (of which approx. 75 jobs are used to schedule the nightly batch and perform data back-ups)
  2. Additional Weekly Processes: 300 jobs. Remaining 400 jobs run for specific processes (month end processing, year-end processing, archiving prior years' data, escheating unclaimed money, etc.)
  3. In FY12, more than 17 million transaction lines and approximately seven million EFT disbursements were processed
  4. More than 4,000 active R\*STARS users with more than 12,000 roles



5. More than 625,000 active vendors/payees that have received payment from R\*STARS in a recent fiscal year
6. Note that the transaction volume is expected to increase by approximately three to six million per year when the ERP Project is implemented due to changes in accounting policy that would require detailed postings from key interfaced systems



**Attachment 6: Contractor Licensed Software**

A. ERP Software License Fees and Annual Maintenance

Line Number	Information Requested	Bidder Response	Instructions
1	Product Manufacturer	CGI	
2	Product Name	Advantage	
3	Release Number	3.10 - Current release; 3.11 - Planned Production release	
4	Modules Proposed	See Below	List all modules and separately licensed components.
5	Type of License (e.g. Site or Enterprise, Named Users, Concurrent Users, Server or CPU based)	Enterprise	Provide information below if applicable: # of users # of servers # of CPUs
6	RDBMS Proposed for use with this product	Oracle 11g	Indicate Product Manufacturer, Product Name, and Release Number
<b>Proposed License Agreement</b>			
7	License Agreement Duration	Perpetual	Indicate whether perpetual license is proposed. If not, then indicate the duration of the proposed license agreement.

**Additional Information:**

**Licensed Modules:**

CGI Advantage® Financial Management Base System 3.10 (Redhat/Oracle) including but not limited to:

- Advantage Asset Management
- Advantage Grant Lifecycle Management
- Advantage Cash Management
- Advantage Procurement/VSS (restricted use)
- Advantage Performance Budgeting & Formulation (includes Salary and Benefits Forecasting)
- Advantage Labor Distribution
- Advantage Travel and Expense Management
- Advantage infoAdvantage
- Advantage infoAdvantage Dashboard
- Advantage FileNet Integration Adapter
- Advantage Documentum Adapter
- Advantage Transparency Portal
- Advantage HRM Base System (restricted use)
- Advantage HR Self-Service (restricted use - functions beyond time and labor and expense reimbursement are not in scope)
- Advantage Inventory



Information Requested	Bidder Response	Instructions
Product Manufacturer	Multiple OEM	
Product Name	Advantage Toolkit Bundle	
Release Number	3.10 - Current release; 3.11 - Planned Production release	
Modules Proposed	See below	List all modules and separately licensed components.
Type of License (e.g. Site or Enterprise, Named Users, Concurrent Users, Server or CPU based)	See below	Provide information below if applicable: # of users # of servers # of CPUs
RDBMS Proposed for use with this product	Oracle 11g	Indicate Product Manufacturer, Product Name, and Release Number
<b>Proposed License Agreement</b>		
License Agreement Duration	Perpetual	Indicate whether perpetual license is proposed. If not, then indicate the duration of the proposed license agreement.

**Additional Information:**

**Modules:**

Advantage Toolkit Product Component Name	Type of License	License Agreement Duration	Quantity
Versata Logic Server	Site	Perpetual	1 site license
Versata Logic Studio	Named User	Perpetual	3 named users
IBM WebSphere App Svr Network Deployment –Sub Capacity	Processor Value Units	Perpetual	10,000
IBM WebSphere App Svr Proc (Build Machine)	Processor Value Units	Perpetual	400 PVUs
IBM Process Server	Processor Value Units	Perpetual	100 PVUs
Pervasive Data Integration Universal Engine - Production	Cores	Perpetual	1 license 4 cores
Pervasive Data Integration Universal Engine-Non-Production	Cores	Perpetual	1 license 4 cores4
Pervasive Data Integration Universal Developer	Named User	Perpetual	5 authorized users
Adobe LiveCycle Output 10 - Production	CPU	Perpetual	2 CPUs
Adobe LiveCycle Output 10 - Non Production	Server	Perpetual	1 Server
Finite Matters PatternStream w/Framescript	Named User	Perpetual	1 named user
Adobe FrameMaker	Named User	Perpetual	1 named users
Adobe RoboHelp	Named User	Perpetual	1 authorized user
Pitney Bowes Group Production	Transactions per Year	Perpetual	< 3 million transactions per year



Advantage Toolkit Product Component Name	Type of License	License Agreement Duration	Quantity
Pitney Bowes Group Non- Production	Transactions per Year	Perpetual	< 3 million transactions per year
DeltaXML	Named User	Perpetual	1 site license
Perforce	Named User	Perpetual	20
Jira	Named User	Perpetual	100
Convey TaxPort - Unlimited Users	Unlimited Users and Limited Transactions	Perpetual	25K Transactions
Jmeter	Open Source	Perpetual	Open Source

1. **License Fee.** The license specified in Section 1 of this Exhibit is granted to Client for a License Fee of [\$10,700,802.00]. This License Fee includes the following Software.

Licensed Software	License Fee
CGI Advantage® Software	\$9,627,744.00
Bundled Software Products	\$1,073,058.00
Total License Fees	\$10,700,802.00

1. The State may return any CGI Advantage Software component listed in this Attachment 6 for credit. The evaluation and decision must be completed within 60 calendar days after CGI Advantage Software installation.
2. CGI will credit 100% of the Time and Leave module license fee (\$2,124,142) if the Client determines that the proposed CGI Advantage solution does not meet the documented requirements. The evaluation and decision must be completed within 14 calendar days after mutual agreement on conceptual design of the Time and Leave module. Conceptual design is a high-level design specification that provides an overview of the business requirements and processes to be supported by the customization, processing logic for online, batch, and reporting software components, business scenarios to be included in the unit tests, and key assumptions.
3. The License Fee is payable upon successful completion of the State Installation Test for the Software as defined in Attachment 2, Exhibit 2-2 of the Implementation Services Agreement, the State will sign and provide to CGI an acknowledgement of receipt and acceptance of the Software.

2. **Maintenance Fee.** The maintenance fee for the initial Maintenance Period is defined in the following table.

Maintenance Fee Schedule			
Maintenance Period	Advantage Maintenance	Third Party Software Maintenance	Total Maintenance Fees
July 1, 2014 – September 30, 2014	\$207,934	\$ 24,182	\$232,116
October 1, 2014 – September 30, 2015	\$831,740	\$318,599	\$1,150,339
October 1, 2015 – September 30, 2016	\$856,692	\$328,157	\$1,184,849
October 1, 2016 – September 30, 2017	\$882,393	\$338,001	\$1,220,394
October 1, 2017 – September 30, 2018	\$908,865	\$348,141	\$1,257,006
October 1, 2018 – September 30, 2019	\$936,130	\$358,586	\$1,294,716
October 1, 2019 – September 30, 2020	\$964,214	\$369,343	\$1,333,557
October 1, 2020 – September 30, 2021 *	\$993,141	\$380,423	\$1,373,564
October 1, 2021 – September 30, 2022 *	\$993,141	\$391,836	\$1,384,977
October 1, 2022 – September 30, 2023 *	\$993,141	\$403,591	\$1,396,731



\* Note: annual price increases for such maintenance services shall not exceed the lesser of 3% or the percentage increase in the Consumer Price Index published by the US Bureau of Labor Statistics for the preceding year once the initial Maintenance Period explicitly listed has passed



## **Attachment 7: Required Reports**

### **1. Weekly Problem/Change Reports**

#### **A. Weekly Production Scheduling Report**

- Description: This report is used at the weekly production scheduling meeting and contains a summary/status of changes implemented since the last meeting as well as information for planning for the upcoming weeks.
- Key Elements: list of changes completed in the last week, list of changes scheduled for the next 4 weeks, on-shift and off-shift support issues, open issues status, disaster recovery planning/testing status, and current projects' status.

#### **B. Weekly Change Review Report**

- Description: This report is used at the weekly change review meeting and contains a list of changes to be reviewed/approved for the current week.
- Key Elements: change number, requester/change owner, assignee name, assignee queue, resource, type, risk, install date, associated problem number, status, associated configuration management tracking number, indication of Disaster Recovery impact (y/n)

### **2. Hosting Reports**

#### *Monthly:*

#### **A. Technology Services Status Report**

- Description: Monthly report of hosting related services.
- Key Elements: progress this period including a list changes to each environment; changes/problems encountered/corrective action; significant decisions reached or needed; activities planned for next period

#### **B. Storage Usage Report**

- Description: Report that depict system performance, availability, and utilization of storage and utilization trends. This report may be graphical
- Key Elements: GB of storage used for each day and environment

#### **C. Processor Usage Reports**

- Description: Report that depict system performance, availability, and utilization of CPU and utilization trends. This report may be graphical. Multiple reports may be required.
- Key Elements: Daily CPU usage, CPU usage by time of day (hours), daily average CPU report for each environment, time of day (hourly) average CPU report for each environment, monthly peak of CPU usage based over rolling 12 month scale

#### **D. Network Usage Report**

- Description: Report that depict network performance between the primary hosting center and LMAN; between primary and secondary hosting centers; and between primary hosting center and ODFI.
- Key Elements: amount of network traffic transmitted for each day including identification of peak hours

#### **E. Job Accounting Reports**

- Description: Report listing each job executed during the month and the amount of resources each job utilized.
- Key Elements: job name, CPU utilized, storage utilized, tape mounts utilized (if applicable)

#### **F. SLA Report**

- Description: Report of each Service Level Agreement Requirement's status including any specific reports required as part of each SLA Standard.
- Key Elements: SLA items, status



#### G. Firewall Report

- Description: Report of suspicious and/or unauthorized attempts to hit one of the ERP Solution's IP addresses
- Key Elements: date, time, source address, environment identifier, protocol, source port, destination address, destination port, duplicate record count for each unauthorized attempt.

#### *Quarterly:*

#### H. Software Inventory Report

- Description: Report listing all software components, version, revision patch level, and license expiration date.

#### *Yearly:*

#### I. Technology Plan

- Description: Annual plan that identifies all planned hardware and system software upgrades.
- Key Elements: executive summary, hardware strategy (including server strategy, storage strategy, tape strategy (if applicable), server component connectivity strategy, router environment, network security strategy), software strategy (including O/S, database, independent software vendor product considerations)
- Contractor must provide documentation related to technology upgrades when requested.

#### J. Upgrade Project Plan as required per activities in Section 20.0

- Description: Project plan that accompanies the Technology Plan.
- Key Elements: project schedule

### **3. Yearly Disaster Recovery Reports**

#### A. Disaster Recovery Exercise Objectives

#### B. Disaster Recovery Test Report

#### C. Disaster Recovery Problem Log (Following Disaster Recovery test until issues resolved)



### **Attachment 8: MiDEAL Considerations**

CGI agrees to make its CGI Advantage<sup>®</sup> offerings available to MiDEAL members upon the terms and conditions of Article 2 of this Agreement. Implementation services for CGI Advantage<sup>®</sup> offerings will be subject to a separately negotiated statement of work tailored to the specific business requirements of the MiDEAL member and the particular CGI Advantage<sup>®</sup> Solution chosen. For implementation services, Contractor will honor the rate card provided in *Attachment 3: Payment Schedule, Price Table 4: Rates for Additional Services and Larger Projects*, or the implementation services can be provided on a fixed price basis. The CGI Advantage<sup>®</sup> offerings available through the Extended Purchasing Program include, but are not limited to the following:

- **Customer-Hosted CGI Advantage<sup>®</sup> Software Implementation.** This offering entails a traditional implementation of the selected CGI Advantage<sup>®</sup> software modules within the MiDEAL Member's data center. CGI will provide CGI Advantage<sup>®</sup> software and support pursuant to license and maintenance agreements directly with the MiDEAL member and will support the implementation with a variety of tailored services pursuant to a mutually agreed statement of work.
- **Managed Advantage Services.** This offering, entails hosting, implementation and operation of the selected CGI Advantage<sup>®</sup> modules within one of CGI's data centers. The level of managed services to be provided by CGI in this model will be tailored to each MiDEAL member's specific business requirements. CGI and the MiDEAL member will contract for this offering through software license and maintenance agreements and a statement of work for managed services.

**CGI Advantage 360<sup>™</sup>.** In this software-as-a-service ("SaaS") offering, the CGI Advantage<sup>®</sup> solution is made available to the MiDEAL member on a subscription basis pursuant to a SaaS statement of work.



## Attachment 9: Proprietary Software License Agreement

### **CGI TECHNOLOGIES AND SOLUTIONS INC. PROPRIETARY SOFTWARE LICENSE AGREEMENT**

This is a Proprietary Software License Agreement (“Agreement”) dated as of June 25, 2014 (the “Effective Date”) by and between STATE OF MICHIGAN, (“Client”), on behalf of Department of Technology, Management and Budget Procurement, having a place of business at 530 West Allegan, Lansing, Michigan 48933, and CGI Technologies and Solutions Inc. (“CGI”), a Delaware corporation having its principal place of business at 11325 Random Hills Road, Fairfax, Virginia 22030.

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## **2. LICENSE**

- A. CGI hereby grants to Client a perpetual, royalty-free, nonexclusive, nontransferable, license commencing on the Effective Date to use the computer software components (the “Software”) and documentation (the “Documentation”) listed in *Exhibit A* on the terms and conditions of this Agreement, which will become fully paid up and irrevocable upon Client's payment of the license fees in accordance with *Exhibit A*. The term “Software” as used in this Agreement includes any Maintenance Releases to the Software that are provided to Client from time to time under the Proprietary Software Maintenance Agreement, entered into by the parties on the same date hereof (“the Maintenance Agreement”), but specifically excludes any other modifications or customizations to the Software. For purposes of this section, “Maintenance Releases” means any update, upgrade, release or other adaptation or modification of the Software, including any updated Documentation, that CGI provides to Client under the Maintenance Agreement, which may contain, among other things, error corrections, enhancements, improvements or other changes to the user interface, functionality, compatibility, capabilities, performance, efficiency or quality of the Software.
- B. Client may use the Software only to process the work of the parties set forth in *Exhibit A* and only on the terms and conditions of this Agreement, including use at a disaster recovery site when the primary site is not active or for the purposes of disaster recovery testing. Client may not use the Software as part of a commercial time-sharing or service bureau operation or in any other resale capacity. Client may use the Documentation solely in support of the Software.
- C. This Agreement does not convey to Client title or ownership of the Software and Documentation, but only a right of limited use in accordance with this Agreement. All terms and conditions of this Agreement are material terms of the license granted by this Agreement.
- D. The source code version of the CGI Software is installed during implementation; however, the Client's right to access and use such source code shall be pursuant to a source code license arrangement made available to the Client as a maintenance customer under the Proprietary Software Maintenance Agreement (“Maintenance Agreement”). Client is otherwise prohibited from using the source code under this Agreement.

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## **3. LICENSE FEE**

- A. As compensation for the license provided under this Agreement, Client will pay the license fees in accordance with *Exhibit A*.
- B. Client is a tax exempt entity and will provide CGI a copy of Client's tax exemption certificate. If Client's tax exempt status is modified or revoked during the term of this Agreement, Client agrees to pay directly or reimburse CGI for any taxes arising out of this Agreement or CGI's performance under this Agreement, excluding taxes on CGI's net income and all employer reporting and payment obligations with respect to its personnel.
- C. Invoices for all fees and expenses are due and payable by the Client, in accordance with Client's standard payment procedures as specified in 1984 Public Act no. 279, MCL 17.51, et



seq., within forty-five (45) calendar days after receipt, provided that the invoice was properly rendered.

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

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#### 4. NONDISCLOSURE

- A. "Confidential Information" means any and all information which is confidential or a trade secret and is furnished or disclosed to Client under this Agreement. The Software and Documentation are Confidential Information of CGI. Confidential Information includes any information that is marked as "proprietary," "confidential" or "trade secret", or in some other manner to indicate it is confidential or a trade secret. The term "Confidential Information" does not include any information or documentation that was or is: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party).
- B. Confidential Information will remain the property of CGI, and Client will not be deemed by virtue of this Agreement or any access to CGI's Confidential Information to have acquired any right, title or interest in or to the Confidential Information. Client agrees: (i) to hold the Confidential Information in confidence; (ii) to limit disclosure of the Confidential Information to Client's own employees having a need to know the Confidential Information for the purposes of this Agreement; (iii) not to disclose any Confidential Information to any third party without CGI's prior written approval, such approval will not be unreasonable withheld; (iv) to use the Confidential Information solely and exclusively in accordance with the terms of this Agreement in order to carry out its obligations and exercise its rights under this Agreement; and (v) to notify CGI promptly of any unauthorized use or disclosure of the Confidential Information and to cooperate with and assist CGI in every reasonable way to stop or minimize such unauthorized use or disclosure.
- C. Client agrees that if a court of competent jurisdiction determines that Client has breached, or attempted or threatened to breach, its confidentiality obligations to CGI or CGI's proprietary rights, money damages will not provide an adequate remedy. Accordingly, CGI will be entitled to seek appropriate injunctive relief and other measures restraining further attempted or threatened breaches of such obligations. Such relief or measures will be in addition to, and not in lieu of, any other rights and remedies available to CGI.

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#### 5. PERMISSION TO COPY THE SOFTWARE

- A. Client may copy the Software for back-up, archival and cold and warm disaster recovery purposes. Client may copy the Documentation to support Client's licensed use of the Software in accordance with this Agreement, subject to any restrictions specified in *Exhibit A*. Any copies Client makes of the Software or Documentation, in whole or in part, are CGI's property.
- B. Client agrees not to reverse engineer, decompile, disassemble or extract, as applicable, any ideas, algorithms or procedures from the Software or Documentation for any reason.
- C. Client agrees to reproduce and include CGI's copyright, trademark, and other proprietary rights notices on any copies of the Software and Documentation, including partial copies and copied materials in derivative works.



## 6. LIMITED WARRANTIES AND REMEDIES FOR BREACH OF WARRANTY

- A. Independent of any obligations CGI may have under the Maintenance Agreement, CGI warrants that, during the Warranty Period specified in *Exhibit A*, performance of the Software will not deviate materially from its specifications (the "Specifications") as identified in the Statement of Work attached to [Contract No.071B4300137], entered into by the parties on the same date hereof (the "Implementation Services Agreement"). A material deviation of the Software from its Specifications is referred to in this Agreement as an "Error." CGI shall correct any Errors reported to CGI during the Warranty Period at no additional cost to Client.
- B. CGI warrants that the Software and Documentation do not infringe any third party copyrights, trademarks, patents or trade secrets that exist on the Effective Date and that arise or are enforceable under the laws of the United States of America.
1. Subject to the procedures set forth in Section **Error! Reference source not found.**, to the extent permitted by law, CGI must indemnify, defend and hold harmless Client 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 Client to the extent that the action or proceeding is based on a claim that the Software, or the operation of the Software, or the use or reproduction of any Documentation provided by CGI with the Software infringes any third party copyrights, trademarks, patents or trade secrets that exist on the Effective Date and that arise or are enforceable under the laws of the United States of America.
  2. In addition, should the Software, or its operation, become or in Client's or CGI's reasonable judgment be likely to become the subject of a claim of infringement, CGI must at CGI's sole expense (i) procure for Client the right to continue using the infringing Software or, if the option is not reasonably available to CGI, (ii) replace or modify to Client's reasonable satisfaction the same with Software of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to CGI, (iii) accept its return by Client and refund to Client any amounts paid by Client for the returned Software and reimburse Client for the difference between the refunded amount and any reasonable additional losses or costs any losses or costs incurred as a consequence of Client's ceasing its use and returning it.

