



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 **13**
to
Contract Number **071B4300150**

CONTRACTOR	EMERGE KNOWLEDGE DESIGN INC.
	401-250 McDermot Ave.
	Winnipeg, MB R3B 0S5
	Jennifer Peters
	204-772-7239
	ap@emergeknowledge.com
	CV0067009

STATE	Program Manager	Various	EGLE
	Contract Administrator	Sarah Platte	DTMB
		517-219-2406	
		plattes3@michigan.gov	

CONTRACT SUMMARY				
RE-TRAC CONNECT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
September 11, 2014	September 10, 2015	8 - 1 Year	September 10, 2023	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 Year	<input type="checkbox"/>		September 10, 2024
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,412,529.01	\$151,900.00	\$1,564,429.01		
DESCRIPTION				
Effective 8/11/2023, the State will be exercising one of the option years available on the Contract and the revised expiration date is 9/10/2024. Funds in the amount of \$151,900.00 to support this option year was established in CN 7.				
Additionally, the parties add the attached Statement of Work. As agreed, it removes some of the items that were added to the Contract on Change Notice 4. The uncompleted items to be removed are outlined in the Statement of Work.				
Per DTMB contractor and agency agreement, DTMB Central Procurement Services approval, and the State Administrative Board approval on 8/8/2023.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
EGLE	Steve Noble	517-449-6153	NobleS4@michigan.gov
DTMB	Laura Brancheau	517-335-1334	BrancheauL@michigan.gov



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P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **12**
to
Contract Number **071B4300150**

CONTRACTOR	EMERGE KNOWLEDGE DESIGN INC.	STATE	Program Manager	Various	EGLE
	401-250 McDermot Ave.				
	Winnipeg, MB R3B 0S5		Contract Administrator	Sarah Platte	DTMB
	Jennifer Peters			517-219-2406	
	204-772-7239			plattes3@michigan.gov	
	ap@emergeknowledge.com				
	CV0067009				

CONTRACT SUMMARY							
RE-TRAC CONNECT							
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE			
September 11, 2014	September 10, 2015	8 - 1 Year		September 10, 2023			
PAYMENT TERMS		DELIVERY TIMEFRAME					
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING			
<input type="checkbox"/> P-Card	<input type="checkbox"/> PRC	<input type="checkbox"/> Other		<input type="checkbox"/> Yes <input checked="" 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 10, 2023			
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE					
\$1,260,629.01	\$151,900.00	\$1,412,529.01					
DESCRIPTION							
Effective 11/14/2022, the State adds funding in the amount of \$151,900.00 to support the one-year option that was taken in Change Notice 11. Funds for additional option years was established in CN 7.							
Per DTMB contractor and agency agreement, DTMB Central Procurement Services approval, and the State Administrative Board approval on 9/7/2021.							

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
EGLE	Steve Noble	517-449-6153	NobleS4@michigan.gov
DTMB	Laura Brancheau	517-335-1334	BrancheauL@michigan.gov



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CONTRACT CHANGE NOTICE

Change Notice Number **12**
 to
 Contract Number **071B4300150**

CONTRACTOR	EMERGE KNOWLEDGE DESIGN INC.	STATE	Program Manager	Various	EGL
	401-250 McDermot Ave.				
	Winnipeg, MB R3B 0S5		Contract Administrator	Sarah Platte	DTMB
	Jennifer Peters			517-219-2406	
	204-772-7239			plattes3@michigan.gov	
	ap@emergeknowledge.com				
	CV0067009				

CONTRACT SUMMARY				
RE-TRAC CONNECT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE
September 11, 2014	September 10, 2015	8 - 1 Year		September 10, 2023
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other				<input type="checkbox"/> Yes <input checked="" 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 10, 2023
CURRENT VALUE	VALUE OF CHANGE NOTICE		ESTIMATED AGGREGATE CONTRACT VALUE	
\$895,684.01	\$196,815.00		\$1,092,499.01	
DESCRIPTION				
Effective 9/14/2022, the State adds funding in the amount of \$196,815.00 to support the one-year option that was taken in Change Notice 11. Funds of \$181,870.00 for option years was established in CN 7. The additional \$14,945.00 is also being added to the CN to correct a previous funding error on the aggregate contract value.				
Per DTMB contractor and agency agreement, DTMB Central Procurement Services approval, and the State Administrative Board approval on 9/7/2021.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
EGLE	Steve Noble	517-449-6153	NobleS4@michigan.gov
DTMB	Laura Brancheau	517-335-1334	BrancheauL@michigan.gov



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CONTRACT CHANGE NOTICE

Change Notice Number **11**
 to
 Contract Number **071B4300150**

CONTRACTOR	EMERGE KNOWLEDGE DESIGN INC.	STATE	Program Manager	Various	EGLE
	401-250 McDermot Ave.				
	Winnipeg, MB R3B 0S5		Contract Administrator	Sarah Platte	DTMB
	Jennifer Peters			517-219-2406	
	204-772-7239			plattes3@michigan.gov	
	ap@emergeknowledge.com				
	CV0067009				

CONTRACT SUMMARY				
RE-TRAC CONNECT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE
September 11, 2014	September 10, 2015	8 - 1 Year		September 10, 2022
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING
<input type="checkbox"/> P-Card		<input type="checkbox"/> PRC	<input type="checkbox"/> Other	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 year	<input type="checkbox"/>		September 10, 2023
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,260,629.01	\$0.00	\$1,260,629.01		
DESCRIPTION				
Effective 8/19/2022, the State will be exercising one of the option years available on the Contract and the revised expiration date is 9/10/2023. Funding for this option year was established in CN 7.				
Per DTMB contractor and agency agreement, DTMB Central Procurement Services approval, and the State Administrative Board approval on 9/7/2021.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
EGLE	Steve Noble	517-449-6153	NobleS4@michigan.gov
DTMB	Laura Brancheau	517-335-1334	BrancheauL@michigan.gov



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 **071B4300150**

CONTRACTOR	EMERGE KNOWLEDGE DESIGN INC.	STATE	Program Manager	Various	EGLE
	401-250 McDermot Ave.				
	Winnipeg, MB R3B 0S5		Contract Administrator	Sarah Platte	DTMB
	Jennifer Peters			(517) 241-7000	
	204-772-7239			plattes3@michigan.gov	
	ap@emergeknowledge.com				
	CV0067009				

CONTRACT SUMMARY				
RE-TRAC CONNECT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
September 11, 2014	September 10, 2015	3 - 1 Year	September 10, 2022	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" 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 10, 2022
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$895,684.01	\$350,000.00	\$1,245,684.01		
DESCRIPTION				
Effective 3/18/2022, the parties add the attached Statements of Work to the Contract. The first one is to obtain professional services that will allow the State to expand the current use of the existing Re-TRAC reporting system to include additional Authorizations Programs and the Materials Management Planning program. The second Statement of Work outlines the operational procedures for minor enhancements to the Re-TRAC Connect platform. To support the new Statements of Work, the State adds \$350,000.00 in funding to the Contract.				