This Section 6.B states CGI's entire obligation to Client and Client's exclusive remedy with respect to any claim of infringement.

- C. CGI is not responsible for any claimed breaches of the foregoing warranties caused by: (i) modifications made to the Software or Documentation by anyone other than CGI and its subcontractors working at CGI's direction; (ii) the combination, operation or use of the Software or Documentation with any items that CGI did not supply; (iii) Client's failure to use any new or corrected versions of the Software or Documentation made available by CGI, provided that such versions possess all relevant functionality and compatibility, and are offered at no cost to Client; or (iv) CGI's adherence to Client's specifications or instructions.
- D. CGI does not warrant that the Software will be error-free or that its operation will be uninterrupted. Client acknowledges that it is responsible for the results obtained from use of the Software, including without limitation the completeness, accuracy and content of such results.
- E. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, INTEGRATION, PERFORMANCE AND ACCURACY AND ANY IMPLIED WARRANTIES ARISING FROM STATUTE, COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE.



## 7. LIMITATION OF LIABILITY

- A. Neither CGI nor Client 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 CGI's indemnification obligations under Section 5.B with regard to claims for infringement of United States patent, copyright, trademark or trade secrets or to CGI's indemnification obligations under Section 7.A with respect to claims for personal injury or damage to tangible property caused by the negligence or intentional tortious conduct of CGI.
- B. Each party will be liable to the other party only for the amount of actual direct damages, not to exceed (in the aggregate for all claims) the amount of the license fees paid by Client to CGI for the applicable Software and Documentation. The foregoing limitation of liability does not apply to CGI's indemnification obligations under Section 5.B with regard to claims for infringement of United States patent, copyright, trademark or trade secrets or to CGI's indemnification obligations under Section 7.A with respect to claims for personal injury or damage to tangible property caused by the negligence or intentional tortious conduct of CGI, or to Client's obligations under Section 3 hereof.
- C. In no event will CGI or any person or entity involved in the creation, manufacture or distribution of any software, services or other materials provided by CGI under this Agreement be liable for: (i) any damages arising out of or related to the failure of Client or its affiliates or suppliers to perform their responsibilities; (ii) any claims or demands of third parties (other than those third party claims covered by Sections **Error! Reference source not found.** or 8.A); or (iii) any lost profits, loss of business, or lost savings.

## 8. INDEMNIFICATION

- A. Subject to the procedures set forth in Section **Error! Reference source not found.**, CGI will, at its own expense, defend, indemnify and hold Client harmless from and against all liabilities, claims, losses, damages, costs and expenses (including reasonable attorneys' fees) for personal injury and damage to tangible property to the extent arising out of CGI's negligence or intentional tortious conduct.
- B. After Client receives notice of the action or proceeding involving a claim for which it shall seek indemnification, Client must promptly notify CGI of the claim in writing and take or assist CGI in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Client. No failure to notify CGI relieves CGI of its indemnification obligations except to the extent that CGI can prove damages attributable to the failure. Within ten (10) days following receipt of written notice from Client relating to any claim, CGI must notify Client in writing whether CGI agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying CGI of a claim and before Client receives CGI's Notice of Election, Client is entitled to defend against the claim, at CGI's expense, and CGI will be responsible for any reasonable costs incurred by Client in defending against the claim during that period.
- C. If CGI delivers a Notice of Election relating to any claim: (i) Client 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 Client about the status and progress of the defense; (ii) CGI must, at the request of Client, demonstrate to the reasonable satisfaction of Client, CGI's financial ability to carry out its defense and indemnity obligations under this Agreement; (iii) CGI must periodically advise Client about the status and progress of the defense and must obtain the prior written approval of Client 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, Client 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 Client may retain control of the defense and settlement of a claim by notifying CGI in writing within 10 days after Client's receipt CGI's information requested by Client under clause (ii) of this paragraph if Client determines that CGI has failed to demonstrate, to the reasonable



satisfaction of Client, CGI's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of Client, 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 Client 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.

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

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## 9. TERMINATION

- A. If a party believes that the other party has materially failed to perform a fundamental obligation under this Agreement (a "Breach"), then that party may provide written notice directed to the breaching party describing the alleged Breach in reasonable detail and containing a reference to this Section 9.A. If the breaching party does not, within thirty (30) calendar days after receiving such written notice, either (i) cure the Breach or (ii) if the Breach is not one that can reasonably be cured within thirty (30) calendar days, develop a plan to cure the Breach and diligently proceed according to the plan until the Breach has been cured, then the non-breaching party may terminate this Agreement for cause by written notice to the breaching party.
- B. If a court of competent jurisdiction finds that Client has materially breached this Agreement, then within thirty (30) calendar days of such finding, Client must, at CGI's option, either deliver to CGI or destroy the original and all copies (including partial copies) of the Software, the Documentation, all CGI Confidential Information, and any other materials provided by CGI under this Agreement, including copied portions contained in derivative works, and certify in writing to CGI that Client has fully performed its obligations under this paragraph.
- C. Any provision of this Agreement that imposes or contemplates continuing obligations on a party will survive the expiration or termination of this Agreement, including but not limited to Sections 4 and 7.

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## 10. LAW AND DISPUTES

- A. Any claim, controversy or dispute arising under or related to the Agreement will be governed by the laws of the State of Michigan, without regard to any provision of Michigan law that would require or permit the application of the substantive law of any other jurisdiction. Notwithstanding anything to the contrary, the parties expressly agree that the provisions of the Uniform Commercial Code (UCC) as enacted under state and federal law, and the Uniform Computer Information Transactions Act (UCITA) as enacted under Va. Code Ann. §59.1-501.1 et seq., or as set forth in any other Michigan or other statute of any state, or as may be amended or modified, applicable as of the effective date of this Agreement or thereafter, shall not apply to this Agreement.
- B. At the written request of either party, the parties will attempt to resolve any dispute arising under or relating to this Agreement through the informal means described in this Section 10.B. Each party will appoint a senior management representative who does not devote substantially all of his or her time to performance under this Agreement. The representatives will furnish to each other all non-privileged information with respect to the dispute that the parties believe to be appropriate and germane. The representatives will negotiate in an effort to resolve the dispute without the necessity of any formal proceeding. Formal proceedings for the resolution of the dispute may not be commenced until the earlier of: (i) the designated representatives conclude that resolution through continued negotiation does not appear likely; or (ii) thirty (30) calendar



days have passed since the initial request to negotiate the dispute was made; provided, however, that a party may file earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or to apply for interim or equitable relief.

11. GENERAL

A. Any legal notice or other communication required or permitted to be made or given by either party pursuant to this Agreement will be in writing, in English, and will be deemed to have been duly given: (i) five (5) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested; (ii) when transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine and a copy of the notice is promptly sent by another means specified in this section; or (iii) when delivered if delivered personally or sent by express courier service. All notices will be sent to the other party at its address as set forth below or at such other address as the party may specify in a notice given in accordance with this section.

In the case of Client:	with a copy of legal notices to:
State of Michigan State Budget Office The Victor Center, 7 <sup>th</sup> Floor 201 N Washington Sq Lansing, MI 48909  Attn: Ruth Schwartz Phone: 517-284-7585 E-Mail: SchwartzR1@michigan.gov	Department of Technology, Management and Budget Procurement 1st Floor, Constitution Hall 525 West Allegan Street  Attn: Whitnie Zuker Phone: 517-284-7030 E-Mail: ZukerW@michigan.gov
In the case of CGI:	with a copy of legal notices to:
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, Virginia 22030 Attn: Daniel A. Keene, Sr. Vice President Fax: Fax:703.267.8641	CGI Technologies and Solutions Inc. 11325 Random Hills Road, 8 <sup>th</sup> Floor Fairfax, Virginia 22030 Attn: Office of General Counsel Fax: 703.267.7288

B. Neither party shall be liable for any damages for delays or failure in performance under the Agreement caused by acts or conditions beyond its reasonable control, without its fault or negligence, which could not have reasonably foreseen or prevented by reasonable precautions. Such acts or conditions (each a "Force Majeure") shall include, but not be limited to: acts of God or of the public enemy; civil war; insurrections or riots; acts of war; acts of government; acts of terrorism; fires; floods; storms; explosions; earthquakes or accidents; unusually severe weather; epidemics or public health restrictions; strikes or labor troubles causing cessation, slowdown or interruption of work; failures or fluctuations in electrical power, heat, light, air conditioning or telecommunication equipment; and other similar events. In the event of a Force Majeure, (i) the party experiencing the Force Majeure shall exercise due diligence in endeavoring to overcome any Force Majeure impediments to its performance and shall provide prompt notice to the other party of the Force Majeure; and (ii) the time for performance shall be extended by a period equal to the delay caused by the Force Majeure and, if warranted, the fees payable to CGI shall be equitably adjusted. In no event shall any of the following constitute a Force Majeure: (a) failure, inadequate performance, or unavailability of CGI's subcontractors, if any; or, (b) configuration changes, other changes, viruses, or other errors or omissions introduced, or



permitted to be introduced, by CGI that result in an outage or inability for Client to access or use the Software.

- C. Client may not assign or otherwise transfer this Agreement without CGI's prior written consent, which will not be unreasonably withheld. Any purported assignment in violation of the preceding sentence will be void. This Agreement will be binding upon the parties' respective successors and permitted assigns.
- D. This Agreement, along with the Managed Services Agreement, the Maintenance Agreement and the Implementation Services Agreement, constitutes the entire agreement between the parties, and supersedes all other prior or contemporaneous communications between the parties (whether written or oral) relating to the subject matter of this Agreement. This Agreement may be modified or amended solely in a writing signed by both parties.
- E. The provisions of this Agreement will be deemed severable, and the unenforceability of any one or more provisions will not affect the enforceability of any other provisions. In addition, if any provision of this Agreement, for any reason, is declared to be unenforceable, the parties will substitute an enforceable provision that, to the maximum extent possible under applicable law, preserves the original intentions and economic positions of the parties.
- F. No failure or delay by a party in exercising any right, power or remedy will operate as a waiver of that right, power or remedy, and no waiver will be effective unless it is in writing and signed by the waiving party. If a party waives any right, power or remedy, the waiver will not waive any successive or other right, power or remedy the party may have under this Agreement.
- G. During the term of this Agreement and for twelve (12) months after its expiration or termination, neither party will, either directly or indirectly, solicit for employment or employ (except as permitted below) by itself (or any of its Affiliates) any employee of the other party (or any of its Affiliates) who was involved in the performance of the party's obligations under this Agreement, unless the hiring party obtains the written consent of the other party. For purposes of this Agreement, "Affiliates" means any other entity that directly or indirectly controls, or is under common control with, or is controlled by, the party. The foregoing provision will not (i) prohibit a general solicitation of employment in the ordinary course of business or prevent a party from employing any employee who contacts such party as a result of such a general solicitation; or (ii) be read so as to limit employment opportunities to an extent that would not be permitted under applicable law (e.g., California law).
- H. The Exhibits referred to in and attached to this Agreement are made a part of it as if fully included in the text.

Each party has caused its authorized representative to execute this Agreement as of the Effective Date.

CGI Technologies and Solutions Inc.  
(CGI)

State of Michigan (Client)

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Daniel Keene

Name: \_\_\_\_\_

Title: Senior Vice President

Title: \_\_\_\_\_



## EXHIBIT A

### CGI Technologies and Solutions Inc. Proprietary Software License Agreement

1. Licensed Software. CGI is licensing to Client the following computer software components, comprising the Software:

CGI Advantage® Financial Management Base System 3.10 (Redhat/Oracle) including but not limited to:

- Advantage Asset Management
- Advantage Grant Lifecycle Management
- Advantage Cash Management
- Advantage Procurement/VSS (restricted use)
- Advantage Performance Budgeting & Formulation (includes Salary and Benefits Forecasting)
- Advantage Labor Distribution
- Advantage Travel and Expense Management
- Advantage infoAdvantage
- Advantage infoAdvantage Dashboard
- Advantage FileNet Integration Adapter
- Advantage Documentum Adapter
- Advantage Transparency Portal
- Advantage HRM Base System (restricted use)
- Advantage HR Self-Service (restricted use - functions beyond time and labor and expense reimbursement are not in scope)
- Advantage Inventory

CGI will provide one (1) electronic copy of the Software to the Client.

Optional CGI Advantage® software components available to the State are specified in Attachment 2 to this Agreement.

2. Licensed Documentation. The Specifications for the Software are as set forth in the documentation, which is available for download on the CGI website and which is collectively referred to in this Agreement as the "Documentation":

- Documentation for Advantage Financial
- Documentation for Advantage Human Resource Management
- Documentation for Advantage Performance Budgeting
- Document for Advantage Administration

CGI will provide Client access to its Documentation on the CGI website,

<https://sc.cgi.com/advantage/>

Documentation for Bundled Software of Additional Third Party Software is available on the applicable third party website.

3. License Type. The Software is licensed to Client on the following basis:

The Advantage Software described in Paragraph 1 above is licensed to the Client as an enterprise license.



**Site License.** Client is permitted to use the Software at the computer facility or facilities listed below with the exception of CGI infoAdvantage which is a named user license (or server license if Server Bundle). In the event of the failure of the computers at the listed location(s) , Client may use the Software at a back-up computer facility in the same country until operations at the primary facility have been restored. CGI Phoenix Data Center

Should the Client elect to discontinue Hosting and Managed Services, the Software may be used in accordance with Section 1.B of Attachment 9: Software License Agreement..

Should Client desire to use the Software for additional named users or at additional facilities, as the case may be, Client may purchase additional licenses at CGI's then-current prices.

4. **Work That May Be Processed.** Client may only use the Software for its own business purposes.
5. **License Fee.** The license specified in Section 1 of this Exhibit is granted to Client for a License Fee specified in Attachment 6, Contractor Licensed Software, Section 1, License Fees.
6. **Bundled Software Products.** Included in the license fees set forth in Section 5 of this Exhibit A are the license fees for certain bundled software products (the "Bundled Software Products") required to be used in connection with Advantage Software, unless otherwise noted. CGI is providing the following Bundled Software Products to Client:

Adobe RoboHelp – 1 Authorized User

Adobe LiveCycle Output 10 License - 2 CPU

Adobe LiveCycle Output 10 License - Per Server – 1 Server – *non production*

*\*\*Unlimited copies of LiveCycle Designer come with LiveCycle modules\*\**

Pervasive Data Integrator Universal Edition Engine – 1 License – 4-cores

Pervasive Data Integrator Universal Edition Engine (non-prod) – 1 License – 4-cores

Pervasive Data Integrator Universal Edition Developer – 5 Authorized Licenses

Stream

Finite Matters, Pattern Stream – 1 Named User

Adobe FrameMaker® - 1 Named User for use with Pattern Stream

Versata Logic Server - 1 Site license

Versata Designer Studio – 3 Named User License

IBM WebSphere Application Server Network Deployment –10,00 IBM Processor Value Units (PVU) - Sub- Capacity

IBM WebSphere Application Server Processor – 400 IBM Processor Value Units

IBM Process Server 100 PVU

Monsell EDM DeltaXML – 1 Site License



**Annual Subscription Products**

Convey Taxport- unlimited users based on 25,000 of documents created [Annual service, governed by Shrink-wrap License]

**Additional Third Party Software Products**

- Pitney Bowes Group 1 – 1 Prod & 1 Non Prod – Enterprise
- Perforce – 20 Named User Licenses
- Jira – 100 Named User Licenses
- jMeter [www.jmeter.apache.org]

With regard to the Third Party Software Products specified in this Section 6, applicable product-specific license terms of the Third Party Suppliers are attached to this Exhibit A as indicated below:

- Attachment 1.a – Adobe License Terms
- Attachment 1.b – IBM Sub-Capacity License Terms
- Attachment 1.c – Perforce License Terms (requires State signature)
- Attachment 1.d – Pervasive License Terms
- Attachment 1.e – Pitney Bowes License Terms

All rights of Client in and to the Bundled or Additional Third Party Software Products will be governed by the terms and conditions of this Agreement, the Managed Services Agreement, the Maintenance Agreement, and the Implementation Services Agreement, unless otherwise specified above. CGI does not itself give or make any warranty of any kind with respect to the Bundled Software Products. Changes in the Software which CGI may make from time to time may make it necessary for Client to acquire, at its own expense, updated versions of the Bundled Software Products or Additional Third Party Software

Agreed to and initialed for identification by:

\_\_\_\_\_  
(Client)

\_\_\_\_\_  
(CGI)



**ATTACHMENT 1 TO EXHIBIT A  
THIRD PARTY END USER LICENSE TERMS AND CONDITIONS**

Attachment 1.a	Adobe License Terms
Attachment 1.b	IBM WebSphere Sub-capacity Terms
Attachment 1.c	Perforce End User License Agreement for Open Source Software Development
Attachment 1.d	Pervasive End User License Terms
Attachment 1.e	Pitney Bowes Software and End User License Agreement



**ATTACHMENT 1.a TO EXHIBIT A**  
**ADOBE Software License Agreement**

NOTICE TO USER: PLEASE READ THIS AGREEMENT CAREFULLY. BY COPYING, INSTALLING OR USING ALL OR ANY PORTION OF THE SOFTWARE YOU ACCEPT ALL THE TERMS AND CONDITIONS OF THIS AGREEMENT, INCLUDING, IN PARTICULAR THE PROVISIONS ON: TRANSFERABILITY IN SECTION 4; WARRANTY IN SECTIONS 6 AND 7; LIABILITY IN SECTION 8; CONNECTIVITY AND PRIVACY IN SECTION 14; AND SPECIFIC PROVISIONS AND EXCEPTIONS IN SECTION 16. YOU AGREE THAT THIS AGREEMENT IS LIKE ANY WRITTEN NEGOTIATED AGREEMENT SIGNED BY YOU. THIS AGREEMENT IS ENFORCEABLE AGAINST YOU AND ANY LEGAL ENTITY THAT OBTAINED THE SOFTWARE AND ON WHOSE BEHALF IT IS USED: FOR EXAMPLE, IF APPLICABLE, YOUR EMPLOYER. IF YOU DO NOT AGREE TO THE TERMS OF THIS AGREEMENT, DO NOT USE THE SOFTWARE. VISIT <http://www.adobe.com/go/support> FOR TERMS OF AND LIMITATIONS ON RETURNING THE SOFTWARE FOR A REFUND.

YOU MAY HAVE ANOTHER WRITTEN AGREEMENT DIRECTLY WITH ADOBE (E.G., A VOLUME LICENSE AGREEMENT) THAT SUPPLEMENTS OR SUPERSEDES ALL OR PORTIONS OF THIS AGREEMENT.

ADOBE AND ITS SUPPLIERS OWN ALL INTELLECTUAL PROPERTY IN THE SOFTWARE. THE SOFTWARE IS LICENSED, NOT SOLD. ADOBE PERMITS YOU TO COPY, DOWNLOAD, INSTALL, USE, OR OTHERWISE BENEFIT FROM THE FUNCTIONALITY OR INTELLECTUAL PROPERTY OF THE SOFTWARE ONLY IN ACCORDANCE WITH THE TERMS OF THIS AGREEMENT. USE OF SOME ADOBE AND SOME THIRD PARTY MATERIALS AND SERVICES INCLUDED IN OR ACCESSED THROUGH THE SOFTWARE MAY BE SUBJECT TO OTHER TERMS AND CONDITIONS TYPICALLY FOUND IN A SEPARATE LICENSE AGREEMENT, TERMS OF USE OR "READ ME" FILE LOCATED WITHIN OR NEAR SUCH MATERIALS AND SERVICES OR AT <http://www.adobe.com/go/thirdparty>. THE SOFTWARE MAY CAUSE YOUR COMPUTER TO AUTOMATICALLY CONNECT TO THE INTERNET. SEE SECTIONS 14 AND 16 FOR ADDITIONAL INFORMATION.

THE SOFTWARE MAY INCLUDE PRODUCT ACTIVATION AND OTHER TECHNOLOGY DESIGNED TO PREVENT UNAUTHORIZED USE AND COPYING. THIS TECHNOLOGY MAY CAUSE YOUR COMPUTER TO AUTOMATICALLY CONNECT TO THE INTERNET AS DESCRIBED IN SECTION 14. ADDITIONALLY, ONCE CONNECTED, THE SOFTWARE MAY TRANSMIT YOUR SERIAL NUMBER TO ADOBE AND IN DOING SO MAY PREVENT USES OF THE SOFTWARE THAT ARE NOT PERMITTED. VISIT <http://www.adobe.com/go/activation> FOR ADDITIONAL INFORMATION ABOUT PRODUCT ACTIVATION.

#### **1. Definitions.**

**"Adobe"** means Adobe Systems Incorporated, a Delaware corporation, 345 Park Avenue, San Jose, California 95110 if this agreement is entered into while you are in the United States, Canada or Mexico; otherwise, it means Adobe Systems Software Ireland Limited, 4-6 Riverwalk, Citywest Business Campus, Saggart, Dublin 24, Republic of Ireland.

**"Adobe Runtime(s)"** means Adobe AIR, Adobe Flash Player, Shockwave Player, Adobe Media Player or Authorware Player.

**"Computer"** means a virtual or physical computer device that accepts information in digital or similar form and manipulates it for a specific result based on a sequence of instructions.

**"Internal Network"** means a private, proprietary network resource accessible only by employees and individual contractors (i.e., temporary employees) of a specific corporation or similar business entity.



Internal Network does not include portions of the Internet or any other network community open to the public, such as membership or subscription driven groups, associations and similar organizations.

**“Output File”** means an output file you create with the Software.

**“Permitted Number”** means one (1) unless otherwise indicated under a valid license (e.g., volume license) granted by Adobe.

**“Redistributables”** mean the files identified as Adobe Redistributable in the REDISTRB.TXT file located (a) on the Software CD-ROM, (b) if the Software was downloaded, in the unpacked installation folder or (c) in the Adobe RoboHelp folder on the computer hard drive.

**“Software”** means (a) all of the information with which this agreement is provided, including but not limited to (i) Adobe or third party software files and other computer information; (ii) sample and stock photographs, images, sounds, clip art and other artistic works bundled with Adobe software and not obtained from Adobe through a separate service (unless otherwise noted within that service) or from another party through a separate service (“Content Files”); (iii) related explanatory written materials and files (“Documentation”); and (iv) fonts; and (b) any modified versions and copies of, and upgrades, updates and additions to, such information, provided to you by Adobe at any time, to the extent not provided under a separate agreement (collectively, “Updates”).

## **2. Software License.**

If you obtained the Software and any required serial number(s) from Adobe or one of its authorized licensees and as long as you comply with the terms of this agreement, Adobe grants you a non-exclusive license to install and use the Software in a manner consistent with its design and Documentation and as further set forth below. See Section 16 for specific provisions related to the use of certain products and components, including but not limited to font software, Acrobat, After Effects, Adobe Presenter, Contribute, FrameMaker, Flash Player, RoboHelp, Version Cue and Adobe Runtimes.

**2.1 General Use.** You may install and use one copy of the Software on up to the Permitted Number of your compatible Computers as long as, when required by the Software, you present a valid serial number for each copy; and

**2.2 Distribution from Server.** You may copy an image of the Software onto file server(s) within your Internal Network for the purpose of downloading and installing the Software onto Computers within the same Internal Network for use as permitted by Section 2.1; and

**2.3 Server Use.** You may install the Software on Computer file server(s) within your Internal Network only for use of the Software initiated by an individual from a Computer within the same Internal Network as permitted by Section 2.1. The total number of users (not the concurrent number of users) able to use the Software on such Computer file server(s) may not exceed the Permitted Number. By way of example, the foregoing does not permit you to install or access (either directly or through commands, data or instructions) the Software: (i) from or to a Computer not part of your Internal Network, (ii) for enabling web hosted workgroups or services available to the public, (iii) by any individual or entity to use, download, copy or otherwise benefit from the functionality of the Software unless licensed to do so by Adobe, (iv) as a component of a system, workflow or service accessible by more than the Permitted Number of users, or (v) for operations not initiated by an individual user (e.g., automated server processing); and

**2.4 Portable or Home Computer Use.** Subject to the important restrictions set forth in Section 2.5, the primary user of the Computer on which the Software is installed under Section 2.1 (“Primary User”) may install a second copy of the Software for his or her exclusive use on either a portable Computer or a Computer located at his or her home, provided that the Software on the portable or home Computer is not used at the same time as the Software on the primary Computer. You may be required to contact Adobe in order to make a second copy.



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- (2) You may only grant access for the purpose of enabling your clients to participate in, collaborate on, and contribute to creative projects that you are engaged in on their behalf;
- (3) You may not charge a fee for access to, or use of, the Version Cue Server;
- (4) You may not grant access to the Version Cue Server for any other purpose other than as specifically set forth herein or for any purpose that is independent of the creative service you are providing such as for the management of the client's own projects;
- (5) Your clients are not permitted to download copies of the Version Cue Server; and
- (6) You comply with all other terms and conditions of this agreement.

No other network use is permitted, including, but not limited to using the Software to enable web hosted workgroups or services available to the public.

**16.8 Adobe Drive Client Software.** If the Software includes Adobe Creative Suite software and the Adobe Drive client software, then as an alternative to installing and using a single copy of the Adobe Drive client software with the other components of the Software, provided you have obtained a valid serial number for the Adobe Drive client software, you may install the Adobe Drive client software on multiple Computers within your Internal Network.

### **16.9 Digital Certificates.**

**16.9.1 Use.** Digital certificates are issued by third party certificate authorities, including Adobe Certified Document Services (CDS) vendors listed at [http://www.adobe.com/go/partners\\_cds](http://www.adobe.com/go/partners_cds) ("Certificate Authorities"), or can be self-signed.

**16.9.2 Terms and Conditions.** Purchase, use and reliance upon digital certificates is the responsibility of you and a Certificate Authority. Before you rely upon any certified document, digital signature or Certificate Authority services, you should review the applicable terms and conditions under which the relevant Certificate Authority provides services, including, for example, any subscriber agreements, relying party agreements, certificate policies and practice statements. See the links on [http://www.adobe.com/go/partners\\_cds](http://www.adobe.com/go/partners_cds) for information about Adobe's CDS vendors.

**16.9.3 Acknowledgement.** You agree that (a) a digital certificate may have been revoked prior to the time of verification, making the digital signature or certificate appear valid when in fact it is not, (b) the security or integrity of a digital certificate may be compromised due to an act or omission by the signer of the document, the applicable Certificate Authority, or any other third party and (c) a certificate may be a selfsigned certificate not provided by a Certificate Authority. **YOU ARE SOLELY RESPONSIBLE FOR DECIDING WHETHER OR NOT TO RELY ON A CERTIFICATE. UNLESS A SEPARATE WRITTEN WARRANTY IS PROVIDED TO YOU BY A CERTIFICATE AUTHORITY, YOU USE DIGITAL CERTIFICATES AT YOUR SOLE RISK.**

**16.9.4 Third Party Beneficiaries.** You agree that any Certificate Authority you rely upon is a third party beneficiary of this agreement and shall have the right to enforce this agreement in its own name as if it were Adobe.



16.9.5 Indemnity. You agree to hold Adobe and any applicable Certificate Authority (except as expressly provided in its terms and conditions) harmless from any and all liabilities, losses, actions, damages, or claims (including all reasonable expenses, costs, and attorneys fees) arising out of or relating to any use of, or reliance on, any service of such authority, including, without limitation (a) reliance on an expired or revoked certificate, (b) improper verification of a certificate, (c) use of a certificate other than as permitted by any applicable terms and conditions, this agreement or applicable law; (d) failure to exercise reasonable judgment under the circumstances in relying on issuer services or certificates or (e) failure to perform any of the obligations as required in the terms and conditions related to the services.

## 16.10 **Acrobat Pro and Acrobat Pro Extended Feature.**

### 16.10.1 **Definitions.**

16.10.1.1 “Deploy” means to deliver or otherwise make available, directly or indirectly, by any means, an Extended Document to one or more recipients.

16.10.1.2 “Extended Document” means a Portable Document Format file manipulated by Acrobat Pro or Acrobat Pro Extended Software to enable the ability to locally save documents with filled-in PDF forms.

16.10.2 If the Software includes Acrobat Pro or Acrobat Pro Extended, the Software includes enabling technology that allows you to enable PDF documents with certain features through the use of a digital credential located within the Software (“Key”). You agree not to access, attempt to access, control, disable, remove, use or distribute the Key for any purpose.

16.10.3 For any unique Extended Document, you may only either (a) Deploy such Extended Document to an unlimited number of unique recipients but shall not extract information from more than five hundred (500) unique instances of such Extended Document or any hardcopy representation of such Extended Document containing filled form fields; or (b) Deploy such Extended Document to no more than five hundred (500) unique recipients without limits on the number of times you may extract information from such Extended Document returned to you filled-in by such Recipients. Notwithstanding anything herein to the contrary, obtaining additional licenses to use Acrobat Pro or Acrobat Pro Extended shall not increase the foregoing limits (that is, the foregoing limits are the aggregate total limits regardless of how many additional licenses to use Acrobat Pro or Acrobat Pro Extended you may have obtained).

16.11 **Acrobat Pro Extended Capture Utility.** If the Software includes the Acrobat Pro Extended Capture Utility, in addition to installing the Software as permitted under Section 2 above, you may install such utility separately on a single Unix Computer.

16.12 **FlashPaper Printer.** Notwithstanding anything herein to the contrary, you may not (a) install FlashPaper Printer on a server for multiple user access or use or (b) modify or replace the FlashPaper Printer viewer user interface that displays FlashPaper documents.

16.13 **Flash Player Projectors and Runtime.** Your rights to use any Flash player, projector, standalone player, plug-in, runtime or ActiveX control provided to you as part of or with the Software, or in an Output File shall be solely as set forth in the following link, [http://www.adobe.com/go/flashplayer\\_usage](http://www.adobe.com/go/flashplayer_usage). Unless and except as provided therein, you shall have no rights to use or distribute such software.

16.14 **Device Central.** The mobile device images displayed within Device Central are for simulation purposes only. The actual mobile devices made commercially available by the applicable mobile device manufacturer may or may not contain the Adobe technology used within Device Central to create the simulation. Mobile device images may only be used for non-commercial, development purposes solely in conjunction with content developed using the Software and may not be used for any other or any illegal purpose.



16.15 **Contribute Publishing Services**. Subject to the Contribute Publishing Services software end user license agreement accompanying such software, you shall not connect to the Contribute Publishing Services software unless you have purchased a license to connect to such Contribute Publishing Services software for each individual who may connect to such Contribute Publishing Services software; provided, however, trial versions of Adobe Contribute software may install and connect to the Contribute Publishing Services software in accordance with the Contribute Publishing Services software end user license agreement.

16.16 **Adobe Presenter**. If the Software includes Adobe Presenter, then if you install or use the Adobe Acrobat Connect Add-in in connection with the use of the Software, you agree that you will install and use the Acrobat Connect Add-in only on a desktop Computer and not on any non-PC product, including, but not limited to, a web appliance, set top box (STB), handheld, phone, or web pad device. Further, the portion of the Software that is embedded in a presentation, information, or content created and generated using the Software (the "Adobe Presenter Run-Time") may only be used together with the presentation, information, or content in which it is embedded. You shall not use, and shall cause all licensees of such presentation, information, or content not to use, the Adobe Presenter Run-Time other than as embedded in such presentation, information or content. In addition, you shall not, and you shall cause all licensees of such presentation, information, or content not to, modify, reverse engineer, or disassemble the Adobe Presenter Run-Time.

16.17 **AVC DISTRIBUTION**. The following notice applies to Software containing AVC import and export functionality: THIS PRODUCT IS LICENSED UNDER THE AVC PATENT PORTFOLIO LICENSE FOR THE PERSONAL NON-COMMERCIAL USE OF A CONSUMER TO (a) ENCODE VIDEO IN COMPLIANCE WITH THE AVC STANDARD ("AVC VIDEO") AND/OR (b) DECODE AVC VIDEO THAT WAS ENCODED BY A CONSUMER ENGAGED IN A PERSONAL NON-COMMERCIAL ACTIVITY AND/OR WAS OBTAINED FROM A VIDEO PROVIDER LICENSED TO PROVIDE AVC VIDEO. NO LICENSE IS GRANTED OR SHALL BE IMPLIED FOR ANY OTHER USE. ADDITIONAL INFORMATION MAY BE OBTAINED FROM MPEG LA, L.L.C. SEE <http://www.mpegla.com>.

16.18 **MPEG-2 DISTRIBUTION**. The following notice applies to Software containing MPEG-2 import and export functionality: USE OF THIS PRODUCT OTHER THAN CONSUMER PERSONAL USE IN ANY MANNER THAT COMPLIES WITH THE MPEG-2 STANDARD FOR ENCODING VIDEO INFORMATION FOR PACKAGED MEDIA IS EXPRESSLY PROHIBITED WITHOUT A LICENSE UNDER APPLICABLE PATENTS IN THE MPEG-2 PATENT PORTFOLIO, WHICH LICENSE IS AVAILABLE FROM MPEG LA, L.L.C. 250 STEELE STREET, SUITE 300 DENVER, COLORADO 80206.

16.19 **Flash Professional Edition / Adobe Media Encoder**. In addition to the Computer on which you install and use Flash Professional Edition, you may install and use the Adobe Media Encoder provided with the copy of the Flash Professional software on one Computer that is separate from the Computer on which you have installed and use such copy of the Flash Professional software, provided that (a) such installation is used solely for use of the Adobe Media Encoder in connection with content you create using Flash Professional software and (b) the Adobe Media Encoder is not installed or used after the time you are no longer the primary user of the primary Computer on which such copy of the Flash Professional software is installed.

16.20 **Adobe FrameMaker**. If the Software includes Adobe FrameMaker or RoboHelp software, use of the Adobe PDF Creation Add-On software that may be installed with FrameMaker or RoboHelp software is permitted only in conjunction with the FrameMaker or RoboHelp software. All other uses of the Adobe PDF Creation Add-on software under this license, including use with other software or applications, are prohibited.

16.21 **Redistributables in Adobe RoboHelp**. Subject to the terms and conditions of this EULA, Adobe grants you the non-exclusive, royalty-free right to reproduce and distribute, in object code form only, any Adobe Redistributables provided, that you (a) do not distribute the Redistributables as a stand-alone product, except however, that you may distribute updates of the Redistributables separately for purposes of updating an existing end user of your previously-distributed product that uses the Redistributables; (b) include Adobe's copyright notice for the Redistributables on the title page of any documentation, on the product CD, and/or in the About box for any software product that incorporates the Redistributables;



(c) except as required above, do not use Adobe's name, logo, or trademarks in connection with any product that incorporates the Redistributables; and (d) agree to indemnify, defend and hold Adobe harmless from any and all liabilities (including attorney's fees) arising from any claims, lawsuits, or other legal proceedings that arise from or are related to the use or distribution of any software application product that you reproduced and/or distributed that incorporates the Redistributables.

If you have any questions regarding this agreement or if you wish to request any information from Adobe please use the address and contact information included with this product to contact the Adobe office serving your jurisdiction.

Adobe, Acrobat, Acrobat Connect, Adobe AIR, Adobe Connect, After Effects, Authorware, Contribute, Creative Suite, Flash, FlashPaper, FrameMaker, kuler, RoboHelp, Shockwave and Version Cue are either the registered trademarks or trademarks of Adobe Systems Incorporated in the United States and/or other countries. All other trademarks are the property of their respective owners.

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**ATTACHMENT 1.b TO EXHIBIT A**  
**Terms for IBM Sub-Capacity License**

**1. Definitions**

**Audit Report Period** – The period that begins on the first day in a calendar quarter and ends on the last day in the calendar quarter. Alternatively, if your fiscal year is different from the calendar year, you may choose to begin the period on the first day in your fiscal quarter and end on the last day in your fiscal quarter. This period may also be monthly or weekly depending on your requirements.

**Audit Reports** – A set of reports available in the IBM License Metric Tool (“ILMT”), or by another method acceptable to IBM as specified at

<http://www.ibm.com/software/lotus/passportadvantage/subcaplicensing.html>, These reports provide the Processor Value Unit (“PVU”) license requirements based on the Virtualization Capacity available to the Eligible Sub-Capacity Product.

**Eligible Sub-Capacity Product** – A Product for which Sub-Capacity Licensing is available. See listing at <http://www.ibm.com/software/lotus/passportadvantage/subcaplicensing.html> .

**Eligible Virtualization Environment** – A server or a group of servers cooperating as a single computing entity that contain an Eligible Processor Technology, an Eligible Operating System Technology, and an Eligible Virtualization Technology;

**Eligible Operating System Technology** – An operating system for which Sub-Capacity Licensing is available. See listing at:

<http://www.ibm.com/software/lotus/passportadvantage/subcaplicensing.html> .

**Eligible Processor Technology** – A processor technology for which Sub-Capacity Licensing is available. See listing at:

<http://www.ibm.com/software/lotus/passportadvantage/subcaplicensing.html> .