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

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
EGLE	Steve Noble	517-449-6153	NobleS4@michigan.gov
DTMB	Laura Brancheau	517-335-1334	BrancheauL@michigan.gov



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK FOR IT CHANGE NOTICES**

Project Title: Re-TRAC Requirements Gathering/Discovery Services	
Requesting Department: EGLE – Materials Management Division	Date: 01/19/2022
Agency Project Manager: Noble, Steve	Phone: 517-449-6153
DTMB Project Manager: Brancheau, Laura	Phone: 517-335-1334

Brief Description of Services to be provided:

BACKGROUND:

The Solid Waste Section of the Materials Management Division (MMD) is continuing its buildout of the Re-TRAC Connect™ platform to modernize its registration, reporting, and materials management programs as required by various regulations.

Upon acceptance, this SOW would be governed by the terms and conditions of Contract 071B4300150.

PROJECT OBJECTIVE:

Obtain Professional Services for discovery, requirements analysis, requirements documentation and finalization to expand upon the current use of the existing Re-TRAC™ reporting system to include additional Authorizations Programs and the Materials Management Planning (MMP) program.

SCOPE OF WORK:

- The scope of work includes professional services for discovery, requirements analysis, and related documentation to expand the use of the Re-TRAC Connect™ reporting system to the MMP program and any additional Authorizations Programs. The scope for this effort will include a high level analysis of the programs required as well as requirements analysis needed to define and configure the surveys and document the report specifications.
- The scope of this work will be broken into four phases.
 - The first phase (Phase I) of the work under this Statement of Work is to engage Emerge in a series of discussions to define future programs, how those programs interrelate, determine the dependencies between programs and produce a schedule for developing those programs.
 - The second phase (Phase II) is to define the surveys and reports required for the Authorization Programs and MMP program, (or next prioritized program as defined in the initial phase) and configure draft surveys to support those programs. Discussions will be held to determine what surveys are required, define the fields contained in the surveys, define the fields for the reports/analytics and define the report output.
 - The third phase (Phase III) is to secure approval/signoff and complete quality assurance to finalize the surveys and secure approval/signoff on the final report specifications.
 - The fourth phase (Phase IV) would be to deploy/launch to production the surveys that

have been configured and approved for a given program, at EGLE's direction.

Note: Each new program would need to follow Phase II, Phase III and Phase IV in that order. For any analytical report specifications approved/signed off in Phase III, a separate SOW would be developed for the configuration, quality assurance, and deployment of those analytical reports.

If/when legislative changes occur, Emerge and EGLE would work together to revise the order of work outlined in the project plan under Phase I and develop an agreed upon schedule.

PROFESSIONAL SERVICES:

Emerge Knowledge agrees to provide Professional Services to support the identification of the programs that EGLE would like to develop, any dependencies between programs, and a high level timeline. The output of those activities will be a 'roadmap' that outlines programs to be developed, estimated timeframes, and dependencies.

Emerge Knowledge also agrees to provide Professional Services for discovery and requirements analysis activities for the MMP program and any additional Authorizations Programs. This will include configuration of draft surveys, definition of report fields and output, and documentation of the report specifications.

DELIVERABLES:

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

Deliverables for this project include the following items as supported by the SOW budget (i.e., "total cost will not exceed" dollar amount):

- Phase I
 - Discovery activities to outline specific programs, dependencies, and timeline for additional EGLE programs including the Materials Management Planning (MMP) and any Authorization Programs (AP). Determine dependencies for data entry from the EGLE Mega Data project and Emerge's Municipal Measurement Program (eMMP)
- Phase II
 - Discovery and requirements analysis for the MMP program and any additional Authorizations Programs
 - Discovery and requirements analysis for analytics and reports to support the MMP program and any additional Authorizations Programs
 - Draft configured surveys for the MMP program
 - Draft configured surveys for additional Authorizations Programs
 - Participation in review and feedback cycles
 - Explore importation of data from external sources and multiple Re-TRAC programs
- Phase III
 - Signoff/approval of draft surveys outlined in Phase II including quality assurance (in a non-production environment) for finalization of surveys
 - Participation in review and feedback cycles
 - Signoff/approval of report specifications
- Phase IV
 - Surveys configured in Phase II and approved in Phase III, deployed/launched in the production environment
- Document deliverables to include:
 - Schematic (or similar documentation) to outline programs to be configured and related configuration timeline. Updates may occur to this document as additional programs are added.
 - Draft and final requirements documentation which specifies the layout and data contained in the analytics (reports) needed to support the MMP program and any

- additional Authorizations Programs identified
 - Project status reports
- Project Review meetings

ACCEPTANCE CRITERIA:

Deliverables will not be considered complete until the EGLE Project Manager has formally accepted them. The following acceptance criteria apply to this project's deliverables:

1. Requirements sessions complete
2. Review and feedback cycles complete
3. Final requirements documents complete
4. Draft surveys configured and quality assurance completed (in a non-production environment) ready to launch to production)

PROJECT CONTROL AND REPORTS:

For efficiency (and to achieve cost savings while also achieving quality project control), Emerge Knowledge will submit a monthly progress report to the Agency and DTMB Project Managers throughout the life of this SOW. This report will be submitted with the billing invoice. Each monthly progress report will contain the following:

1. **Hours:** Indicate the number of hours expended during the past reporting month, the amount of time spent on each high level task, and the cumulative totals to date for the project.
2. **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
3. **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, if any, in addition to DTMB standards.

PROJECT SCHEDULE

The parties estimate the services will be provided according to the following schedule. The parties may modify this schedule by mutual agreement if needed.

Item	Proposed Start Date	Proposed End Date
Phase I Minimum of one (1) working meeting per week for first four (4) weeks (Feb 7 – March 5)	February 7, 2022	March 25, 2022
Phase II	March 28, 2022	Varies by program
Phase III	Varies by program	Varies by program
Phase IV	Varies by program	Varies by program

It is anticipated that each program will follow the phases sequentially. If changes are required to add new programs due to legislative changes or other priorities that arise, Emerge and EGLE will revisit the schedule that was developed in Phase I to make necessary, agreed upon changes.

PAYMENT SCHEDULE:

Contractor will invoice for Professional Services at the rates outlined in the IT Professional Services Hourly Rate by Labor Category table in the contract. Total cost will not exceed \$250,000.00. 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 or to [DTMB-Accounts-](#)

Payable@michigan.gov if specified by DTMB, not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual hours expended and 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 and fees. Progress of the project will be described and documented on the supporting project reports.