**Eligible Virtualization Technology** – A virtualization technology for which Sub-Capacity Licensing is available. An Eligible Virtualization Technology is capable of restricting processor capacity to a subset of the total physical capacity, sometimes referred to as partition, LPAR, or virtual machine. See listing at: <http://www.ibm.com/software/lotus/passportadvantage/subcaplicensing.html>

**Full Capacity** – The total number of physical processor cores activated and available for use by the Eligible Sub-Capacity Product(s) on a server.

**Processor Chip** – Electronic circuitry containing one or more Processor Cores that plugs into a Processor Socket.

**Processor Core(s)** – A physical functional unit within a computing device that interprets and executes program instructions and consists of at least one instruction control unit and one or more arithmetic and logic units. A multi-core technology allows two or more Processor Cores to be active on a single Processor Chip. A System z Integrated Facility for Linux (IFL) engine is considered a single Processor Core.

**Processor Socket** – Electronic circuitry that accepts a Processor Chip.

**Processor Value Unit(s)** – A metric used by IBM to assign a value to a Processor Core. The Processor Value Unit licensing model is described at:

[http://www.ibm.com/software/lotus/passportadvantage/pvu\\_licensing\\_for\\_customers.html](http://www.ibm.com/software/lotus/passportadvantage/pvu_licensing_for_customers.html) .

**Service Provider** – an entity that provides IT Services for end user customers, either directly or through a reseller.



**Sub-Capacity Licensing** – Licensing of Eligible Sub-Capacity Products based on Virtualization Capacity.

**Virtualization Capacity** – the highest peak processor capacity available to an Eligible Sub-Capacity Product when deployed on an Eligible Virtualization Environment. Rules for calculating the Virtualization Capacity for each Eligible Virtualization Environment can be found at <http://www.ibm.com/software/lotus/passportadvantage/subcaplicensing.html> .

## 2. Authorizations

- A Proof of Entitlement (PoE) must be acquired by you for the total number of PVUs associated with the Virtualization Capacity available to an Eligible Sub-Capacity Product.
- Prior to an increase in an Eligible Sub-Capacity Product's Virtualization Capacity, you must first acquire additional authorizations, including Subscription and Support, if applicable.
- IBM does not give credits or refunds for charges already due or paid if an Eligible Product's use falls below the authorized level of use.

## 3. IBM's Responsibilities

IBM will make available and authorize you to use:

- the ILMT at no charge, when ordered by you. IBM provides the ILMT to you for your compliance with these Sub-Capacity Licensing terms; and
- the Information Center included with the ILMT to aid in your compliance with these Sub-Capacity Licensing terms.

You may make copies of the ILMT and Information Center for your compliance with these Sub-Capacity Licensing terms.

## 4. Customer's Responsibilities under Sub-Capacity Licensing Terms.

While using Sub-Capacity licensing, you must agree to:

- a. install and configure the most current version of the IBM License Metric Tool ("ILMT") in accordance with the ILMT Information Center, within 90 days of your first Eligible Sub-Capacity Product deployment on an Eligible Virtualization Environment, to enable the collection of Virtualization Capacity data by Eligible Sub-Capacity Products and generate Audit reports in accordance with the Sub-Capacity Licensing terms. Exceptions to this requirement are:
  - 1) when the ILTM does not yet provide support for your Eligible Virtualization Environment;
  - 2) if your enter Enterprise has fewer than 1000 employees and contractors, and you are not a Service Provider, nor have you contracted with a Service Provider to manage their Eligible Virtualization Environment;
  - 3) if the total physical capacity of your Enterprise servers with an Eligible Virtualization Environment, measured on a Full capacity basis, but licensed using sub-capacity terms is less than 1,000 PVUs.
  - 4) when your servers with Eligible Sub-Capacity Products are licensed to the Full capacity of the servers.

For these exceptions, use of the IMLT, while recommended, is not required for Sub-Capacity Licensing. In lieu of the ILMT, you are required to manually manage and track your Eligibility Virtualization Environment, and manually prepare Audit reports documenting the Virtualization Capacity by Eligible Sub-Capacity Product for their Eligible Virtualization Environment during each calendar or fiscal quarter. These Audit reports must contain the information listed in the example Audit Report available at <http://www.ibm.com/software/lotus/passportadvantage/sublicensing.html>.



These Audit Reports must be prepared as frequently as is required to maintain a history of increase to CVirtualization Capacity, but no less often than once per quarter and must be maintained for at least two years to demonstrate your ongoing compliance with Sub-Capacity Licensing terms;

- b. promptly install new versions, releases, modification, or code corrections (“fixes”) of the IMLT that IBM makes available. You will need to subscribe to Tivoli Support notification via <http://www.ibm.com/support/mynotifications> in order to be notified when these become available;
- c. generate, using ILTM or manually, Audit Reports at least each calendar or fiscal quarter and retain for a period of not less than two years the Audit Reports and make these reports available to IBM upon notice as specified in Section 2. Failure to generate Audit Reports or make Audit reports available to IBM will result in charging you for Eligible Sub-Capacity Products under Full Capacity terms;
- d. assign a person in your organization with authority to manage and promptly resolve any questions on Audit reports or inconsistencies between Audit Report contents, license entitlements, or ITLM configuration;
- e. notify CGI if Audit Reports reflect Eligible Sub-Capacity Product use in excess of their authorized level. You agree to promptly submit an order to IBM including Subscription and Support coverage based on the date you exceeded your authorized level.

## 5. Compliance Verification.

Upon reasonable notice, IBM may verify your compliance with this Amendment and for all Eligible Virtualization Environments in which you uses or installs Eligible Sub-Capacity Products subject to the terms of this Amendment for any purpose. Such verification will be conducted in a manner that minimizes disruption to your business and may be conducted your premises, as IBM determines, during normal business hours. IBM may use an independent auditor to assist with such verification, provided IBM has a written confidentiality agreement in place with such auditor.

The Customer will create, retain, and provide to IBM and its auditors written records, system tool outputs, evidence of the license entitlements provided to you, and other system information sufficient to provide auditable verification to IBM that your installation and use of Eligible Sub-Capacity Products is in compliance with the terms of this Amendment, including, without limitation, all of IBM’s applicable licensing and pricing qualification terms.

IBM will notify you in writing if any such verification indicates that you have used Eligible Sub-Capacity Products in excess of your authorized level of use or you are otherwise not in compliance with this Amendment. You agree to promptly pay directly to IBM i) the charges as IBM specifies in an invoice for any additional licenses equal to the quantity used in excess of authorized level of use and applicable Subscription and Support offerings, as applicable, for such licenses for the lesser of the time that such licenses have been used or two years, and ii) any additional charges and other liabilities determined as a result of such verification

The rights and obligations set forth in this section remain in effect during the period the Eligible Sub-Capacity Product is licensed to you, and for two years thereafter.

## 6. Additional Terms

Product deployments that are not able to meet these Sub-Capacity Licensing requirements must be licensed using Full Capacity terms.

IBM may change the terms of this Amendment by giving you written notice. These changes will be effective at the next 12 month anniversary of your TD containing “Eligible Sub-Capacity Products”. Otherwise, for a change to be valid, both of us must sign it. Additional or different terms in any written communication from you are void.



**ATTACHMENT 1.c TO EXHIBIT A**  
**Perforce End User License Agreement**

**1. Introduction**

This is a License Agreement (“Agreement”) between Perforce Software, Inc., a California corporation (“Perforce”), and (“Customer”), in which Perforce grants Customer certain rights to use the software program PERFORCE: The Fast Software Configuration Management System.

**2. Definitions**

- A. “Program” shall mean the machine-readable object code of the computer software program or programs described in the Program Description attached as Attachment A to this Agreement, and such additional Releases of such programs as shall be made available by Perforce to Customer from time to time.
- B. “Release” shall mean any version of a Program or any materials which are made commercially available by Perforce at or after the delivery of a Program, including any software provided for the purpose of improving the functions or performance of the Program, expanding the capability or ease of operation of the Program, or for the purpose of fixing errors in program logic, together with Documentation.
- C. “Documentation” shall mean the user manual(s) and any other materials supplied or made available by Perforce for use with the Program.
- D. “Software” shall mean, collectively, the Program and the Documentation.
- E. “License File” shall mean an ASCII file containing an encoded license string which enables the Program to operate in a specified configuration.
- F. “Delivery Date” shall mean the date that Perforce transfers or allows Customer to transfer a License File for the Program to Customer’s location by electronic mail or file transfer over a network.
- G. “Effective Date” shall mean the date upon which both parties have signed this Agreement.
- H. “License Fee” shall mean the fee for licensing the Program or Programs.
- I. “Software Support” shall mean support and maintenance services for Programs described in Attachment B to this Agreement and provide through CGI.
- J. “Software Support Fee” shall mean that applicable annual fee due for Software Support in accordance with Section 7 of this Agreement.
- K. “Per Human Being” shall describe that form of software license which restricts the licensed software to being used by a specified maximum number of individual users, irrespective of whether such use is concurrent.
- L. “Platform” shall mean the combination of a particular type of computer and a particular operating system, or version of an operating system.
- M. “Initial Term” shall mean one (1) year from the Delivery Date.
- N. “Renewal Period” shall mean any terms subsequent to the Initial Term as defined in Paragraph 10(A).

**3. Items Provided by Perforce**

- A. Perforce shall furnish Customer with the Software, as it is described in Attachment A. Program will be made available to be downloaded in machine-readable object code form by electronic file transfer. The Documentation will be delivered electronically as machine readable text files suitable for printing. Customer may copy, print, or reproduce the Documentation without restriction,



provided that all copyright and other proprietary notices are reproduced substantially similar to the originals.

- B. Perforce shall furnish to Customer one copy of the Program modules for each computer on which it is to run as designated in Attachment D.
- C. Perforce shall furnish to Customer a License File which will enable the Program to operate in the configuration specified in Attachment D.
- D. Customer acknowledges and agrees that it has independently verified that the Software is appropriate for the purposes for which Customer intends to use it, and that Customer did not rely upon any skill or judgment of Perforce in such selection.

#### **4. Grants of License**

- A. In consideration of Customer's one-time payment of the License Fee, Perforce grants to Customer a world-wide, perpetual except as subject to paragraphs 4(B) and 10(C), non-exclusive license for Customer's employees and contractors to install and use the Software for Customer's own direct internal business purposes in the configuration specified in Attachment D.
- B. The license granted in paragraph 4(A) above shall expire 60 days from the Delivery Date if Perforce has not received the License Fee. When the license expires for this reason, the Program will cease to function. Such cessation of functionality is by design, and is not a defect in the Program. In this event, Perforce will restore the Program to functionality on the first business day following the day upon which Perforce receives the License Fee.
- C. Customer may make any additional copies of the Software to the extent necessary for use of the Program. In addition, Customer may copy the Software for archival or backup purposes. Customer shall reproduce and include copyright or other proprietary notices on any copies in substantially the same form as appears in or on the original copies provided to Customer.
- D. The Program is configured by Perforce to support the number of users specified in Attachment D. The Program is licensed on a Per Human Being basis, with the maximum number of users permitted to use the server being that quantity specified in Attachment D. Customer understands that the Program enforces this limitation, and that any failure of the Program to perform in conformance with the Documentation in response to users in excess of the number specified in Attachment D is not a defect in the Program.
- E. Perforce hereby reserves all rights in and to the Software that are not specifically granted by this License Agreement.

#### **5. Software Support**

- A. In consideration of Software Support Fees paid by Customer, Perforce will provide Software Support as described in Attachment B. The Software Support Fee for the Initial Term is included in the License Fee.
- B. During the Initial Term, and any Renewal Terms for which Customer has paid Software Support Fees, Perforce will supply, or make available, at no additional charge to Customer, any new Releases.

#### **6. Delivery Schedule**

- A. Perforce shall deliver or make available to Customer via electronic distribution the items to be furnished under Section 3 of this Agreement upon receipt from Customer of a bona fide purchase order or payment or combination thereof representing the full License Fee. All such items will be deemed to be accepted by Customer upon such availability or delivery. Customer is solely responsible for installation of the Software.

#### **7. License and Software Support Fees**



- A. License Fees. The one-time License Fee is based on the total number of users the Program is configured to support, in accordance with the pricing schedule set forth in Attachment C. The License Fee covers Customer's installation, copying and use of the Software..
- B. Software Support Fees. The License Fee includes the Software Support Fee for the Initial Term of this Agreement. If Customer elects to purchase Software Support for any subsequent Renewal Terms, then the Software Support Fee due for such Renewal Terms shall be the support fee which Perforce charges its new customers as of the date Perforce receives Customer's purchase order for support renewal. Payment of Support Renewal Fees must be received by Perforce no later than thirty (30) calendar days following the end of the current Initial Term or Renewal Term; if it is not, Perforce may, at its sole discretion, impose a 10% support reinstatement surcharge on the Software Support Fee.
- C. Additional users. Customer may increase the number of users the Program is configured to support, by paying an additional one-time License Fee for each additional user. For the Initial Term of this Agreement, the additional License Fee shall be in accordance with the pricing schedule in Attachment C. For any Renewal Terms, the additional License Fee shall be the then- current License Fee Perforce charges its new customers. In either case, the Support Fee portion of the additional License Fee will be pro-rated down so as to extend only to the anniversary of the Delivery Date.
- D. Per Human Being licensing. It is the intention of the parties that the License Fee is paid on a Per Human Being basis, as described in Sections 2(K) and 4(D) of this Agreement. The parties acknowledge that it is possible for one human to log onto two systems at a site, resulting in the appearance of two users, although the parties intend that Customer pay for only one license in such case.

#### **8. Warranties and Indemnification**

- A. Perforce warrants that Perforce has the legal right to grant Customer the license as set out in this Agreement, and that the Software does not infringe any third party intellectual property or other rights.
- B. Perforce warrants that Program is in substantial compliance with the Program specifications and descriptions referred to in Attachment A and the Documentation; provided, however, that Perforce shall not be liable under this warranty if Customer has failed to incorporate all upgrades provided to Customer by Perforce.
- C. Perforce liability under the warranties set forth in clauses A and B of this Section 8 is limited to the License and Software Support Fees paid to Perforce by Customer under this Agreement.
- D. **DISCLAIMER OF WARRANTIES. WITH THE EXCEPTION OF THE WARRANTIES SET FORTH ABOVE, PERFORCE PROVIDES NO WARRANTY WHATSOEVER ON ANY PROGRAM HEREUNDER, EXPRESS, IMPLIED OR OTHERWISE. EXCEPT FOR THE WARRANTIES SET FORTH ABOVE, PERFORCE DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES WITH RESPECT TO THE PROGRAM, AND ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.**
- E. **NO CONSEQUENTIAL DAMAGES. EXCEPT AS SET FORTH IN PARAGRAPHS 8(F) AND 13(F) BELOW, NEITHER PARTY WILL BE LIABLE UNDER THIS AGREEMENT UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING DAMAGES FOR LOSS OF BUSINESS AND LOSS OF PROFITS), EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**
- F. Notwithstanding any other provision of this Agreement, Perforce shall defend, indemnify and hold harmless Customer and its officers, directors, shareholders, employees, accountants, attorneys, agents, affiliates, subsidiaries, successors and assigns against any claim or threat of claim that the Software infringes any intellectual property right of any third party. Perforce shall pay the court



costs, legal fees and litigation expenses as they are incurred, and any damages finally awarded or settlement agreed upon, resulting from any such claim or threat of claim, provided that Customer (i) promptly gives Perforce written notice of any such claim, (ii) gives Perforce full authority to defend any such claim, and (iii) provides Perforce with all information and assistance Perforce reasonably requests in connection with such defense. Notwithstanding the foregoing, Perforce will have no obligation under this Section 8 or otherwise with respect to any infringement claim based upon (i) any use of the Software not in accordance with this Agreement or the Documentation, (ii) any use of the Software in combination with other products, equipment, software, or data not supplied by Perforce where the combination is the basis of the claim, (iii) use of the Software in conjunction with Customer data where use with such data gives rise to the infringement claim, or (iv) any modification of the Software by any person other than Perforce.

- G. If a temporary or permanent injunction is obtained against the use of any part of the Software for the reason that it infringes any third party's intellectual property rights, Perforce shall, at its option and expense, either (i) procure for Customer the right to continue to use the Software, or (ii) modify the Software so that it becomes non-infringing. If Perforce selects the second option, Perforce's obligation to keep the Software in substantial compliance with the Documentation shall remain unaffected.
- H. EXCLUSIVE REMEDY. THE PROVISIONS OF THIS SECTION 8 STATE THE EXCLUSIVE LIABILITY OF PERFORCE, AND THE EXCLUSIVE REMEDY OF CUSTOMER, WITH RESPECT TO ANY CLAIM OF PATENT, COPYRIGHT, OR TRADE SECRET INFRINGEMENT.

### **9. Intellectual Property**

- A. Customer acknowledges and agrees that it obtains no ownership rights in the Software under the terms of this Agreement and that Perforce has and retains all right, title, interest and ownership in and to the Software, and in any copies or updates of the Software whether made by Customer or Perforce.
- B. The Software constitutes proprietary information and trade secrets of Perforce, whether or not any portion of the Software is or may be the subject of a valid copyright or patent.
- C. Customer may not alter any proprietary markings on the Software, including copyright, trademark, trade secret, and patent legends.
- D. Any authorized copies of the Software made by Customer shall contain a reproduction or equivalent of the copyright notice or other proprietary markings appearing on the Program and Documentation delivered by Perforce.
- E. Customer may not decompile, disassemble, or reverse engineer the Program.
- F. Perforce shall retain the copyright to all enhancements to the Software.

### **10. Term and Termination**

- A. The Initial Term and each subsequent Renewal Term of the Agreement shall be renewed automatically for subsequent one-year terms ("Renewal Terms") unless either party notifies the other in writing, at least thirty (30) days prior to the expiration of the current Initial or Renewal Term, of its intent to cancel the renewal. The renewal of this Agreement pursuant to this provision shall not be considered a renewal of Customer's Software Support for the Renewal Term; Software Support must be expressly renewed by Customer as set forth in Paragraph 7(B) of this Agreement.
- B. Either party shall have the right to terminate this Agreement in the event that the other party breaches its obligations under sections 9 or 12 of this Agreement. Intent to terminate shall be made by a written notice setting forth the details of the breach. Termination shall become effective thirty (30) days from the date that the notification of intent to terminate was given, unless the breaching party has corrected the breach prior to the end of that thirty (30) day period.