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Steve Noble
EGLE
Materials Management Division
Constitution Hall
525 W Allegan St
Lansing, MI 48933
517-449-6153
Nobles4@michigan.gov

The designated DTMB Project Manager is:

Laura Brancheau
DTMB
Agency Services supporting EGLE, DNR, MDARD, DMVA
Constitution Hall, Floor 1, North Tower
525 W Allegan St
Lansing, MI 48933
517-335-1334
BrancheauL@michigan.gov

AGENCY RESPONSIBILITIES:

EGLE (Agency) will provide staff to be available for requirements validation, project status meetings and document review.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

All services to be provided remotely from Contractor's location. Contractor is responsible for providing web conference and audio conference tools as needed to support project communication from its (remote) work location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

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

No overtime will be permitted.



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK FOR IT CHANGE NOTICES**

Project Title: Enhancement Update Services	
Requesting Department: EGLE - MMD - Solid Waste	Date: 01/19/2022
Agency Project Manager: Noble, Steve	Phone: 517-449-6153
DTMB Project Manager: Brancheau, Laura	Phone: 517-335-1334

Brief Description of Services to be provided:

BACKGROUND:

The Solid Waste Section of the Materials Management Division (MMD) is continuing its onboarding of the Re-TRAC Connect™ platform to modernize its registration, reporting, and materials management programs as required by various regulations.

Upon acceptance, this SOW would be governed by the terms and conditions of Contract 071B4300150.

PROJECT OBJECTIVE:

To outline operational procedures for requests for minor enhancements and updates to existing surveys, analytics, and any changes needed within Programs. Each request cannot exceed 50 hours in effort. Work charged against these hours must be pre-approved. Any single enhancement that exceeds the above number of hours will require a separate contract change notice. Once the total enhancements exceed an annual amount of \$100,000.00, contract change notices must be initiated to include the increase to that year's annual amount. Update services include activities that take under 1 hour to complete by Emerge and can be accommodated without a prior estimate or approval. These may include but are not limited to activities such as opening and closing surveys, various member update activities, and small analytic tweaks.

SCOPE OF WORK:

The scope of work for any individual enhancement item will be documented and requested via email. The request will include a target delivery date for the enhancement. Attachments such as documents, mockups or spreadsheets should be included to provide detailed information for the request. Additional correspondence, including remote meetings, may be required to clarify requirements.

PROFESSIONAL SERVICES:

For each enhancement request received, Emerge Knowledge agrees to provide a high level estimate of number of hours in order to determine if the work falls under the maximum number of hours per request. If the request would fall under the threshold stated in the Project Objective section of this document, EGLE will approve the work and Emerge can add the enhancement to the schedule. If multiple enhancements have been requested, EGLE will work with Emerge to determine the priority of items to be developed. Note: Any

request (such as opening or closing surveys) which takes less than 1 hour can be accommodated without a prior estimate and can be completed by Emerge upon EGLE's request.

DELIVERABLES:

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

Deliverables for each enhancement request will be outlined in the request. Deliverables for this project may include but are not limited to the following items:

- Deployment of any edits (and quality assurance as required) to existing surveys or analytics in production environment as outlined in each approved request
- Opening and closing of surveys per schedule provided by EGLE
- Deployment of any new or edits to existing JSON exports
- Changes/updates to Program Manager access
- Email changes from the system
- Changes to member type by program

ACCEPTANCE CRITERIA:

Deliverables will not be considered complete until the EGLE Project Manager has formally accepted them. The following acceptance criteria apply to this project's deliverables:

1. Updates to existing surveys and analytics have been successfully deployed to the production environment
2. Updates have been completed as outlined in submitted and approved request

PROJECT CONTROL AND REPORTS:

For efficiency (and to achieve cost savings while also achieving quality project control), Emerge Knowledge will submit a monthly progress report to the Agency and DTMB Project Managers throughout the life of this project. This report will be submitted with the billing invoice. Each monthly progress report will indicate what was worked on and what was completed during the current reporting period.

1. **Hours:** Indicate the number of hours expended during the past reporting month for a given enhancement request. Indicate remaining hours for a given enhancement request.
2. **Accomplishments:** Indicate what was working on and what was completed during the current reporting period of a given enhancement request.
3. **Funds:** For a given enhancement, indicate the amount of funds expended during the current reporting period.

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, if any, in addition to DTMB standards.

PROJECT SCHEDULE

Requests will be scheduled based on the target completion date requested by EGLE and the availability of Emerge staff to complete the request. The parties may modify the schedule by mutual agreement if needed.

PAYMENT SCHEDULE:

Contractor will invoice for Professional Services at the rates outlined in the IT Professional Services Hourly Rate by Labor Category table in the contract. 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 or to **DTMB-Accounts-Payable@michigan.gov** if specified by DTMB not more 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 and associated fee amounts.

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Steve Noble
EGLE
Materials Management Division
Constitution Hall
525 W Allegan St Lansing, MI 48933
517-449-6153
Nobles4@michigan.gov

The designated DTMB Project Manager is:

Laura Brancheau
DTMB
Agency Services supporting EGLE, DNR, MDARD
Constitution Hall, Floor 1, North Tower
525 W Allegan St
Lansing, MI 48933
517-335-1334
BrancheauL@michigan.gov

AGENCY RESPONSIBILITIES:

EGLE (Agency) will provide staff to be available for requirements validation, project status meetings and document review.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

All services to be provided remotely from Contractor's location. Contractor is responsible for providing web conference and audio conference tools as needed to support project communication from its (remote) work location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

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

No overtime will be permitted.



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 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 **071B4300150**

CONTRACTOR	EMERGE KNOWLEDGE DESIGN INC.
	401-250 McDermot Ave.
	Winnipeg, MB R3B 0S5
	Jennifer Peters
	204-772-7239
	ap@emergeknowledge.com
	CV0067009

STATE	Program Manager	Various	EGLE
	Contract Administrator	Sarah Platte	DTMB
		(517) 241-7000 plattes3@michigan.gov	

CONTRACT SUMMARY

RE-TRAC CONNECT

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
September 11, 2014	September 10, 2015	3 - 1 Year	September 10, 2022
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card	<input type="checkbox"/> PRC	<input type="checkbox"/> Other	<input type="checkbox"/> Yes <input checked="" 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 10, 2022
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$895,684.01	\$7,995.00	\$903,679.01		

DESCRIPTION

Effective 12/07/2021 the State adds \$7,995.00 to the Contract. The parties also add the attached Statement of Work to the Contract for the purpose of continuing the onboarding of the Re-TRAC Connect platform.

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

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
EGLE	Steve Noble	517-449-6153	NobleS4@michigan.gov
DTMB	Laura Brancheau	517-335-1334	BrancheauL@michigan.gov



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK FOR IT CHANGE NOTICES**

Project Title: Updates to Authorization Programs and Analytics	
Requesting Department: EGLE - MMD - Solid Waste	Date:
Agency Project Manager: Noble, Steve	Phone: 517-449-6153
DTMB Project Manager: Brancheau, Laura	Phone: 517-335-1334

PROJECT SCHEDULE

The parties estimate the services will be provided according to the following schedule pending that the Change Notice authorizing this SOW is approved on or before December 6, 2021. The parties may modify this schedule by mutual agreement if needed.