- C. If this Agreement is terminated by Perforce pursuant to Paragraph 10(B), Perforce may, at its sole discretion, revoke the license granted under Paragraph 4(A) of this Agreement. If Perforce notifies Customer in writing that its License has been revoked, Customer shall, within fifteen (15) days of such notice, (i) discontinue all use of the Software and (ii) certify to Perforce in writing that it has complied with the requirements of this Paragraph 10(C).
- D. Notwithstanding clause B above, either party shall have the right to terminate this Agreement effective immediately if a petition of bankruptcy is granted against the other party, the other party makes an assignment for the benefit of creditors, or the other party admits to being unable to meet its obligations as they come due; and either party shall have the right to terminate this Agreement effective immediately if a petition of bankruptcy is filed by or against the other party and if such petition is not dismissed by the bankruptcy court within sixty (60) days after its filing. Intent to terminate shall be made by a written notice to the party by or against which bankruptcy is filed.
- E. Survival Provisions. The parties' right and obligations under Sections 2, 8, 9, 11, 12, and 13 of the Agreement survive any termination or expiration of the Agreement. the parties' rights and obligations under Section 4 of this Agreement survive any termination or expiration of this Agreement, except termination pursuant to Paragraph 10(C) of this Agreement. Upon any termination or expiration of Agreement, all rights granted by Perforce to Customer, except those mentioned in this paragraph, shall revert to Perforce.

### **11. Arbitration and Mediation**

- A. With the exception of Section 13(F) below, if any dispute arises under the terms of this Agreement, the parties agree to select a mutually agreeable neutral third party to help them mediate it. If the mediation is unsuccessful, the parties agree that the dispute shall be decided by binding arbitration under the rules issued by the American Arbitration Association. The decision of the arbitrator shall be final. Costs and fees (other than attorneys fees) associated with the mediation or arbitration shall be shared equally by the parties. Each party shall be responsible for its attorneys' fees associated with arbitration.

### **12. Assignment and Delegation**

- A. Neither party may sell, transfer, assign, delegate, or subcontract any rights or obligations under this Agreement without the prior written consent of the other party. Consent shall not be unreasonably withheld.
- B. Notwithstanding clause A above, if a party sells or transfers to a single entity all or substantially all of its business to which this Agreement relates, that party may, without the other party's consent, assign or delegate its rights or obligations under this Agreement to that entity.
- C. When an assignment or delegation is made pursuant to clause B above, Perforce will provide a License File to the transferee upon receipt of copies of properly executed documents which effect such assignment or delegation.

### **13. General**

- A. Applicable Law. This Agreement shall be construed pursuant to substantive law of the State of California, excluding any choice of law rules.
- B. Taxes. Perforce shall be entitled to collect from Customer, in addition to the other amounts payable under this Agreement, all local, state and federal excise, sales, use, personal property, gross receipts and similar taxes (excluding payroll taxes and taxes imposed on or measured by Perforce's net income) levied or imposed by reason of the transactions under this Agreement. Customer shall, upon demand, pay to Perforce an amount equal to any such tax(es) actually paid or required to be collected or paid by Perforce.
- C. Public Reference. Customer consents to the public use of its name as a customer of Perforce, unless Customer notifies Perforce in writing that it withholds such consent.



- D. Modification. This Agreement may not be modified or amended except by written notice which is signed by authorized representatives of each of the parties.
- E. No Waiver. The failure of either party to exercise any right or the waiver by either party of any breach, shall not prevent a subsequent exercise of such right or be deemed a waiver of any subsequent breach of the same of any other term of the Agreement.
- F. Equitable Remedies. The parties recognize that money damages may not be an adequate remedy for any breach or of any obligation hereunder by Customer involving intellectual property or use of the Program beyond the scope of the license granted by this Agreement. The parties therefore agree that in addition to any other remedies available hereunder, by law or otherwise, Perforce and any third party from whom Perforce has licensed software or technology may be entitled to seek injunctive relief against any such continued breach by Customer of such obligations.
- G. Exclusive Jurisdiction and Venue. Any cause or action arising out of or related to this Agreement, including an action to confirm or challenge an arbitration award, may only be brought in the courts of applicable jurisdiction in California at Alameda County, and the parties hereby submit to the jurisdiction and venue of such courts.
- H. Written Notice. Any written notice from one party to the other required by this Agreement shall be deemed made on the date of mailing if sent by certified mail or overnight courier and addressed to the address specified below. Written notice sent by any other means shall be deemed made on the date it is received by the party to whom it is directed. Notice sent by facsimile or by electronic mail shall not be deemed "written notice" as contemplated by this Agreement.
- I. Entire Agreement. This Agreement, including its Attachments, constitutes the sole and entire agreement of the parties with respect to the subject matter hereof and supersedes any prior oral or written promises or agreements. There are no promises, covenants or undertakings other than those expressly set forth in this Agreement.
- J. No Election of Remedies. The pursuit by either party of any remedy to which it is entitled at any time shall not be deemed an election of remedies or waiver of the right to pursue any other remedies to which it may be entitled.
- K. Independent Contractors. Nothing in this Agreement shall be deemed or construed by the parties or by any other entity to create an agency, partnership or joint venture between Customer and Perforce.
- L. Severability. If any provision of this Agreement or any Attachment hereto is held invalid or otherwise unenforceable, the enforceability of the remaining provisions of this Agreement and the Attachments will not be impaired thereby.
- M. Government Regulations. In the event of any conflict between the provisions of this Agreement and any statute of the United States government, or any regulation of any agency of the United States government, the provisions of such statute or regulation shall take precedence.
- N. Attachments. Attachments A, B, C, and D hereto are incorporated into and made part of this Agreement.

#### **14. Signatures**

Perforce and Customer have read this Agreement and agree to be bound by its terms, in witness whereof the authorized representatives of each party have affixed their signatures below.

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Customer (CGI)	Perforce Software, Inc.
Signature	Signature
Name (Print or Type)	Name (Print or Type)
Title	Title
Date	Date
Customer's mailing address: CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, Virginia 22030.	Perforce's mailing address: Perforce Software, Inc 2320 Blanding Avenue Alameda, CA 94501 USA



## Perforce Attachment A: Program Description

The Program to be delivered as per this Agreement, PERFORCE ---- The Fast Software Configuration Management System, is a software configuration management system, providing repository, versioning, change control, shared access, integration, communication, auditing, and reporting services for groups of engineers, technicians and managers developing, maintaining and releasing production software.

The Program functions as described in the Perforce User's Guide.

Perforce maintains a published list of Platforms on which the Program is supported.

PERFORCE is a connection-based client/server system operating across heterogeneous platforms. The Program version of PERFORCE is comprised of a principal server program, p4d, one instance of which runs on a server machine and manages access to the central repository, or "depot." In the Server Installation; and a principle client program, p4, instance of which are invoked locally on each host machine containing a Client Workspace. The Program also includes all other modules for which a link to either a user manual or release notes is provided at any time on the "Documentation" page of Perforce's website (<http://www.perforce.com/perforce/technical.html>). Other utility, administration and demonstration programs may be included as well.

Typically each user will have his/her own dedicated client installation, which contains copies of files from the repository at particular revisions. The server comprises a request handler, a data manager and a file librarian. The data manager implements database services and maintains a control meta-database describing the status and history of versioned files in the depot and transactions against the depot. The librarian implements an archive of versioned files. The request handler acts as an executive, sequencing actions and managing communication with the client.

PERFORCE provides a transactional change model based on atomic submissions of multiple files as one transactional "change." PERFORCE provides a mechanism selectively maintaining synchronization of client work areas with the server so that client installations can be reliably brought up to date. Once fetched, client files are localized on the client.

PERFORCE supports parallel development (branching) and integration and reconciliation of parallel changes. PERFORCE provides for reporting from the depot on the status of clients, file change histories, and work in progress.



## Perforce Attachment B: Terms and Conditions of Support

### 1. *Services Provided*

In consideration of the Software Support Fee(s) paid by the Customer and Customer's agreement to meet the responsibilities set forth below, Perforce shall provide to Customer the following Technical Assistance and Maintenance services:

#### **Technical Assistance**

- A. Perforce shall assist Customer in diagnosing errors and malfunctions which occur when the Program is used by Customer.
- B. Perforce shall provide support services to Customer to attempt to correct diagnosed errors and malfunctions. Perforce is not responsible for errors or malfunctions caused by any hardware or any third party operating system.
- C. All Technical Assistance shall be performed between 8:00 a.m. and 5:00 p.m., Pacific Time, Monday through Friday, holidays excluded.
- D. Perforce will provide Technical Assistance by email or telephone.
- E. Perforce makes the following specific commitments to response to requests for Technical Assistance from Customer:
  - 1. to accept/acknowledge the support request via email or phone within one (1) business day of receipt of request;
  - 2. to inform Customer of current known status of the problem and enter a Job Report in Perforce's tracking system when appropriate;
  - 3. to provide a response within three (3) business days detailing Perforce's analysis and/or assessment, including options and estimated time for resolution;
  - 4. to make commercially reasonable effort, for bona fide defect or problem report, to develop a software fix or workaround in a timely fashion;
  - 5. for support calls identified by Customer as "urgent", to provide a proposed resolution or response within one (1) business day.

#### **Maintenance**

- F. Perforce will make each Release of Program published during the term of the Software Support Agreement available to Customer for download as provided in Paragraph 3(A). All such downloads must be initiated by Customer. Perforce shall make best efforts to provide Releases that implement corrections and shall make best efforts to assist Customer in using the Program in a way that can avoid diagnosed errors, malfunctions and defects.
- G. Customer is not entitled to receive any new software from Perforce which Perforce does not deem to be a part of the Program. For example, Customer is entitled to all updates and upgrades to the Program, but should Perforce release another software package with related but different functionality under a different product name, Customer would not be entitled to such software as an update or upgrade to the Program.
- H. Customer is entitled to download, at no additional cost, versions of the Program for any additional Platforms available from Perforce as listed in Perforce's published offering of products, provided that the aggregate configuration of users supported among all servers does not exceed the Licensed Configuration.
- I. From time to time, Perforce may choose to cease maintenance of certain Platforms. Perforce will do this in two steps. First, the Platform will be designated as "Obsolescent," which means Perforce will make new Releases available for that Platform only



upon explicit customer request. No less than one year after being designated "Obsolescent," the Platform will be designated as "Discontinued." Which means Perforce will no longer make new Releases available for that Platform at all. Platforms shall be designated "Obsolescent: or "Discontinued" on Perforce's web site; it shall be the Customer's responsibility to check the web site for changes in designation of any given Platform.

- J. The designation of a Platform as either "Obsolescent" or "Discontinued" shall not affect Perforce's obligation to provide Technical Assistance as set forth in paragraphs A through E of this section.
- K. Customer has the right to change the server IP addresses, port numbers, and/or Platforms in the Licensed Configuration at no additional cost at any time upon written notification to Perforce.

## **2. Customer Responsibilities**

- A. Customer will make commercially reasonable efforts to keep current with the latest Release of Program provided by Perforce.
- B. Customer shall designate the appropriate number of individuals as contact(s) for Software Support, as agreed by the parties. The total number of contacts is not to exceed two (2) contacts per hundred (100) users. Customer has the right to change the contacts at any time upon written notification to Perforce.
- C. In the event that Customer fails to meet its responsibilities as set forth in the preceding two paragraphs, Perforce's sole remedy shall be that it may, at its option, decline to provide technical support until Customer has complied.



**Perforce Attachment C:**

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**Perforce Attachment D: Licensed Platform Configuration**

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**ATTACHMENT 1.d TO EXHIBIT A****Pervasive Software Inc. License Agreement  
READ CAREFULLY BEFORE INSTALLING**

READ THE FOLLOWING TERMS AND CONDITIONS CAREFULLY BEFORE INSTALLING THIS SOFTWARE. INSTALLING THIS SOFTWARE INDICATES YOUR ACCEPTANCE OF THESE TERMS AND CONDITIONS. IF YOU DO NOT AGREE WITH THEM, YOU SHOULD PROMPTLY RETURN THE PACKAGE THAT WAS SENT TO YOU OR DELETE ANY DOWNLOADED FILES THAT CONTAIN THE SOFTWARE AND YOUR MONEY WILL BE REFUNDED (IF WITHIN 30 DAYS OF PURCHASE).

Pervasive Software Inc., a Delaware corporation, at 12365-B Riata Trace Parkway, Austin, Texas 78727, USA ("Pervasive"), hereby grants to you a non-exclusive, non-transferable license to use the software product that is contained on media supplied to you or that you have electronically downloaded (the "Software") and the accompanying printed materials or on-line documentation (the "Documentation") subject to the terms set forth below. The term "Software" also includes any upgrades, modified versions, copies, and trial versions licensed to you. Software may include design or development software, adaptors, connectors, agents, metadata and run-time software. The term "you" means the person or business entity that is licensing the Software pursuant to this Agreement.

**1. Use of Design or Development Software.**

If you have licensed Software that is identified in the Contract or on the install screen as design or development software, then -

\* You may install the Software only in a single location on a hard disk or other storage device.

\* You may install the Software on a network server used only to install or run the Software over an internal network; however, you must acquire and dedicate a license for each individual who will use the Software.

\* You may install and use each licensed copy of the Software on one home or portable "Secondary" computer provided that each such installed copy is used exclusively by the same person.

**2. Use of Pervasive Deployment or Runtime Versions of the Software.**

If a product identified as being for deployment or runtime is part of the Software you have purchased, then --

\* Each license of the deployment or runtime Software may be installed only on a single machine or network server.

\* On multiple-CPU machines, the deployment or runtime Software may not be used concurrently on more CPUs than the number of CPUs specified in the Contract . In the event you use any number of physical CPUs acting as two or more logical or virtual CPUs, then the authorized number of CPUs under this Agreement will be determined based on the higher number of logical or virtual CPUs.

\* Notwithstanding the foregoing, you may programmatically invoke the deployment or runtime Software from one or more other machines within your organization.

\* If you intend to embed a runtime within any application for distribution to third parties, then you must (i) execute a distribution agreement with Pervasive; (ii) distribute the runtime Software only in conjunction with or as a part of your application; (iii) include an end-user license agreement with your application that grants a limited license to use the runtime Software and protects the intellectual property rights of Pervasive and its suppliers in the run-time Software; (iv) unless you or your sub- distributors have a separate written agreement



with Pervasive to private-label the runtime portion of the application, include on the application's startup screen the copyright notice, "Pervasive Integration Runtime(TM) is Copyright Pervasive Software Inc.

2004. All rights reserved."; and (v) indemnify, hold harmless and defend Pervasive and its suppliers from and against any claims or lawsuits, including attorney's fees, that arise or result from the use or distribution of your application.

**3. Copyright.** Title, ownership rights, and intellectual property rights in and to the Software and Documentation will remain in Pervasive or its suppliers. Copyright laws of the United States and International Treaty provisions protect the Software and Documentation. Except as expressly authorized in this Agreement, you agree not to use, rent, lease, sublicense, distribute, transfer, copy, reproduce, display, modify, create derivative works of, time share or dispose of the Software or Documentation or any part thereof. Pervasive retains ownership of the Software and Documentation and reserves all rights not expressly granted to you.

**4. Backup and Copies.** You may make copies of the Software only for archival backup and security reasons in order to protect your investment from loss. You may not install copies of the software for fail-over or disaster recovery without purchasing additional licenses for such purposes. Unauthorized copying of either the Software or related printed materials is expressly forbidden. You may print one copy of the Documentation or any part thereof from the electronic Help included with your Software.

**5. Leasing/Rental Prohibited.** You may not directly or indirectly sublicense, lease or rent the Software for third party use without prior written approval of Pervasive. You may not charge a third party by data throughput, by transaction, by time- share or any other service bureau usage of the Software without prior written approval of Pervasive.

**6. Protection of Software.** You agree to take all reasonable steps to protect the Software and Documentation from unauthorized copying or use. The Software source code represents and embodies trade secrets of Pervasive or its licensors. The source code and embodied trade secrets are not licensed to you and any modification or addition thereto, or deletion therefrom is strictly prohibited. You agree not to disassemble, decompile, or otherwise reverse engineer the Software in order to discover the source code or the trade secrets contained in the source code.

**7. Assignment.** You may not assign or otherwise transfer in whole or in part or in any manner any rights, obligations, or any interest in or under this Agreement without Pervasive's prior written consent and any attempted assignment will be void. A merger or other acquisition by a third party will be treated as an assignment. Pervasive may at any time and without Your consent assign all or a portion of its rights and duties under this Agreement to a company or companies wholly owning, owned by, or in common ownership with Pervasive.

**8. Performance or Benchmark Testing.** You may not publish or otherwise disclose to any third party the results of any performance or benchmark tests of the Software without prior written approval of Pervasive.

**9. Limited Warranty.** To the original licensee only, Pervasive warrants the media on which the Software is recorded and its accompanying printed materials to be free of defects in materials and workmanship for a period of 90 days from the date of purchase as evidenced by a copy of the receipt. If the licensee notifies Pervasive of defects in material or workmanship within the warranty period, then, as licensee's sole remedy and Pervasive's sole obligation and liability, Pervasive will replace the defective item(s).

If you receive pre-release or beta Software under this Agreement, such pre-release or Beta Software is provided "As Is" without warranty of any kind. Pervasive and its suppliers will not be liable for any damages relating to your use of such pre-release or beta Software. If Pervasive updates or upgrades the pre-release or beta Software and makes it generally available, then: (i) provided you have paid any applicable maintenance fees, if any, Pervasive will provide you with the applicable update or upgrade to



the generally available version of the Software, and (ii) the limited warranty set forth above in this Agreement will apply to such generally available Software version commencing upon receipt of such version.

**DISCLAIMER OF WARRANTY.** PERVASIVE LICENSES THE SOFTWARE AND DOCUMENTATION TO YOU UNDER THIS AGREEMENT SOLELY ON AN "AS IS" BASIS. EXCEPT AS PROVIDED IN THIS SECTION 9, PERVASIVE MAKES NO OTHER REPRESENTATIONS, CONDITIONS OR WARRANTIES WHATSOEVER, EITHER EXPRESS OR IMPLIED, REGARDING THE SOFTWARE AND DOCUMENTATION; PERVASIVE EXPRESSLY STATES AND YOU ACKNOWLEDGE THAT PERVASIVE DOES NOT MAKE ANY REPRESENTATIONS, CONDITIONS OR WARRANTIES, INCLUDING, FOR EXAMPLE, WITH RESPECT TO MERCHANTABILITY, TITLE, NONINFRINGEMENT OR FITNESS FOR ANY PARTICULAR PURPOSE OR ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, AMONG OTHERS.

**10. High Risk Activities.** The Software is not fault-tolerant and is not designed, manufactured, or intended for use or resale as on-line control equipment in hazardous environments regarding fail-safe performance, such as in the operation of nuclear facilities, aircraft navigation or communication systems, air traffic control, direct life support machines, or weapons systems, in which the failure of the Software could lead directly to death, personal injury, or severe physical or environmental damage ("High Risk Activities"). Pervasive and its suppliers specifically disclaim any express or implied warranty of fitness for High Risk Activities.

**11. Limitation of Liability.** PERVASIVE'S AGGREGATE LIABILITY ARISING FROM OR RELATED TO THIS AGREEMENT OR THE SOFTWARE OR DOCUMENTATION IS LIMITED TO THE TOTAL OF ALL PAYMENTS MADE BY YOU FOR THE SOFTWARE UNDER THIS AGREEMENT. IN NO EVENT WILL PERVASIVE OR ITS SUPPLIERS BE LIABLE TO YOU FOR ANY CONSEQUENTIAL, INCIDENTAL, OR SPECIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT, WHETHER UNDER THEORY OF WARRANTY, TORT, PRODUCTS LIABILITY OR OTHERWISE.

**12. Term, Termination.** This Agreement is effective from the date you open the Software envelope and will remain in force until terminated. You may terminate this Agreement at any time by destroying the Documentation and the Software together with all copies and adaptations thereof. This Agreement will automatically terminate if you breach any of the terms and conditions of this Agreement. You agree to destroy the original and all copies of the Software and Documentation, or to return them to Pervasive upon termination of this license. Sections 3, 5,

6, 7, 8, 9, 10, 11, 12 and 13 of this Agreement will survive any termination hereof.

**13. Miscellaneous.**

**13.1 Complete Understanding.** This Agreement represents the complete agreement concerning the subject matter between you and Pervasive and supersedes all prior agreements and representations between you and Pervasive. This Agreement may be amended only in writing executed by both parties. Any purchase by you is accepted only upon your assent to the terms and conditions of this Agreement. NO VENDOR, DISTRIBUTOR, DEALER, RETAILER, SALES PERSON OR OTHER PERSON IS AUTHORIZED TO MODIFY THIS AGREEMENT OR TO MAKE ANY WARRANTY, REPRESENTATION, OR PROMISE WHICH IS DIFFERENT THAN, OR IN ADDITION TO, THIS AGREEMENT ABOUT THE SOFTWARE.

**13.2 Governing Law.** This Agreement will be governed and interpreted by the laws of the State of Texas, USA, without regard to its rules governing conflicts of law. The parties expressly disclaim the application of the United Nations Convention on Contracts for the International Sale of Goods to this Agreement. Exclusive jurisdiction and venue for all disputes arising under this Agreement will be in the state and federal courts residing in Austin, Texas. Each party expressly consents to the exercise of jurisdiction over it in the above venue of any court of competent jurisdiction and waive any rights it may have to have the action tried or determined in a different venue.



**13.3 Waiver.** No waiver of any right under this Agreement will be effective unless in writing, signed by a duly authorized representative of Pervasive. No waiver of any past or present right arising from any breach or failure to perform will be deemed to be a waiver of any future right arising under this Agreement.

**13.4 Audit.** You will keep accurate records and accounts related to use of the Software under this Agreement in accordance with generally accepted accounting principles and standard business practices in the computer industry. Such records will include, but are not limited to, your record of all copies of the Software made and the Pervasive provided serial number (if any) for each. Pervasive or its agents may inspect your records on fifteen (15) days notice to you. Such inspections are solely for the purpose of verifying your compliance with the provisions of this Agreement. In the event any such inspection reveals an underpayment by you, (i) you will promptly remit the amount of the underpayment for the period covered by the inspection, and (ii) if such underpayment exceeds five percent (5%) of the payment due for the period covered by the inspection, you will reimburse Pervasive for its reasonable expenses incurred in connection with the inspection. Pervasive's rights will remain in effect through the period ending one (1) year from the termination or expiration of this Agreement.

**13.5 Severability.** If any provision in this Agreement is held invalid or unenforceable, that provision will be construed, limited, modified, or, if necessary, severed, to the extent necessary, to eliminate its invalidity or unenforceability, and the other provisions of this Agreement will remain unaffected.

**13.6 Export Controls.** None of the Software or underlying information or technology may be downloaded or otherwise exported or reexported (i) into (or to a national or resident of) any country to which the U.S. has embargoed goods; or (ii) to any person or entity on the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Commerce Department's Table of Denial Orders, or the U.S. Commerce Department's Entity List of Missile, Nuclear, and Chemical and Biological Weapons Proliferators, or the U.S. Department of State's Foreign Terrorist Organization List. You agree to the foregoing and you represent and warrant that you are not located in, under the control of, or a national or resident of such country or on any such list. The Software may also be subject to U.S. laws and export regulations of the U.S. Government that require an explicit export license prior to any export or reexport of the Software. You agree to obtain any such explicit export license that may be required.

**13.7 U.S. Government End Users.** The Software is a "commercial item", as that term is defined in 48 C.F.R. 2.101 (Oct. 1995), consisting of "commercial computer software" and "commercial computer software documentation", as such terms are used in 48 C.F.R. 12.212 (Sept. 1995). Consistent with 48

C.F.R. 12.212, and 48 C.F.R. 227.7202-1 through 227.7202-4 (June 1995), all U.S. Government End Users acquire the Software with only those rights set forth herein. Contractor/Manufacturer is Pervasive Software Inc., 12365 Riata Trace Parkway, Building B, Austin, Texas 78727.

**13.8 Operating System.** It is your responsibility to fully comply with applicable license agreements for any operating systems you may use with the Software.

**13.9** English will be the controlling language of this Agreement.

**(C)2004 Pervasive Software Inc. (modified)**

**ATTACHMENT 1.e TO EXHIBIT A****Pitney Bowes Software and Data End User License Agreement**

IMPORTANT: DO NOT OPEN THIS PACKAGE OR INSTALL OR USE THIS PRODUCT UNTIL YOU HAVE READ AND AGREED TO THIS SOFTWARE AND DATA END USER LICENSE AGREEMENT. This is an agreement between you ("Licensee") and Pitney Bowes Software Inc. or its Affiliate identified in an Order ("PBSI" or "Licensor"). By breaking the seal and opening this package or by clicking next to "I ACCEPT THE TERMS IN THE LICENSE AGREEMENT" in an installation process, you are agreeing to the terms of this Software and Data End User License Agreement and your Order (collectively, the "Agreement"). IF YOU ARE NOT WILLING TO BE BOUND BY THE AGREEMENT, do not open the package or, if you are viewing this message at installation, click next to "I DO NOT ACCEPT THE TERMS IN THE LICENSE AGREEMENT" and terminate the installation process and receive a full refund of amounts paid for this product by returning the media and accompanying materials within thirty (30) days of receipt to PBSI or its authorized reseller, however, you may not return any data product or any other software product if used in a production or development environment. If you are licensing these products for evaluation only purposes, the products are being provided to you for a thirty (30) day period ("Evaluation Period") for the sole purpose of evaluating whether you want to license the products for productive use. You are not permitted to use the products during the Evaluation Period in production, development or any other purposes other than evaluation. During the Evaluation Period the products are provided to you "AS IS" and PBSI disclaims all warranties, express or implied, including, but not limited to, accuracy, reliability, noninfringement, merchantability or fitness for a particular purpose. Any infringement indemnity obligations set forth herein are expressly disclaimed for evaluation licenses. If you subsequently convert the evaluation version of the products to a productive use license, you agree to the terms set forth in this Agreement and the applicable Order. If you and PBSI signed a separate license agreement for these products, the terms of the signed agreement supersede the terms of this Agreement.

**1. Definitions.** As used in this Agreement, the following terms have the meanings set forth below:

**"Affiliate"** means an entity that Controls, is Controlled by or is under common Control with a party;

**"Application"** means the application, if any, identified in an Order;

**"Computer"** means the server or computer identified in an Order on which Licensed Products are authorized to be installed and used; **"Control"** means the ownership of more than fifty percent (50%) of an entity's stock or other voting interest;

**"Data Output"** means the maps, reports or other information generated by analyzing or processing Subscription Data, including geocode coordinates or address corrections appended to Licensee database records.

**"Data Record"** means each separate, individual digital data record which is used, referenced or accessed by the Licensed Products;

**"Documentation"** means the current technical and user documentation for the Licensed Products, Support Guidelines and other specifications. The Documentation may be modified from time-to-time to incorporate Enhancements;

**"Enhancements"** means any updates, upgrades, modifications, new releases and corrective programming to the Software, Subscription Data and Documentation that are provided as part of Maintenance Services;



**"Installation Site"** means the location identified in an Order where the Licensed Products are authorized to be installed and used;

**"Licensee"** means Client or the Affiliate of Client identified in an Order that is authorized to use the Licensed Products identified therein;

**"Licensor"** means PBSI or the Affiliate of PBSI identified in an Order that is granting the license set out therein;

**"Licensed Products"** means the Software and Enhancements;

**"Maintenance Services"** means the services described in Section 8(b), below;

**"MIPS"** means the processing speed of a computer expressed in millions of instructions per second;

**"Order"** means the document pursuant to which a Licensee licenses Licensed Products and obtains related services from CGI (Reseller);

**"Processor Cores" or "CPU Cores"** means the number of cores on each processor or CPU in the Computer;

**"Remote Access"** means access to and use of the Licensed Products, including, without limitation, the submission and/or receipt of data, documents or processing instructions, directly or indirectly via a server, Internet, independent software application or otherwise, to the Computer, from locations other than the Installation Site;

**"Service Provider"** means a Licensee that uses the Licensed Products to perform services, including, without limitation: to verify address information and/or provide postal-related services; develop, design, archive, process and/or print bills, statements or other business documents; merge or convert print stream data; append geographic coordinates to address records or other data and/or perform other data processing services; for entities other than Licensee, such as an Affiliate;

**"Software"** means the computer software identified in an Order;

**"Subscription Data"** means data files, including, but not limited to, postal, census, geographic, demographic, and other data, that are either identified in an Order or otherwise licensed with certain of the Licensed Products;

**"Support Guidelines"** means the then current technical support guidelines for the Licensed Products located at <http://www.pbinsight.com/resources/get/9898>

**"Transaction"** means a record or user query that is submitted to the Licensed Products;

**"User"** means an individual authorized by Licensee to use the Licensed Products in accordance with an Order regardless of whether the individual is actively using the Licensed Products at any given time; and

**"Warranty Period"** means the ninety (90) day period following initial delivery of the Software.

2. **Scope of Agreement; Orders by Licensee.** From time to time during the term of this Agreement, Client may license Licensed Products and obtain Maintenance Services by entering into one or more Orders, which will become effective when executed by both parties. Each Order will constitute a separate contract between the parties, and will be governed in all respects by the terms of this Agreement and the applicable Order. The term "Licensee" as used in this Agreement and the applicable Order will be deemed to refer to either Client or such Client Affiliate entering into the Order.



3. **Grant of License.** a) Subject to the terms and conditions of this Agreement and all Orders, Licensor hereby grants to Licensee a non-exclusive, non-transferable license to use the Licensed Products in accordance with the terms of this Agreement and the applicable Order. Unless otherwise identified in an Order, the Subscription Data is licensed for twelve (12) month terms and the license to the Subscription Data may be renewed for additional twelve (12) month terms as part of Maintenance Services in accordance with Section 8. The grant of rights to the Licensed Products is not a sale of the Licensed Products. Licensor and its third party providers reserve all rights not expressly granted by this Agreement.

4. **Use of Licensed Products.** a) Licensee is permitted to use the Licensed Products and Data Output only for its own internal business purposes. The Licensed Products will be installed and used only at the Installation Site on the Computer containing up to the number of MIPS or Processor Cores set out in the applicable Order and utilizing the operating system set out therein. If the Licensed Products are installed in a virtual environment, the number of Processor Cores within the environment that may be used, in whole or in any part, to access the Licensed Products will be set forth in the applicable Order. Remote Access to the Licensed Products and use of the Licensed Products as a Service Provider are prohibited unless otherwise authorized in the applicable Order. Additional terms of authorized use are as set forth in the applicable Order, and may include limitations on: (i) the number of Users; (ii) the Application authorized to access the Licensed Products and use the Data Output; and (iii) the number of Transactions processed or Data Records accessed using the Licensed Products. Licensed Products licensed for desktop use by a specific number of Users may be installed on the number of devices equal to the specific number of User licenses purchased, or may be installed on multiple devices so long as the number of Users do not exceed the number of licenses purchased. b) Licensee may add additional Processor Cores or MIPS to the Computer, transfer the Licensed Products to a different computer with more MIPS or Processor Cores, utilize the Licensed Products with a different operating system, process additional Transactions or add Users or Applications upon PBSI written consent and the payment of applicable fees. If the Installation Site is located in the United States, such Installation Site may be changed to another location within the United States upon written notice to Licensor, but may not be changed to a location outside the United States absent Licensor's prior written consent. If the Installation Site set forth in the Order is located outside of the United States, such Installation Site may be changed to another location within the original country upon notice to Licensor, but may not be changed to a different country absent Licensor's prior written consent. c) Licensee may make a reasonable number of copies of the Licensed Products and Documentation solely for back up or disaster recovery purposes. Licensee must reproduce all copyright, trademark, trade secret and other proprietary notices in such copies. The back up or disaster recovery copies can only be used to perform disaster recovery testing or if the Computer becomes inoperative. If the Computer becomes inoperative, the Licensed Products can only be used on a back-up computer utilizing the same operating system with equal to or a fewer number of Processor Cores or MIPS as the Computer. Except to perform disaster recovery testing in accordance with Licensee's disaster recovery procedures, Licensee is not permitted to use the back up or disaster recovery copies of the Licensed Products for production or testing concurrently with the production or testing copies of the Licensed Products. d) Licensee may install, for a period not to exceed fifteen (15) days from date of installation, Enhancements in a test environment for the sole purpose of determining if such Enhancements will be deployed by Licensee on the authorized Computer(s). Thereafter, Licensee is permitted to install only the authorized number of licensed copies of the Licensed Products on the authorized Computers. e) Licensee may, upon prior written notice to Licensor, permit its third party contractors to access and use the Licensed Products solely on behalf of, and for the benefit of, Licensee, so long as: (i) contractor agrees to comply fully with all terms and conditions of this Agreement and the applicable Order(s) as if they were Licensee; (ii) Licensee remains responsible for each contractor's compliance with this Agreement and the applicable Order(s) and any breach thereof; (iii) any User limitation includes User licenses allocated to Contractors; and (iv) the contractor is not a competitor of PBSI, Licensor or



any Licensor Affiliate. All rights granted to any contractor hereunder terminate immediately upon conclusion of the services rendered to Licensee that gives rise to such right. Upon termination of such rights, contractor must immediately cease all use of the Licensed Products, un-install and destroy all copies of the Licensed Products, Documentation and any other Licensor information in its possession, and must certify in writing upon Licensor request of compliance with this section. f) In addition to the terms of this Agreement and the Order(s), product-specific license terms applicable to certain Licensed Products can be found at <http://www.pb.com/license-terms-of-use/>

5. **General Use Restrictions.** a) Licensee will not: (i) make derivative works of the Licensed Products; (ii) reverse engineer, decompile or disassemble the Licensed Products or any portion thereof; (iii) make copies of the Licensed Products or Documentation except as otherwise authorized in Section 4(c) or an Order; (iv) disclose the Licensed Products, Documentation or any other Licensor information marked confidential or proprietary to any third party; (v) sublicense, rent, lease, lend, or host the Licensed Products to or for other parties; (vi) attempt to unlock or bypass any initialization system, encryption methods or copy protection devices in the Licensed Products; (vii) modify, alter or change the Licensed Products; (viii) alter, remove or obscure any patent, trademark or copyright notice in the Licensed Products or Documentation; or (ix) use components of a Licensed Product independent of the Licensed Products they comprise. b) Licensee is prohibited from using the Licensed Products within or in conjunction with in-flight navigation or any vehicle navigation system providing turn-by-turn directions. c) Licensee will not use Data Output outside of the Application designated in the Order (if applicable), or disclose Data Output to third parties except as authorized in the applicable Order(s), including the longitude and latitude or "x,y" coordinates contained therein. Any authorized disclosure of Data Output to third parties must prohibit those third parties from selling, sublicensing or disclosing the Data Output to additional third parties and from using the Data Output for any purpose other than as authorized in the applicable Order(s). Licensee may use Data Output to derive conclusions or recommendations that form part of Licensee's services to its customers, but Licensee may not provide Data Output as part of those services. Licensee may translate Subscription Data into other data formats so long as use of the Subscription Data in all formats does not exceed the limits of this Agreement and the applicable Order(s).

#### 6. Intentionally Left Blank .

7. **Indemnification.** a) Licensor will indemnify, defend and hold Licensee, its officers, directors and employees, harmless from all losses, damages, and reasonable costs and expenses to the extent they arise out of a claim by a third party that the Licensed Products, when used in accordance with the Documentation and in compliance with the terms of this Agreement and the applicable Order(s), infringe or misappropriate any copyright, trade secret, trademark or patent registered or valid within the country the Licensed Products are authorized to be installed as set out in the applicable Order. Licensor will have control of the defense and will defend at its own expense, any claim or litigation to which this indemnity relates, including the right to settle any such claim. Licensee must notify Licensor promptly of any such claim and provide reasonable cooperation to Licensor, upon Licensor's request and at Licensor's cost, to defend such claim. Licensor will not agree to any settlement which requires acknowledgment of fault or an incurred liability on the part of an indemnified party not otherwise covered by this indemnification without indemnified party's prior consent. Licensee may elect to participate in the defense of any claim with counsel of its choosing at its own expense. b) If the Licensed Products are subject to a claim of infringement or misappropriation, or if Licensor reasonably believes that the Licensed Products may be subject to such a claim, Licensor reserves the right to: (i) replace the Licensed Products with functionally equivalent Software or Subscription Data; (ii) modify such Licensed Products while retaining substantively equivalent functionality; (iii) procure at no cost to Licensee the right to continue to use such Licensed Products; or (iv) if the foregoing is not commercially reasonable, direct Licensee



to terminate use of such Licensed Products. If Licensor directs Licensee to terminate use of such Licensed Products (or a permanent injunction is issued against such use), Licensee will immediately terminate such use and Licensee's remedies, in addition to the indemnification set out herein, will be limited to a pro rata refund of the current maintenance fees unused at the time of termination plus license fees previously paid for such Licensed Products that are subject to the infringement or misappropriation claim based on: (i) a term of sixty (60) months following execution of the applicable Order for a perpetual license; or (ii) any pre-paid but unused fees for the balance of a limited term license. c) Licensor will have no obligation to indemnify Licensee under this Section 7 if the infringement or misappropriation results from Licensee's (i) modification of the Licensed Products; (ii) combination, operation or use of the Licensed Products with non-Licensor software products if such claim of infringement or misappropriation would have been avoided had such combination, operation or use not occurred; (iii) use of the Licensed Products in breach of this Agreement or an Order; or (iv) use of other than the most current release of the Licensed Products if such claim of infringement or misappropriation could have been avoided by Licensee's use of such current release of the Licensed Products, provided Licensor delivered such superseding version to Licensee and notified Licensee of the need to use such version.

#### 8. **Intentionally Left Blank**

9. **Training; Services**. a) In consideration of the fees for training set out in an Order, Licensee may attend the training class identified therein. Licensee must attend and, if the training is on-site at Licensee's location, permit Licensor to perform the training course prior to the expiration date set out in the Order. If Licensee fails to have personnel attend the training class or permit Licensor to perform the training class prior to such expiration date, Licensor will not provide Licensee with a refund of the training fees or be obligated to perform the training. Unless otherwise specified in an Order, training will be provided at one of Licensor's training locations..