Attachment A: Scrap Tire Hauler Registration analytic

Item	Responsibility	Proposed Schedule (dates)
Configuration of draft analytic (report) according to specification in Attachment A	Contractor	Will begin promptly upon SOW approval
Review and provide feedback (in writing) of any changes required to comply with the specification in Attachment A (note: new changes not documented in the specification cannot be accommodated excepting for minor text changes) OR review and provide acceptance (in writing) that the draft analytic complies with specification in Attachment A	EGLE	12/20/21 – 12/24/21
Implement feedback (if any) and QA	Contractor	12/27/21 – 12/31/21
Deployment (after EGLE Business Hours)	Contractor	01/14/2022
Michigan Scrap Tire Hauler Registration analytic available to EGLE	Contractor	01/17/2022

Attachment B: Scrap Tire Collection Site Survey updates

Item	Responsibility	Proposed Schedule (dates)
Configuration of draft analytic (report) Survey updates according to specification in Attachment B	Contractor	Will begin promptly upon SOW approval
Review and provide feedback (in writing) of any changes required to comply with the specification in Attachment B (note: new changes not documented in the specification cannot be accommodated excepting for minor text changes) OR review and provide acceptance (in writing) that the draft analytic complies with specification in Attachment B	EGLE	12/20/21 – 12/24/21
Implement feedback (if any) and QA	Contractor	12/27/21 – 12/31/21
Deployment (after EGLE Business Hours)	Contractor	01/14/2022

Michigan Scrap Tire Collection Site survey edits available to EGLE	Contractor	01/17/2022
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Attachment C: Scrap Tire Collection Site Registration analytic

Item	Responsibility	Proposed Schedule (dates)
Configuration of draft analytic (report) according to specification in Attachment C	Contractor	Will begin promptly upon SOW approval
Review and provide feedback (in writing) of any changes required to comply with the specification in Attachment C (note: new changes not documented in the specification cannot be accommodated excepting for minor text changes) OR review and provide acceptance (in writing) that the draft analytic complies with specification in Attachment C	EGLE	12/20/21 – 12/24/21
Implement feedback (if any) and QA	Contractor	12/27/21 – 12/31/21
Deployment (after EGLE Business Hours)	Contractor	01/14/2022
Scrap Tire Collection Site Registration analytic available to EGLE	Contractor	01/17/2022

Attachment D: Scrap Tire End-user Survey updates

Item	Responsibility	Proposed Schedule (dates)
Configuration of draft analytic (report) Survey updates according to specification in Attachment D	Contractor	Will begin promptly upon SOW approval
Review and provide feedback (in writing) of any changes required to comply with the specification in Attachment D (note: new changes not documented in the specification cannot be accommodated excepting for minor text changes) OR review and provide acceptance (in writing) that the draft analytic complies with specification in Attachment D	EGLE	12/20/21 – 12/24/21
Implement feedback (if any) and QA	Contractor	12/27/21 – 12/31/21
Deployment (after EGLE Business Hours)	Contractor	01/14/2022
Scrap Tire End-user Survey Edits available to EGLE	Contractor	01/17/2022

Attachments E and F: Compost Facility Annual Report analytic

Item	Responsibility	Proposed Schedule (dates)
Configuration of draft analytic (report) according to specification in Attachments E and F	Contractor	Will begin promptly upon SOW approval
Review and provide feedback (in writing) of any changes required to comply with the specifications in Attachments E and F (note: new changes not documented in the specification cannot be accommodated excepting for minor text changes) OR review and provide acceptance (in writing) that the draft analytic complies with specifications in Attachments E and F	EGLE	12/20/21 – 12/24/21
Implement feedback (if any) and QA	Contractor	12/27/21 – 12/31/21
Deployment (after EGLE Business Hours)	Contractor	01/14/2022
Composting Facility Annual Report analytic available to EGLE	Contractor	01/17/2022

Compost Facility Metric Report analytic (no attachment needed)

Item	Responsibility	Proposed Schedule (dates)
Deployment (after EGLE Business Hours)	Contractor	01/14/2022
Composting Facility Metric Report analytic available to EGLE	Contractor	01/17/2022

Stock Analytics to Electronics and Compost Program

Item	Responsibility	Proposed Schedule (dates)
Deployment (after EGLE Business Hours)	Contractor	01/14/2022
Stock Analytics available to EGLE	Contractor	01/17/2022



Attachment A

MICHIGAN EGLE SCRAP TIRE HAULER REGISTRATION

Department of Environment, Great Lakes, and Energy, Materials Management Division

This scrap tire hauler registration is issued under Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, MCL 324.16901 et seq., (NREPA) (Part 169), to register the scrap tire hauler in the state of Michigan. This registration does not obviate the necessity of obtaining other authorizations as may be required by law.

YEAR:	2021
REGISTRANT/APPLICANT NAME:	8 Mile Service Shop
REGISTERED AGENT/OWNER:	Rawny Markoz
SITE SPECIFIC NAME:	8 Mile Service Shop
HAULER PHYSICAL ADDRESS:	5435 East 8 Mile Road, Warren, Michigan, 48091
WDS ID NUMBER:	475611
MICHIGAN CORPORATE ID NUMBER:	800515299
COUNTY:	Macomb
REGISTRATION NUMBER:	H-50-03-0519
ISSUE DATE:	05/20/2021
EXPIRATION DATE:	01/31/2022
CONTACT:	Rawny Markoz
PHONE NUMBER:	(586) 443-1133
MAILING ADDRESS:	5435 East 8 Mile Road, Warren, Michigan, 48091
TYPE OF REGISTRATION:	New

This Registration is subject to revocation by the Department of Environment, Great Lakes, and Energy (Department) if the Department finds that the Registrant is not operating in accordance with Part 169. This Registration shall be retained by the applicant during the registration period and remains the property of the Department. Failure to comply with the terms and provisions of this registration may result in legal action leading to criminal penalties as stipulated in Part 169. The Registrant may only haul to registered collection sites, disposal areas licensed under Part 115, Solid Waste Management, of the NREPA, end-users, scrap tire processors, tire retailers or scrap tire recyclers that are in compliance with Part 169.

Jeff Spencer, Supervisor

Sustainable Materials Management Unit

Solid Waste Section

Materials Management Division

Department of Environment, Great Lakes, and Energy

Attachment B

SCRAP TIRE COLLECTION SITE FACILITY FORM

Registration is required under authority of Section 16905 of Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Failure to comply with the provisions of Part 169 may result in fines and/or imprisonment. For additional information, review [Scrap Tire Program and Contact Information](#) document, [Scrap Tire FAQ](#), or contact EGLE-ScrapTire@michigan.gov.