10. **Warranties; Disclaimers**. a) Licensor represents and warrants that it has the right to grant to Licensee the rights granted hereunder. b) Licensor represents and warrants that during the Warranty Period the Licensed Products will perform all material functions set out in the Documentation for such Licensed Products and otherwise operate in substantial accordance with such Documentation. If, during the Warranty Period the Licensed Products fail to comply with this warranty, Licensee must notify Licensor in writing of any alleged errors or non-conformities with the Licensed Products. Licensor will have thirty (30) days from receipt of such notice or an additional period of time as reasonably agreed to by the parties to correct such errors or non-conformities in accordance with the Support Guidelines. If Licensor is unable to timely correct such errors or non-conformities, Licensee may elect to terminate the license to such Licensed Products. If Licensee terminates the license to such Licensed Products during the Warranty Period in accordance with this Section, Licensee will, as its remedy, receive a refund of all fees previously paid for such Licensed Products. c) LICENSOR DOES NOT WARRANT THAT THE LICENSED PRODUCTS WILL OPERATE ERROR-FREE OR THAT LICENSOR WILL CORRECT ALL PRODUCT ERRORS INCLUDING THOSE DESIGNATED AS MEDIUM OR LOW SEVERITY LEVEL ISSUES. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, THE LICENSED PRODUCTS ARE PROVIDED "AS IS" AND LICENSOR AND ITS THIRD PARTY SUPPLIERS DISCLAIM ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE LICENSED PRODUCTS AND SERVICES FURNISHED UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, RELIABILITY COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE IN TRADE. d) LICENSOR WILL NOT BE LIABLE FOR ANY CLAIMS OR DAMAGES CAUSED BY THE UNAUTHORIZED USE OF THE LICENSED PRODUCTS OR ACTS OF ABUSE OR MISUSE BY LICENSEE. IN ADDITION, LICENSOR WILL NOT BE LIABLE FOR ANY LOSS OR DAMAGE IN CONNECTION WITH OR ARISING OUT OF THE INTERRUPTION OR LOSS OF USE OF THE LICENSED



PRODUCTS OR THE LOSS OR CORRUPTION OF LICENSEE'S DATA OR FILES PROCESSED OR STORED BY THE LICENSED PRODUCTS. e) THE LICENSED PRODUCTS MAY CONTAIN A DISABLING DEVICE OR DEVICE REQUIRING ENABLEMENT: (i) TO COMPLY WITH REQUIREMENTS OF REGULATORY AUTHORITIES; (ii) TO PREVENT USE OF THE LICENSED PRODUCTS BEYOND THE TERM OF A LICENSE IDENTIFIED IN AN ORDER OR ON A COMPUTER OTHER THAN THE COMPUTER AUTHORIZED IN AN ORDER; AND/OR (iii) TO PREVENT USE OF THE LICENSED PRODUCTS IN EXCESS OF ANY TRANSACTIONS (OR OTHER RESTRICTIONS) OR BY MORE THAN THE NUMBER OF USERS SET OUT IN AN ORDER.

11. **Limitation of Liability.** A) DISCLAIMER. NEITHER PARTY NOR PBSI'S THIRD PARTY SUPPLIERS WILL BE LIABLE FOR ANY PUNITIVE, SPECIAL, CONSEQUENTIAL, INCIDENTAL OR INDIRECT DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, BUSINESS INTERRUPTION, OR LOST DATA, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. B) MAXIMUM LIABILITY. IN ANY EVENT, EITHER PARTY'S (AND LICENSOR'S THIRD PARTY SUPPLIER'S) MAXIMUM LIABILITY FOR ANY CLAIM ARISING IN CONNECTION WITH THIS AGREEMENT OR ANY ORDER OR SOW (IN TORT, CONTRACT OR OTHERWISE) WILL NOT EXCEED THE AMOUNT OF FEES PAID BY LICENSEE TO LICENSOR UNDER THE APPLICABLE ORDER OR SOW. C) EXCLUSIONS. THE FOREGOING DISCLAIMER SET FORTH IN SECTION 11(A) DOES NOT APPLY TO LICENSEE'S BREACH OF SECTION 5(A) (GENERAL USE RESTRICTIONS) OR LICENSOR'S INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 7. THE FOREGOING MAXIMUM LIABILITY SET FORTH IN SECTION 11(B) DOES NOT APPLY TO LICENSEE'S BREACH OF SECTION 4 (USE OF LICENSED PRODUCTS), SECTION 5 (GENERAL USE RESTRICTIONS), LICENSEE'S OBLIGATIONS TO PAY AMOUNTS DUE UNDER AN ORDER OR SOW, OR LICENSOR'S INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 7.

12. **Term; Termination.** a) This Agreement will commence as of the date set forth above and will continue in effect until terminated as set forth in this Agreement or as agreed to in writing signed by both parties. Each Order or SOW will be effective as of the date set forth in such Order or SOW and will remain in effect until its expiration. Any Order entered into before the termination of this Agreement will remain in full force and effect for its entire term and this Agreement will remain in full force and effect for purposes of such Order until the termination of such Order, or in the case of perpetual licenses granted under an Order, for the duration of the license. b) Either party may terminate this Agreement or any Order by written notice to the other party if the other party commits a material breach of this Agreement or the applicable Order and fails to cure such breach within thirty (30) days after receipt of such notice, or an additional period of time as agreed to by the parties. c) Upon: (i) expiration of a term license to any of the Licensed Products, unless such term license is renewed; (ii) termination or expiration of the license to any of the Licensed Products for any reason; or (iii) termination of an Order, Licensee will immediately cease use of the applicable Licensed Products and delete and/or remove all copies of such products from its servers, terminals and other computer systems and promptly return or destroy all copies of the Licensed Products, Documentation and any other Licensor confidential and proprietary information in Licensee's possession. If requested, Licensee will certify compliance with the foregoing in writing. d) Sections 6 (Fees, Payment Terms), 7 (Indemnification), 10 (Warranties, Disclaimers), 11 (Limitation of Liability), 12 (Term, Termination), 16(e) (General), 17 (Applicable Law), 18 (Verification) and other sections that by their nature are intended to survive will survive termination of this Agreement or an Order indefinitely or to the extent set out therein.

13. **Force Majeure.** Except for Client's payment obligations, neither party is responsible from any delay or failure to perform resulting from causes beyond its reasonable control.

14. **Assignment.** Licensee is not permitted to transfer or assign (by operation of law or otherwise) any of its rights or obligations under an Order or this Agreement without the prior written consent of Licensor, which



consent will not be unreasonably withheld, delayed or denied. Any such transfer or assignment without Licensor's written consent will be void and of no force and effect.

15. **Publicity.** Subject to Licensee's consent, which will not be unreasonably withheld, delayed or denied, Licensor may prepare a press release, case study or other collateral regarding Licensee's use of the Licensed Products. Otherwise, neither party will use the name of the other party in publicity releases or similar activity without the consent of the other party except Licensor may use Licensee's name in Licensor's client list.

16. **General.** a) No waiver of any breach of any provision of this Agreement or an Order by either party or the failure of either party to insist on the exact performance of any provision of this Agreement or an Order will constitute a waiver of any prior, concurrent or subsequent breach of performance of the same or any other provisions hereof, and no waiver will be effective unless made in writing. b) Any notice alleging a breach of this Agreement must be in writing and be sent by overnight courier or delivered in person to the party's address set forth in this Agreement. Any other notice required to be provided by Licensor under this Agreement may be sent by postal mail service or e-mail to the individual designated by Licensee. Any notice delivered to Licensor hereunder must be sent to the attention of "Contract Administration." c) If any provision of this Agreement or an Order, or portion thereof, is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, such provision will be severed and the remaining provisions of the Agreement or Order will remain in full force and effect. d) If physical delivery of the Licensed Products is required, delivery of the Licensed Products will be FOB point of origin (within the United States) and for deliveries outside of the United States or from any country outside of the United States, delivery will be Carriage Paid To (CPT). Licensor may, to the extent available, deliver the Licensed Products, Enhancements or key codes electronically via the Internet or permit Licensee to download the Licensed Products, Enhancements or key codes from Licensor's website. e) Licensee agrees not to export, re-export, or provide the Licensed Products to: (i) any country to which the United States has embargoed goods; (ii) any person on the U.S. Treasury Department's list of Specially Designated Nationals; (iii) any person or entity on the U.S. Commerce Department's Denied Persons List; or (iv) any person or entity where such export, re-export or provision violates any U.S. Export control or regulation. f) Each party will act as an independent contractor and employees of each party will not be considered to be employees of the other party. No agency, partnership, joint venture or other joint relationship is created by this Agreement. Neither party may make any commitments binding on the other, nor may either party make any representation that they are acting for, or on behalf of, the other.

17. **Applicable Law.** This Agreement will be governed by, and construed in accordance with, the laws of the State of New York without regard to its principals of conflict of laws. In the event of any dispute arising out of or relating to this Agreement, a suit will be brought only in a federal or state court of competent jurisdiction located in New York County in the State of New York.

18. **Verification.** Upon ten (10) days written notice, Licensor or its designated third party may verify Licensee's compliance with the terms of the Agreement and applicable Order at all locations and for all environments in which Licensee uses the Licensed Products. Such verification will take place no more than one (1) time per twelve (12) month period during normal business hours in a manner which minimizes disruption to Licensee's work environment. Licensor may use an independent third party under obligations of confidentiality to provide assistance. Licensor will notify Licensee in writing if any such verification indicates that Licensee has used the Licensed Products in excess of the use authorized by the Agreement or Order. Licensee agrees to promptly enter into an Order and pay all associated fees directly to Licensor for the charges that Licensor specifies including, but not limited to: (i) any excess use; (ii) maintenance and/or subscription fees for the excess use for the duration of such excess or (2) two years, whichever is less; and (iii) any additional charges determined as a result of such verification.

19. **U.S. Government Restricted Rights.** If Licensee is an agency of the United States Government, the Licensed Products will be deemed "commercial computer software" or "commercial computer software documentation" and the Governments rights with respect to such Licensed Products and Documentation are



limited by the terms of this Agreement, pursuant to FAR § 12.212(a) and/or DFARS § 227.7202-1(a), as applicable.

20. **Entire Agreement.** This Agreement and each Order and all appendices, exhibits, schedules and attachments hereto constitute the sole and complete agreement between the parties with regard to its subject matter, may not be modified or amended except by a writing signed by both parties except as otherwise indicated herein, and supersedes all proposals, understandings, representations, prior agreements or communications relating to the Licensed Products and the subject matter of this Agreement. This Agreement also supersedes any pre-printed terms contained on any purchase order or similar document issued by Licensee and any such terms will have no force or effect. Neither this Agreement nor any Order will be construed against the party that has prepared such Agreement or Order, but instead will be construed as if both parties prepared the Agreement or Order.



**ATTACHMENT 2 TO EXHIBIT A**

**Optional Software**

The software listed below may be licensed by the State at any time under this Agreement. The prices below are valid through September 30, 2018. All software additions must be through an Amendment to this Agreement and signed by both parties to be effective. Maintenance will be in addition to the license fees listed below.

Line No.	State Function	Product Name and Module(s) Proposed	Basis for the License (Site, Number of Named Users, Number of Concurrent Users, Number of CPUs, Number of Servers, other)	Perpetual or Subscription License	License Price Valid through September 30, 2018
1	Personnel Administration	HRM Base System	Enterprise	Perpetual	601,059
2	Benefits Administration	HRM Base System	Enterprise	Perpetual	Included in the 601,059 license.
3	Recruitment	HRM Base System	Enterprise	Perpetual	Included in the 601,059 license.
4	Employee and Manager Self Service	Advantage HR Self-Service	Enterprise	Perpetual	323,664
5	Payroll	HRM Base System	Enterprise	Perpetual	253,658
6	Procurement and Contracts	Procurement Professional, VSS	Enterprise	Perpetual	654,093
7	Fleet Management	Tririga Bundle	See below	Perpetual	13,456
8	Facilities Management	Tririga Bundle	See below	Perpetual	347,583
9	Real Estate Management	Tririga Bundle	See below	Perpetual	13,456
10	Time and Attendance	Kronos Workforce Central	Named Users	Perpetual	3,758,303

**Additional Information Regarding Proposed Software**

**Modules Proposed in Tririga Bundle:**

- Tririga Application Builder - (1 Authorized)
- Tririga Connector for Business Apps - (2 Install)
- Tririga Connector for Business Apps - (4 NPE Install)
- Tririga Real Estate Environment Sustainability Impact Manager (2 Install)
- Tririga Real Estate Environment Sustainability Impact Manager - (4 NPE Install)
- Tririga Workplace Reservation Manager - (2 Install)
- Tririga Workplace Reservation Manager - (4 NPE Install)
- Tririga Real Estate Manager - (5 Concurrent)
- Tririga Facilities Manager- (5 Concurrent)
- Tririga Capital Projects Manager- (5 Concurrent)
- Tririga Facility Assessment- (5 Concurrent)



- Tririga Portfolio Data Manager- (5 Concurrent)
- Tririga Real Estate Environment Sustainability Manager (5 Concurrent)
- Tririga Connector for Offline Forms - (5 Concurrent)
- Tririga Request Central- (50 Concurrent)
- Tririga CAD Integrator / Publisher - (5 Authorized)
- Tririga Workplace Operations Manager - (15 Concurrent)

**Modules Proposed in Kronos Workforce Central:**

- WF Timekeeper (47,000 Named)
- WF Integration Manager (47,000 Named)
- WF Absence Manager (47,000 Named)
- WF Employee (23,500 Named)
- WF Analytics (47,000 Named)
- WF Activities (11,750 Named)
- WF Managers (4,700 Named)

**Additional Advantage Optional Modules:**

- Portal Single Sign-On: Advantage Portal\* (Perpetual license) \$66,000
- Mobility: Advantage MSS Timesheet Approval (Perpetual license) \$114,000
- Mobility: Advantage VSS Procurement and Contracts (Perpetual license) \$100,000

\*Single Sign-on may require additional IBM WebSphere licenses



**Attachment 10: Proprietary Software Maintenance Agreement**  
**CGI TECHNOLOGIES AND SOLUTIONS INC.**  
**PROPRIETARY SOFTWARE MAINTENANCE AGREEMENT**

This is a Proprietary Software Maintenance Agreement (“Agreement”) dated as of June 25, 2014 (the “Effective Date”) by and between STATE OF MICHIGAN, (“Client”), on behalf of Department of Technology, Management and Budget (“Client”), and CGI Technologies and Solutions Inc. (“CGI”), a Delaware corporation having its principal place of business at 11325 Random Hills Road, Fairfax, Virginia 22030.

In the event of any conflict between this Agreement and the Managed Services Agreement, the Managed Services Agreement will control.

## **1. DEFINITIONS**

Capitalized terms used in this Agreement will have the meanings given below or in the context in which the term is used, as the case may be.

- A. “Documentation” means the documentation provided by CGI for the Software pursuant to the License Agreement.
- B. “Enhancements” means changes or additions to the Software which CGI develops and makes available at no additional charge to all licensees of the Software who are under then-current maintenance agreements.
- C. “Software incident” means a material deviation of the Software from the specifications for the Software identified in the License Agreement.
- D. “License Agreement” means the license agreement specified in *Exhibit A* pursuant to which CGI licensed the Software to Client.
- E. “Maintenance Period” means the initial term of this Agreement or any subsequent renewal period. The initial term and each renewal period is a separate Maintenance Period. The initial Maintenance Period is specified in *Exhibit A*. Each renewal Maintenance Period, if any, will be a period of twelve (12) months.
- F. “Software” means the software specified in *Exhibit A*.

## **2. MAINTENANCE**

- A. CGI Standard Support and Maintenance Services provide the Client with the required ongoing enhancements to the Software to address functional and technical changes. Specifically, the Standard Support and Maintenance Services provide these major components:
  - Internet access through our secure web site, eAccess (<https://support.cgi.com/advantage/>), to a variety of 24x7 support materials.
  - Help Desk Support with direct phone, email, and web support on the baseline products through the CGI Client Support Center. Standard hours of operation are 8 am EST to 9 pm EST Monday-Friday. CGI can be reached at 800-321-0267 via phone and <https://support.cgi.com/advantage/> via our online support website.
  - Software incident corrections to the Software.
  - Software releases are provided periodically to address technical and functional compatibility with system software and ongoing regulatory changes and changes to business practices. Documentation updates are provided as part of each release. Additional Software incident corrections will be included in releases, as dictated by testing requirements and the magnitude of the required change.



- Enhancements to the Software are provided in new releases of the CGI Advantage solution.
- Membership to the CGI Advantage User Group. Membership provides the option to participate in various user group activities such as the annual CGI Forum, regional User Group meetings and voting for the User Group Steering Committee that works closely with CGI on a variety of client issues and concerns. Membership also provides each site the option of proposing a candidate for election to the User Group Steering Committee.

CGI will support the following features of the CGI Advantage solution:

- The system components that the Client is currently contracted for and is paying maintenance on;
- The third-party software component releases that are compatible with the currently supported version of the CGI Advantage solution;
- The documented features of the CGI Advantage Software, as listed on the delivered on-line documentation and help files;
- All standard baseline features of the system, including configuration tables (e.g. Required Elements) of the CGI Advantage Software, that DO NOT include infrastructure or other programming code changes. Any client-specific configuration tables will not be supported.
- Prioritizations of all issues and software incidents according to the following schedule:
- 

<b>Severity</b>	<b>Definition</b>
1 - Critical	A problem with CGI supported Software causing critical impact to the client's business operation. No workaround is immediately available and work using the Software cannot continue.
2 - Serious	A problem with CGI supported Software causing significant impact to the client's business operation. A workaround is available but is unacceptable on a long term basis.
3 - Moderate	A problem with CGI supported Software that impairs some functionality, but a practical workaround exists.
4 - Minor	A problem that does not affect any functionality of the Software.



- B. CGI may, at its option, investigate and correct suspected software incidents at CGI's offices to the extent possible. Except to the extent that CGI is providing services associated with the Implementation Services Agreement or Managed Services Agreement, if CGI's personnel travel to Client's place of business at Client's request to perform maintenance services, Client will pay CGI for the travel time and the reasonable travel and other out-of-pocket expenses of CGI's personnel. If a suspected software incident is attributable to a cause other than the Software as delivered by CGI or actions taken by CGI pursuant to the Implementation Services Agreement or Managed Services Agreement, then Client will pay for CGI's work on a time-and-materials basis. If the Software module containing the software incident has been modified by non-CGI personnel (excluding those which are subcontracted to CGI), CGI will charge Client on a time-and-materials basis at CGI's then-current hourly rates for analyzing and fixing the software incident in Client's version, and for any installation assistance Client requires.
- C. At the expiration of the initial Maintenance Periods stated in this Agreement, Client may buy maintenance services for the Software for subsequent Maintenance Periods in which CGI is offering maintenance services, at then current prices. Notwithstanding the foregoing, annual price increases for such maintenance services shall not exceed the lesser of 3% or the percentage increase in the Consumer Price Index published by the US Bureau of Labor Statistics for the preceding year once the initial Maintenance Period explicitly listed has passed. Client may obtain such maintenance services only if (i) Client has paid the maintenance fee for all prior Maintenance Periods; and (ii) Client incorporates into the Software all releases, corrections, and Enhancements to the Software that CGI has made available to Client, no less than two minor software releases prior to current release.
- Lapse and Reinstatement - If the Client opts to not renew support for some or all of the Software licensed by the State under this Agreement, the Client may subsequently purchase support for such Software and be reinstated under this agreement if all past and unpaid maintenance payments are made in full.
- D. All Enhancements, new releases, updates, and corrections to the Software and Documentation provided by CGI pursuant to this Agreement will become a part of the Software and Documentation for the purposes of the License Agreement at the time they are provided to Client and are hereby licensed to Client as part of the Software and Documentation pursuant to all of the terms and conditions of the License Agreement.
- E. If CGI ceases to support Advantage or other product produced by CGI and licensed under this Agreement, then the Client will be entitled to an enterprise, perpetual license for any successor product produced by CGI that provides substantially the same functionality at no additional cost so long as the Client remains current on any maintenance fees that may be due.

### **3. PAYMENT TERMS**

- A. Client will pay, upon execution of this Agreement, the maintenance fees for the initial Maintenance Period set forth in *Exhibit A*. CGI will provide Client with written notice of and an invoice for the maintenance fees for each subsequent Maintenance Period at least forty five (45) calendar days prior to the expiration of the then-current Maintenance Period. CGI will not be obligated to provide maintenance services in any Maintenance Period (including the initial Maintenance Period) unless the maintenance fees for the Maintenance Period have been paid in full.



- B. Electronic transfer of funds is required for payments on State contracts. Contractors are required to register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in Public Act 431 of 1984, all contracts that the State enters into for the purchase of goods and services shall provide that payment shall be made by electronic fund transfer (EFT). CGI's invoices are due and payable in full within forty five (45) calendar days from the date Client receives them. .
- C. Client is a tax exempt entity and will provide CGI a copy of Client's tax exemption certificate. If Client's tax exempt status is modified or revoked during the term of this Agreement, Client agrees to pay directly or reimburse CGI for any taxes arising out of this Agreement or CGI's performance under this Agreement, excluding taxes on CGI's net income. The maintenance fees specified in Exhibit A are exclusive of all taxes.

#### **4. WARRANTIES AND REMEDIES FOR BREACH OF WARRANTY**

- A. Subject to any CGI obligations under the Managed Services Agreement, CGI warrants that the maintenance services will be performed in a workmanlike manner consistent with industry standards reasonably applicable to the performance of such maintenance services. If Client believes there has been a breach of this warranty and so notifies CGI in writing stating in reasonable detail the nature of the claimed breach within thirty (30) calendar days after the maintenance services are delivered to Client by CGI, then CGI will promptly investigate the matter. If it is determined that there has been a breach of this warranty, then CGI's sole obligation, and Client's exclusive remedy, will be for CGI to correct or re-perform any affected maintenance services as necessary to cause them to comply with this warranty. There will be no additional charge to Client for the investigation and correction efforts performed by CGI, except as provided in Section 2.B. If CGI is unable to correct a breach of this warranty after repeated efforts, Client will be entitled to recover its actual damages subject to the limitations and exclusions set forth in Section 6.
- B. CGI warrants that the Software and Documentation do not infringe any third party copyrights, trademarks, patents or trade secrets that exist on the Effective Date and that arise or are enforceable under the laws of the United States of America.
  - 1. To the extent permitted by law, CGI must indemnify, defend and hold harmless Client 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 Client to the extent that the action or proceeding is based on a claim that the Software, or the operation of the Software, or the use or reproduction of any Documentation provided by CGI with the Software infringes any third party copyrights, trademarks, patents or trade secrets that exist on the Effective Date and that arise or are enforceable under the laws of the United States of America.
  - 2. In addition, should the Software, or its operation, become or in Client's or CGI's reasonable judgment be likely to become the subject of a claim of infringement, CGI must at CGI's sole expense (i) procure for Client the right to continue using the infringing Software or, if the option is not reasonably available to CGI, (ii) replace or modify to Client's satisfaction the same with Software of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to CGI, (iii) accept its return by Client and refund to Client any amounts paid by Client for the returned Software and reimburse Client for the difference between the amount refunded and any additional losses or costs incurred as a consequence of Client's ceasing its use and returning it.

This Section 6.B states CGI's entire obligation to Client and Client's exclusive remedy with respect to any claim of infringement.



- C. CGI is not responsible for any claimed breaches of the foregoing warranties caused by:  
(i) modifications made to the Software or Documentation by anyone other than CGI and its subcontractors working at CGI's direction; or (ii) the combination, operation or use of the Software or Documentation with any items that CGI did not supply to Client; or (iii) Client's failure to use any new or corrected versions of the Software or Documentation made available by CGI, provided that such versions possess all relevant functionality and compatibility, and are offered at no cost to Client; or (iv) CGI's adherence to Client's specifications or instructions.
- D. CGI does not warrant that the Software will be error-free or that its operation will be uninterrupted. Client acknowledges that it alone is responsible for the results obtained from use of the Software, including without limitation the completeness, accuracy and content of such results. Client acknowledges further that it alone is responsible for independent verification and testing of any such results prior to using them in its business.
- E. THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND ANY IMPLIED WARRANTIES ARISING FROM STATUTE, COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE.

## **5. NONDISCLOSURE**

Client and CGI agree that in connection with the performance of their respective obligations hereunder, each party may have access to the Confidential Information of the other party. The follow terms will apply to such access.

- A. **"Confidential Information"**. "Confidential Information" means information belonging to or in the possession of a party which is confidential or a trade secret and is furnished or disclosed to the other party under the Agreement (including information exchanged in contemplation of entering into the Agreement): (i) in tangible form and marked or designated in writing in a manner to indicate it is confidential or a trade secret; or (ii) in intangible form and that either is of a nature that a reasonable person would understand to be confidential or a trade secret or is identified as confidential or a trade secret in a writing provided to the receiving party within thirty (30) business days after disclosure.
- B. **Exclusions**. "Confidential Information" does not include any information that, as evidenced by written documentation: (i) is already known to the receiving party without restrictions at the time of its disclosure by the furnishing party; (ii) after its disclosure by the furnishing party, is made known to the receiving party without restrictions by a third party having the right to do so; (iii) is or becomes publicly known without violation of the Agreement; (iv) is independently developed by the receiving party without reference to the furnishing party's Confidential Information, or (v) is subject to disclosure under the Michigan Freedom of Information Act (FOIA).
- C. **Standard of Care**. Confidential Information will remain the property of the furnishing party, and the receiving party will not be deemed by virtue of the Agreement or any access to the furnishing party's Confidential Information to have acquired any right, title or interest in or to the Confidential Information. The receiving party agrees: (i) to afford the furnishing party's Confidential Information at least the same level of protection against unauthorized disclosure or use as the receiving party normally uses to protect its own information of a similar character, but in no event less than reasonable care; (ii) to limit disclosure of the furnishing party's Confidential Information to personnel furnished by the receiving party to perform Services under a Statement of Work or otherwise having a need to know the information for the purposes of the Agreement; (iii) not to disclose any such Confidential Information to any third party; (iv) to use the furnishing party's Confidential Information solely and exclusively in accordance with the terms of the Agreement in order to carry out its obligations and exercise its rights under the Agreement; and (v) to notify the furnishing party promptly of any unauthorized use or disclosure of the furnishing



- party's Confidential Information and cooperate with and assist the furnishing party in every reasonable way to stop or minimize such unauthorized use or disclosure.
- D. **Compelled Disclosure.** If the receiving party receives a subpoena or other valid administrative or judicial notice requesting the disclosure of the furnishing party's Confidential Information, the receiving party will promptly notify the furnishing party. If requested, the receiving party will provide reasonable cooperation to the furnishing party in resisting or limiting the disclosure at the furnishing party's expense. Subject to its obligations stated in the preceding sentence, the receiving party may comply with any binding subpoena or other process to the extent required by law, but will in doing so make all commercially reasonable efforts to secure confidential treatment of any materials disclosed.
- E. **Return or Destruction.** Upon termination or expiration of this Agreement and all Statements of Work issued under this Agreement, the receiving party, at the furnishing party's option, will return or destroy all Confidential Information of the furnishing party that the receiving party does not possess under a valid license; provided that CGI may retain one (1) copy of all of its work products (including working papers) produced under the Agreement as necessary for purposes of litigation with the State.
- F. **Relief.** Each party agrees that if a court of competent jurisdiction determines that the receiving party has breached, or attempted or threatened to breach, any of its confidentiality obligations to the furnishing party or the furnishing party's proprietary rights, money damages will not provide an adequate remedy. Accordingly, the furnishing party will be entitled to seek appropriate injunctive relief and other measures restraining further attempted or threatened breaches of such obligations.



## **6. LIMITATION OF LIABILITY**

- A. If Client should become entitled to claim damages from CGI (including without limitation, for breach of contract, breach of warranty, negligence or other tort claim), CGI will be liable only for the amount of Client's actual direct damages, not to exceed (in the aggregate for all claims) the annual fee paid by Client to CGI for the Maintenance Period with respect to which the claims arise. This limit also applies to CGI's licensors. It is the maximum liability for which CGI and its licensors are collectively responsible. Neither CGI nor Client 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 CGI's indemnification obligations under Section 4.B with regard to claims for infringement of United States patent, copyright, trademark or trade secrets.
- B. In no event will CGI or any person or entity involved in the creation, manufacture or distribution of any Software, services or other materials provided under this Agreement be liable for: (1) any damages caused by the failure of Client or its affiliates or suppliers to perform their responsibilities; (2) any claims or demands of third parties (other than those third party claims covered by Section 4.B(1)); or (3) any lost profits, loss of business, loss of use, lost savings.
- C. The foregoing limitations do not apply to the payment of settlements, costs, damages and legal fees referred to in Section 4.B(1). The limitations of liability set forth in this Section 6 will survive and apply notwithstanding the failure of any limited or exclusive remedy for breach of warranty set forth in this Agreement. The parties agree that the foregoing limitations will not be deemed to limit any liability to an extent that would not be permitted under applicable law.

## **7. TERMINATION**

- A. If a party believes that the other party has materially failed to perform a fundamental obligation under this Agreement (a "Breach"), then that party may provide written notice directed to the breaching party describing the alleged Breach in reasonable detail and containing a reference to this Section 9.A. If the breaching party does not, within thirty (30) calendar days after receiving such written notice, either (i) cure the Breach or (ii) if the Breach is not one that can reasonably be cured within thirty (30) calendar days, develop a plan to cure the Breach and diligently proceed according to the plan until the Breach has been cured, then the non-breaching party may terminate this Agreement for cause by written notice to the breaching party..
- B. Client may terminate this Agreement for convenience at any time upon thirty (30) calendar days' prior written notice to CGI. If Client has not paid the undisputed maintenance fee for the then current Maintenance Period in full, Client must pay to CGI the remaining balance of such maintenance fee prior to terminating this Agreement.
- C. Any provision of this Agreement that imposes or contemplates continuing obligations on a party will survive the expiration or termination of this Agreement, including but not limited to Section 6.

## **8. LAW AND DISPUTES**

- A. Any claim, controversy or dispute arising under or related to the Agreement will be governed by the laws of the State of Michigan, without regard to any provision of Michigan law that would require or permit the application of the substantive law of any other jurisdiction. Notwithstanding anything to the contrary, the parties expressly agree that the provisions of the Uniform Commercial Code (UCC) as enacted under state and federal law, and the Uniform Computer Information Transactions Act (UCITA) as enacted under Va. Code Ann. §59.1-501.1 et seq., or as set forth in any other Michigan or other statute of any state, or as may be amended or modified, applicable as of the effective date of this Agreement or thereafter, shall not apply to this Agreement.



- B. Both CGI and Client agree to comply fully with all relevant export laws and regulations of the United States to ensure that no information or technical data provided pursuant to this Agreement is exported or re-exported directly or indirectly in violation of law.
- C. At the written request of either party, the parties will attempt to resolve any dispute arising under or relating to this Agreement through the informal means described in this Section 8.C. Each party will appoint a senior management representative who does not devote substantially all of his or her time to performance under this Agreement. The representatives will furnish to each other all non-privileged information with respect to the dispute that the parties believe to be appropriate and germane. The representatives will negotiate in an effort to resolve the dispute without the necessity of any formal proceeding. Formal proceedings for the resolution of the dispute may not be commenced until the earlier of: (i) the designated representatives conclude that resolution through continued negotiation does not appear likely; or (ii) thirty (30) calendar days have passed since the initial request to negotiate the dispute was made; provided, however, that a party may file earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or to apply for interim or equitable relief.

**9. GENERAL**

- A. Any legal notice or other communication required or permitted to be made or given by either party pursuant to this Agreement will be in writing, in English, and will be deemed to have been duly given: (i) five (5) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested; (ii) when transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine and a copy of the notice is promptly sent by another means specified in this section; or (iii) when delivered if delivered personally or sent by express courier service. All notices will be sent to the other party at its address as set forth below or at such other address as the party may specify in a notice given in accordance with this section.

In the case of Client:	with a copy of legal notices to:
State of Michigan State Budget Office The Victor Center, 7 <sup>th</sup> Floor 201 N Washington Sq Lansing, MI 48909  Attn: Ruth Schwartz Phone: 517-284-7585 E-Mail: SchwartzR1@michigan.gov	Department of Technology, Management and Budget Procurement 1st Floor, Constitution Hall 525 West Allegan Street  Attn: Whitnie Zuker Phone: 517-284-7030 E-Mail: ZukerW@michigan.gov
In the case of CGI:	with a copy of legal notices to:
CGI Technologies and Solutions Inc. 11325 Random Hills Road Fairfax, Virginia 22030 Attn: Daniel A. Keene, Sr. Vice President Fax: Fax:703.267.8641	CGI Technologies and Solutions Inc. 11325 Random Hills Road, 8 <sup>th</sup> Floor Fairfax, Virginia 22030 Attn: Office of General Counsel Fax: 703.267.7288

- B. Neither party shall be liable for any damages for delays or failure in performance under this Agreement caused by acts or conditions beyond its reasonable control, without its fault or



negligence, which could not have reasonably foreseen or prevented by reasonable precautions. Such acts or conditions (each a "Force Majeure") shall include, but not be limited to: acts of God or of the public enemy; civil war; insurrections or riots; acts of war; acts of government; acts of terrorism; fires; floods; storms; explosions; earthquakes or accidents; unusually severe weather; epidemics or public health restrictions; strikes or labor troubles causing cessation, slowdown or interruption of work; failures or fluctuations in electrical power, heat, light, air conditioning or telecommunication equipment; and other similar events, or any event referred to above preventing a subcontractor from performing its obligations under a subcontract. In the event of a Force Majeure, (i) the party experiencing the Force Majeure shall exercise due diligence in endeavoring to overcome any Force Majeure impediments to its performance and shall provide prompt notice to the other party of the Force Majeure; and (ii) the time for performance shall be extended by a period equal to the delay caused by the Force Majeure and, if warranted, the fees payable to CGI shall be equitably adjusted. In no event shall any of the following constitute a force majeure event: (a) failure, inadequate performance, or unavailability of CGI's subcontractors, if any; or, (b) configuration changes, other changes, viruses, or other errors or omissions introduced, or permitted to be introduced, by CGI that result in an outage or inability for the State to access or use the Software.

- C. Neither party may assign or otherwise transfer any right or obligation set forth in this Agreement without the other party's prior written consent, except that if the License Agreement is properly assigned pursuant to the provisions of the License Agreement, this Agreement will be deemed to be assigned to the assignee of the License Agreement. Any purported assignment in violation of the preceding sentence will be void and of no effect. This Agreement will be binding upon the parties' respective successors and permitted assigns.
- D. This Agreement, together with the Software License Agreement, the Implementation Services Agreement and the Managed Services Agreement, constitutes the entire agreement between the parties, and supersedes all other prior or contemporaneous communications between the parties (whether written or oral) relating to the subject matter of this Agreement. This Agreement may be modified or amended solely in a writing signed by both parties.
- E. The provisions of this Agreement will be deemed severable, and the unenforceability of any one or more provisions will not affect the enforceability of any other provisions. In addition, if any provision of this Agreement, for any reason, is declared to be unenforceable, the parties will substitute an enforceable provision that, to the maximum extent possible in accordance with applicable law, preserves the original intentions and economic positions of the parties.
- F. No failure or delay by either party in exercising any right, power or remedy will operate as a waiver of such right, power or remedy, and no waiver will be effective unless it is in writing and signed by the waiving party. If either party waives any right, power or remedy, such waiver will not waive any successive or other right, power or remedy the party may have under this Agreement.
- G. During the term of this Agreement and for twelve (12) months after its expiration or termination, neither party will, either directly or indirectly, solicit for employment or employ (except as permitted below) by itself (or any of its Affiliates) any employee of the other party (or any of its affiliates) who was involved in the performance of the party's obligations under this Agreement, unless the hiring party obtains the written consent of the other party. "Affiliate" means any other entity that directly or indirectly controls, or is under common control with, or is controlled by, the party. The foregoing provision will not (i) prohibit a general solicitation of employment in the ordinary course of business or prevent a party from employing any employee who contacts such party as a result of such a general solicitation; or (ii) be read so as to limit employment opportunities to an extent that would not be permitted under applicable law (e.g., California law).
- H. The Exhibits referred to in and attached to this Agreement are made a part of it as if fully included in the text.



Each party has caused its authorized representative to execute this Agreement as of the Effective Date.

CGI Technologies and Solutions Inc.  
(CGI)

State of Michigan  
(Client)

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: Daniel Keene

Name: \_\_\_\_\_

Title: Senior Vice President

Title: \_\_\_\_\_



**EXHIBIT A to Software Maintenance Agreement**  
**CGI TECHNOLOGIES AND SOLUTIONS INC.**  
**Proprietary Software Maintenance Agreement**

- 1. **Maintenance Period.** The initial Maintenance period is the period beginning June 25, 2014 and ending on September 30, 2021.
- 2. **Maintenance Fee.** The maintenance fee for the initial Maintenance Period and three (3) one-year option periods are defined in Attachment 6, Contractors Licensed Software, Section 2, Maintenance Fees.
- 3. **Software.** The maintenance services under this Agreement are provided with respect to the Software listed in Attachment 9, Proprietary Software License Agreement, Exhibit A.
- 4. **License Agreement.** The Software was provided to Client pursuant to the terms and conditions of that certain Proprietary Software License Agreement between CGI and Client made effective as of June 25, 2014. In the event CGI ceases to operate in the ordinary course of business, Client will be granted a limited license to access and use the CGI Software source code solely for purposes of maintaining the Software, and consistent with the terms of the Proprietary Software License Agreement. Access and use of the CGI source code prior to this release event is prohibited.

Agreed to and initialed for identification by:

\_\_\_\_\_  
(Client)

\_\_\_\_\_  
(CGI)