SCRAP TIRE COLLECTION SITES ARE REQUIRED TO PAY AN ANNUAL FEE OF \$200 WITH THEIR REGISTRATION APPLICATION. TO PAY THIS FEE ONLINE, PLEASE VISIT [the State of Michigan's Scrap Tire PayPlace](#).

For other payment options, print out the [Scrap Tire Collection Site Payment Information form](#) along with a \$200 check and mail to the cashier's office.

***NOTE: THIS APPLICATION IS NOT ADMINISTRATIVELY COMPLETE UNTIL PAYMENT IS RECEIVED.**

Throughout this survey PTE is defined as 1 Passenger Tire Equivalent.

SCRAP TIRE CONVERSION FACTORS	
1 Passenger Tire = 1 PTE	
1 Semi Truck Tire = 5 PTE	
1 Oversized/Off-the-Road (OTR) Tire = 15 PTE	
4 Passenger Tire Sidewalls = 1 PTE	
4 Semi Sidewalls = 1 Semi Truck Tire = 5 PTE	
1 Ton	= 89 PTE (in ANY form)
	= 18 Semi Truck Tires
	= 9 Cubic Yards PTE (in ANY form)
	= 7 Cubic Yards Semi Truck Tires
1 Cubic Yard	= 10 PTE (in ANY form)
	= 2.5 Semi-Truck Tires
	= 40 Shredded PTE (shreds ~ 2" X 2")
	= 63 Crumbled PTE (20 - 30 mesh)
	= 0.1 Ton PTE (in ANY form)
	= 0.14 Ton Semi Truck Tires

EGLE MANAGED

Bond Number:

Use abbreviations followed by the bond number: Surety Bond (SB), Letter of Credit (LOC), Certificate of Deposit (COD), Cash Bond (CB)

Type of Bond: (Select all that apply)*

Surety Bond

Enter Bond Amount:

Irrevocable letter of credit

Enter Bond Amount:

Certificate of deposit

Enter Bond Amount:

Cash bond

Enter Bond Amount:

District Office: [picklist] [Options: Bay City, Cadillac, Detroit, Gaylord, Grand Rapids, Jackson, Kalamazoo, Lansing, Marquette, Warren]

Inspection Complete [Yes, No]

If Yes,

Date of Inspection:

Registration Number: [text and number response]

Is this application administratively complete? [Yes, No]

If Yes,

Date Administratively Complete:

If No,

If administratively incomplete, EGLE Notes: [Text box]

Has this year's registration been issued? [Yes, No]

If Yes,

Date of Issuance: [date field]

Type of Registration: [~~First, Renewal, New~~ New, Renewal, Lapsed]

Fee Received: [Yes, No]

If Yes,

Date Received: [date field]

PORTABLE SHREDDING OPERATION

Does your facility use a portable tire chipper(s) for processing scrap tires? [Yes, No]

If Yes,

Does the facility act as a collection site AND a Portable Shredding Operation?
[Yes, No the member only acts as a portable shredder]

If Yes, answer portable shredder bond info and then Continue through survey

PORTABLE SHREDDING OPERATIONS *

This section is voluntary but should be filled out if bonds are in place for portable shredding operations.

Bond Amount: \${number response only}*

Type of Bond: (Select all that apply)*

Surety Bond

Surety Bond Location Code
[EGLE managed field]

Irrevocable letter of credit

Irrevocable letter of Credit
Location Code [EGLE managed
field]

Certificate of deposit

Certificate of Deposit Location
Code [EGLE managed field]

Cash bond

Cash Bond Location Code [EGLE
managed field]

If No the Member only acts as a portable shredder,

Is the portable shredder leased or rented? [yes, no]

What is the physical storage address for the member's portable shredder(s)? *If rented, please provide address for the rental facility.

Street Address

City

State

Zip

PORTABLE SHREDDING OPERATIONS *

This section is voluntary but should be filled out if bonds are in place for portable shredding operations.

Bond Amount: \${number response only}*

Type of Bond: (Select all that apply)*

Surety Bond

Surety Bond Location Code [EGLE managed field]

Irrevocable letter of credit

Irrevocable letter of Credit Location Code [EGLE managed field]

Certificate of deposit

Certificate of Deposit Location Code [EGLE managed field]

Cash bond

Cash Bond Location Code [EGLE managed field]

*skip to certification at the end of this survey, no other questions are needed

If no, continue through survey

FACILITY INFORMATION

Is the owner or operator of the site a scrap tire processor? [Yes, No]

If Yes

Has the facility been in compliance for AT LEAST one year AND qualifies to be exempt from bonding? [Yes, No]

If Yes, [User is given access to the Scrap Tire Collection Site Annual Report (IF Bond Exempt)]

The member has been determined to be Bond Exempt. A new Annual Report survey will be available once this Facility Form is submitted as complete.

Commercial Collection Site: If the site accepts scrap tires from other than your own business/residence and you want the site to be listed on the website as a commercial collection site, select 'yes' otherwise select 'no'.

Is the facility a commercial collection site? [Yes No]

Are there multiple addresses/parcels within this location? [Yes, No]

If Yes, how many parcels? [number response]

Please provide a brief description of the property: [text box description]

Please upload a legal description of property. Documentation will be required to be uploaded at the end of this survey.

LOCAL FIRE DEPARTMENT COVERING COLLECTION SITE

Fire Department Name:

Phone Number:

Format: ### - ### - ####

Address:

City:

State:

Zip Code:

A Scrap tire collection site may request a variance as described in Section 324.16903(1)(f).

Has the collection site requested a Tire Storage Requirement Variance from their local fire department: [Yes, No]

If Yes,

Please check the applicable variance granted by the local fire department. Only one of the three can be granted by the local fire department.

Scrap tires shall be accumulated in piles no greater than 15 feet in height with horizontal dimensions no greater than 200 by 40 feet.

If selected, please describe the reason for the variance [type in response]

Scrap Tires shall not be within 20 feet of the property line or within 60 feet of a building or structure.

If selected, please describe the reason for the variance [type in response]

There shall be a minimum separation of 30 feet between scrap tire piles. The open space between the piles shall at all times be free of rubbish, equipment, and other materials.

If selected, please describe the reason for the variance [type in response]

DOCUMENTATION OF PROPERTY OWNERSHIP

Does the facility have documentation of property ownership? [yes, no]

If Yes,

What type of documentation does the facility have? (Select one of the following) [Warranty Deed; Land Contract; Other (describe)]

If Warranty Deed, how many parcels? [number response]

If Land Contract, how many parcels? [number response]

If Other, how many parcels? [number response]

If other selected, please describe

User must submit proper paperwork electronically upon submission of this survey

If No, please describe [text box]

INFORMATION: If property ownership documentation isn't provided, registration is incomplete. This will delay registration and submittal after the deadline (01/31) will cause loss of APA rights.

OPERATIONAL SITE MAP

*The Operational Site Map will be uploaded upon submission of this survey

The Operational Site map is defined as where materials can be placed at the facility. Any changes to the location of the materials placement area or boundary lines of the facility must be documented by submission of an amended scrap tire collection site registration and a revised site map.

For a site with more than 2,500 scrap tires, including where any vehicles containing tires are stored, the site map must be prepared by a Professional Engineer or licensed surveyor. The site map must match the bond documents.

The site map must be submitted showing the following items inside the facility boundaries:

- Dimensions and boundaries of tire storage area(s) to be used
- Acreage of tire storage area (outdoor)
- Square footage of building(s) (indoor) as covered by the bond (if required)
- Type of storage area (whole, shredded, chips, etc.)
- Bonded area(s)
- Type of bonding to be used (building and/or acreage)
- Any area(s) that is/are exempt from bonding and the dimensions and boundaries of the area(s)
- The number of vehicles and their location on the site must be indicated on the site map even though these vehicles are exempt from bonding

BOND INFORMATION

Proof of Bond(s) required – The Original Bond MUST be kept at Constitution Hall, for mailing information please visit our website. IF the original bond is already at Constitution Hall, please attach a copy of your bond as an attachment at the end of this survey.

Type of Bond(s): (Select all that apply)*

Surety Bond

Irrevocable letter of credit

Certificate of deposit

Cash bond

STORAGE INFORMATION

Does the facility have tires stored in covered vehicle? [Yes No]

A 'Covered vehicle' for this section is defined as to be a vehicle that is FULLY enclosed. To be fully enclosed, a vehicle must consist of sides, a top, an entryway that is secure and made of solid material without gaps. Covered vehicles must also be in road worthy condition.

If Yes,

Acreage: [number response only] acres

Number of Tires Not Bonded: [number response only] tires

Number of Trailers Not Bonded*: [number responses] trailers

Does the facility have a Commodity Storage Area? [Yes No]

If Yes,

Select all that apply [indoor, outdoor]

Indoor

Indoor Commodity Storage Area Information (table)

Commodity Storage Area Information				
Area Number	Acreage	Type of Commodity	Size Range	Intended Market
1		crumb rubber		
2		tire chips		
3		ring or slab cut		
4		die-cut/punched tire		
5		other EGLE approved (describe)		
*ability to add as many rows as needed (consecutive numbers)				
Total Acreage				

Outdoor

Outdoor Commodity Storage Area Information (table)

Commodity Storage Area Information				
Area Number	Acreage	Type of Commodity	Size Range	Intended Market
1		crumb rubber		
2		tire chips		
3		ring or slab cut		
4		die-cut/punched tire		
5		other EGLE approved (describe)		
*ability to add as many rows as needed (consecutive numbers)				
Total Acreage				

Areas required to maintain a bond

Bond Requirements – If the facility has less than 2,500 scrap tires the bond will be no more than \$2,500 regardless of the amount of space being registered. For sites with 2,500 or more scrap tires the amount of bonding required will be determined by the actual acreage of outdoor storage and square footage of indoor storage.

INDOOR Areas of Collection with Bond Requirments			
Square Footage	Amount of Tires	Units of Tires	Bond Amount (\$)
Answers should be recorded to the two decimal places	Answers should be recorded to the two decimal places	Tons	Answers should be recorded to the two decimal places
		PTE	
OUTDOOR Areas of Collection with Bond Requirments			
Acreage	Amount of Tires	Units of Tires	Bond Amount (\$)
Answers should be recorded to the two decimal places	Answers should be recorded to the two decimal places	Tons	Answers should be recorded to the two decimal places
		PTE	

PORTABLE SHREDDING OPERATIONS *

This section is voluntary but should be filled out if bonds are in place for portable shredding operations.

Bond Amount: \${number response}*

Type of Bond: (Select all that apply)*

Surety Bond
Surety Bond Location Code [EGLE managed field]
Irrevocable letter of credit
Irrevocable letter of Credit Location Code [EGLE managed field]
Certificate of deposit
Certificate of Deposit Location Code [EGLE managed field]
Cash bond
Cash Bond Location Code [EGLE managed field]

BOND TOTALS

Total Bond amount for the ENTIRE Site: [number response only] [Total = Indoor Areas of Collection with Bond Requirements Total + Outdoor areas of collection with Bond Requirements Total + Portable Shredding: Total Bond Amount]

CERTIFICATION

I certify, under penalty of law, that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I further certify that I am fully authorized by the owner and/or operator of the Scrap Tire Collection Site to submit this report. Should the signatory find at any time after submittal of the requested information that any portion of the submittal certified as true is false or misleading, the signatory shall immediately notify EGLE providing any corrections, explanations, or additional information necessary.

Who has entered this information: [Check Box –Property Owner, agent of property owner, operator, agent of operator]

IF either agent is selected,

Documentation from property owner or operator that agent is authorized to sign for the owner or operator must be attached [option to upload document]

If Property owner or Operator

Electronic Signature: [text box]

Date: [calendar format]

Hint: Property Ownership Documentation is REQUIRED for every parcel that the facility indicated above. If more than one parcel, attach additional documentation in Property Ownership Documentation 2 – 25. Please attach documentation for each parcel separately.

Attachment List

1. Legal description of Property [required]
2. Operational Site Map [required]
3. Owner authorization for Agent certification [optional/voluntary]
4. Property Ownership Documentation 1 [required]
5. [Property Ownership Documentation \[optional/voluntary\]](#)
6. [Property Ownership Documentation \[optional/voluntary\]](#)
7. [Property Ownership Documentation \[optional/voluntary\]](#)
8. [Property Ownership Documentation \[optional/voluntary\]](#)
9. Other [optional/voluntary]

SCRAP TIRE COLLECTION SITE ANNUAL REPORT

Recordkeeping is required under authority of Section 16905 of Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Failure to comply with the provisions of Part 169 may result in fines and/or imprisonment. For additional information, review [Scrap Tire Program and Contact Information](#) document, [Scrap Tire FAQ](#), or contact EGLE-ScrapTire@michigan.gov.

SCRAP TIRE COLLECTION SITES ARE REQUIRED TO PAY AN ANNUAL FEE OF \$200 WITH THEIR REGISTRATION APPLICATION. TO PAY THIS FEE ONLINE, PLEASE VISIT [the State of Michigan's Scrap Tire PayPlace](#).

For other payment options, print out the [Scrap Tire Collection Site Payment Information form](#) along with a \$200 check and mail to the cashier's office.

***NOTE: THIS APPLICATION IS NOT ADMINISTRATIVELY COMPLETE UNTIL PAYMENT IS RECEIVED.**

NOTE: Throughout this survey PTE is defined as 1 Passenger Tire Equivalent.

SCRAP TIRE CONVERSION FACTORS	
1 Passenger Tire = 1 PTE	
1 Semi Truck Tire = 5 PTE	
1 Oversized/Off-the-Road (OTR) Tire = 15 PTE	
4 Passenger Tire Sidewalls = 1 PTE	
4 Semi Sidewalls = 1 Semi Truck Tire = 5 PTE	
1 Ton	= 89 PTE (in ANY form)
	= 18 Semi Truck Tires
	= 9 Cubic Yards PTE (in ANY form)
	= 7 Cubic Yards Semi Truck Tires
1 Cubic Yard	= 10 PTE (in ANY form)
	= 2.5 Semi-Truck Tires
	= 40 Shredded PTE (shreds ~ 2" X 2")
	= 63 Crumbled PTE (20 - 30 mesh)
	= 0.1 Ton PTE (in ANY form)
	= 0.14 Ton Semi Truck Tires

PORTABLE SHREDDING OPERATIONS

Does the facility act as a portable shredder? [yes, no]

If Yes,

Amount of tires that were shredded during the previous calendar year

Amount	Units	Tons	PTE
	[PTE, Tons]	[autocalculate]	[autocalculate]

Does the facility act as a collection site? [yes, no]

If No,

If No, move to certification

SCRAP TIRE COLLECTION SITE INFORMATION

Collection Site Information

SCRAP TIRE COLLECTION SITE INFORMATION

Collection Site Information				
	AMOUNT	UNITS	TONS	PTEs
Number of scrap tires brought to the site during the previous year		-Select-		
Number of tires removed from the site during the previous year		-Select-		
Number of tires inventoried at the end of the year		-Select-		
Number of scrap tires currently stored on site		-Select-		

Reusable Group

Are you doing any on-site processing of material? [Yes, No]

If Yes,

On-site processing operations

If no product is being produced, please select 'Other' and enter zero as the amount. In the displayed description box, please enter 'No product is being produced'.

On-Site Processing Operation: Annual Amount of Materials Marketed by Type of Product Produced*					
	TYPE OF PRODUCT	AMOUNT	UNITS	TONS	PTEs
1	-Select-		-Select-		
ADD					
Total Tons					
Total PTEs					

If No,

Total Tons/ Total PTE

CERTIFICATION

I certify, under penalty of law, that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I further certify that I am fully authorized by the owner and/or operator of the Scrap Tire Collection Site to submit this report. Should the signatory find at any time after submittal of the requested information that any portion of the submittal certified as true is false or misleading, the signatory shall immediately notify EGLE providing any corrections, explanations, or additional information necessary.

Who has entered this information: [Check Box –Property Owner, agent of property owner, operator, agent of operator]

IF either agent is selected,

Documentation from property owner or operator that agent is authorized to sign for the owner or operator must be attached [option to upload document]

If Property owner or Operator

Electronic Signature: [text box]

Date: [calendar format]

REGISTERED HAULERS DELIVERING SCRAP TIRES TO THIS COLLECTION SITE

NOTE: Throughout this survey PTE is defined as 1 Passenger Tire Equivalent.

SCRAP TIRE CONVERSION FACTORS	
1 Passenger Tire = 1 PTE	
1 Semi Truck Tire = 5 PTE	
1 Oversized/Off-the-Road (OTR) Tire = 15 PTE	
4 Passenger Tire Sidewalls = 1 PTE	
4 Semi Sidewalls = 1 Semi Truck Tire = 5 PTE	
1 Ton	= 89 PTE (in ANY form)
	= 18 Semi Truck Tires
	= 9 Cubic Yards PTE (in ANY form)
	= 7 Cubic Yards Semi Truck Tires
1 Cubic Yard	= 10 PTE (in ANY form)
	= 2.5 Semi-Truck Tires
	= 40 Shredded PTE (shreds ~ 2" X 2")
	= 63 Crumbled PTE (20 - 30 mesh)
	= 0.1 Ton PTE (in ANY form)
	= 0.14 Ton Semi Truck Tires

Include any haulers who has delivered more than 10 tires at ANY point in the year.

Collection Site Hauler Information

	HAULER NAME	REGISTRATION NUMBER	NUMBER OF SCRAP TIRES DELIVERED	AMOUNT	UNITS	TONS	PTEs	
1					-Select-			REMOVE

+ ADD

Total Tons

Total PTEs

SCRAP TIRE COLLECTION SITE ANNUAL REPORT (IF bond exempt)

[Page 1]

Registration is required under authority of Section 16905 of Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Failure to comply with the provisions of Part 169 may result in fines and/or imprisonment. For additional information, review [Scrap Tire Program and Contact Information](#) document, [Scrap Tire FAQ](#), or contact EGLE-ScrapTire@michigan.gov.

NOTE: Throughout this survey PTE is defined as 1 Passenger Tire Equivalent.

SCRAP TIRE CONVERSION FACTORS	
1 Passenger Tire = 1 PTE	
1 Semi Truck Tire = 5 PTE	
1 Oversized/Off-the-Road (OTR) Tire = 15 PTE	
4 Passenger Tire Sidewalls = 1 PTE	
4 Semi Sidewalls = 1 Semi Truck Tire = 5 PTE	
1 Ton	= 89 PTE (in ANY form)
	= 18 Semi Truck Tires
	= 9 Cubic Yards PTE (in ANY form)
	= 7 Cubic Yards Semi Truck Tires
1 Cubic Yard	= 10 PTE (in ANY form)
	= 2.5 Semi-Truck Tires
	= 40 Shredded PTE (shreds ~ 2" X 2")
	= 63 Crumbled PTE (20 - 30 mesh)
	= 0.1 Ton PTE (in ANY form)
	= 0.14 Ton Semi Truck Tires

EGLE MANAGED

Does Commodity Storage Area qualify for exemption from bonding? [Yes No]

IF COMMODITY STORAGE: Does the storage area meet condition of 16903(6)? [Yes No]

IF EXEMPT PROCESSOR: Does the collection site meet 16903b? [Yes No]

PROCESSER BOND EXEMPTION INFORMATION

Is the facility a registered Michigan Scrap Tire Collection site AND a processor that has been in compliance with the site requirements for at least one year? [Yes, No]

If Yes,

Exempt Processor: Report						
	Question	Amount	Unit			
1	Total Number of Tires inventoried at the end of last year			Pulled for analytic from [ADD TABLE NUMBERS]		
2	Total Number of Tires delivered to site					
3	Total number of tires stored on-site	= 1+ 2				
4	Total number of tires marketed					
5	Question 4 / Question 3	= 4 / 3				
6	Question 5 * 100	= 5 *100				
7	Total Existing on Site			For EGLE use ONLY	Do we need this logic in survey or JUST in the analytical?	
8	Total Received on Site					
9	Total Stored on site	= 7 + 8				
10	Total Removed to Apporved Market					
11	Percent Remoed to Approved Market	= (10 / 9) * 100				
12	Total Tires Remaining on Site					

[PAGE 2]

COMMODITY STORAGE BOND EXEMPTION INFORMATION

Do you have a Commodity Storage area that you are claiming bond exemption for? [Yes, No]

If No, move to certification

If Yes,

Commodity Storage Annual Report (all references below are for the previous calendar year)

Commodity Storage Report			
	Question	Amount	Unit
1	Whole Tires stored on site January 1, 2019		Tons
2	Whole Tires received during 2019		CWDS
3	Commodity stored on site January 1, 2019		PTE
4	Commodity received during 2019		
5	Amount of 1 and 2 converted into a commodity in 2019		
6	Commodity sent to approved markets during year:		
7	Commodity otherwise removed from site during year:		
8	Whole Tires otherwise removed from site during year:		
9	Whole Tires stored on site as of December 31, 2019	$= (1 + 2) - (5+8)$	Logic behind the scenes, user not able to enter amount
10	Commodity stored on site as of December 31, 2019	$= (3+4+5) - (6+7)$	
11	Total Existing on Site	$= 1 + 3$	
12	Total Received on Site	$= 2 + 4$	
13	Total Stored on Site	$= 11 + 12$	
14	Total Removed to Approved Market	$= 6$	
15	Percent removed to Approved Market	$= (14 / 13)*100$	
16	Total Tire Material remaining on Site	$= 9 + 10$	

[PAGE 3]

WHOLE TIRES RECEIVED FROM HAULER

Were whole tires received [Yes, No]

If yes, whole tires RECEIVED table

Whole Tires Received

HAULER NAME *	HAULER REGISTRATION NUMBER	TOTAL AMOUNT OF WHOLE TIRES RECEIVED *	UNITS *	TONS	PTES	
-Select- ▼	<input type="text"/>	<input type="text"/>	-Select- ▼	<input type="text"/>	<input type="text"/>	⊖ REMOVE

⊕ ADD

Total Tons of Whole Tire Received

Total PTE of Whole Tire Received

[PAGE 4]

WHOLE TIRES REMOVED FROM SITE

Were whole tires removed from the site? ~~Does the facility have more entries to record?~~ [yes, no]

If yes, whole tires REMOVED table

Whole Tires Removed from Site

HAULER NAME *	HAULER REGISTRATION NUMBER	TOTAL AMOUNT OF WHOLE TIRES RECEIVED *	UNITS *	TONS	PTES	APPROVED MARKET TO WHICH WHOLE TIRES ARE DELIVERED *	
-Select- ▼	<input type="text"/>	<input type="text"/>	-Select- ▼	<input type="text"/>	<input type="text"/>	<input type="text"/>	⊖ REMOVE

⊕ ADD

Total Tons Removed

Total PTE Removed

If no, move to next page

[PAGE 5]

COMMODITY RECEIVED FROM HAULER AND REMOVED FROM SITE

Was commodity received? [Yes, No]

If yes, commodity RECEIVED table

Commodity Received

HAULER NAME *	HAULER REGISTRATION NUMBER	TOTAL AMOUNT OF COMMODITY RECEIVED *	UNITS *	TONS	PTES	
-Select- ▼			-Select- ▼			REMOVE

ADD

Total Tons of Commodity Received

Total PTE of Commodity Received

Was commodity removed? [Yes, No]

If yes, commodity REMOVED table

Commodity Removed from Site:

HAULER NAME *	HAULER REGISTRATION NUMBER	TOTAL AMOUNT OF COMMODITY RECEIVED *	UNITS *	TONS	PTES	APPROVED MARKET TO WHICH COMMODITY IS DELIVERED *	
-Select- ▼			-Select- ▼				REMOVE

ADD

Total Tons Removed

Total PTE Removed

CERTIFICATION

I certify, under penalty of law, that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I further certify that I am fully authorized by the owner and/or operator of the Scrap Tire Collection Site to submit this report. Should the signatory find at any time after submittal of the requested information that any portion of the submittal certified as true is false or misleading, the signatory shall immediately notify EGLE providing any corrections, explanations, or additional information necessary.

Who has entered this information: [Check Box –Property Owner, agent of property owner, operator, agent of operator]

IF either agent is selected,

Documentation from property owner or operator that agent is authorized to sign for the owner or operator must be attached [option to upload document]

If Property owner or Operator

Electronic Signature: [text box]

Date: [calendar format]

Attachment List

Owner authorization for Agent certification [optional/voluntary]

Other [optional/voluntary]



Attachment C

MICHIGAN EGLE SCRAP TIRE COLLECTION SITE REGISTRATION

Department of Environment, Great Lakes, and Energy, Materials Management Division

This scrap tire hauler registration is issued under Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, MCL 324.16901 et seq., (NREPA) (Part 169), to register the scrap tire hauler in the state of Michigan. This registration does not obviate the necessity of obtaining other authorizations as may be required by law.

YEAR:	2021
REGISTRANT/APPLICANT NAME:	258 Tire LLC
REGISTERED AGENT/OWNER:	Conrad Miller
SITE SPECIFIC NAME:	258 Tire LLC
SITE OPERATOR:	Eric Stevens
COLLECTION SITE PHYSICAL ADDRESS:	3790 US Highway 131 N, Kalkaska, Michigan, 49646
WDS ID NUMBER:	496831
MICHIGAN CORPORATE ID NUMBER:	801751208
COUNTY:	Kalkaska
REGISTRATION NUMBER:	S-40-17-0002
ISSUE DATE:	03/18/2021
EXPIRATION DATE:	01/31/2022
CONTACT:	Eric Stevens
PHONE NUMBER:	(231) 258-8473
MAILING ADDRESS:	3790 US Highway 131 N, Kalkaska, Michigan, 49646
TYPE OF REGISTRATION:	New

This Registration is subject to revocation by the Department of Environment, Great Lakes, and Energy (Department) if the Department finds that the scrap tire collection site is not being operated in accordance with Part 169. This Registration shall be retained by the applicant during the registration period and remains the property of the Department. Failure to comply with the terms and provisions of this Registration may result in legal action leading to criminal penalties as stipulated in Part 169.

Jeff Spencer, Supervisor

Sustainable Materials Management Unit

Solid Waste Section

Materials Management Division

Department of Environment, Great Lakes, and Energy

Attachment D

SCRAP TIRE END-USER FACILITY ANNUAL REPORT

Recordkeeping is required under authority of Section 16905 of Part 169, Scrap Tires, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Failure to comply with the provisions of Part 169 may result in fines and/or imprisonment. For additional information, review [Scrap Tire Program and Contact Information](#) document, [Scrap Tire FAQ](#), or contact EGLE-ScrapTire@michigan.gov.

Note: throughout this survey the calendar year represents January 1st to December 31st. The start of the calendar year is January 1st of the previous year. The end of the calendar is December 31st of the previous year.

NOTE: Throughout this survey PTE is defined as 1 Passenger Tire Equivalent.

SCRAP TIRE CONVERSION FACTORS	
1 Passenger Tire = 1 PTE	
1 Semi Truck Tire = 5 PTE	
1 Oversized/Off-the-Road (OTR) Tire = 15 PTE	
4 Passenger Tire Sidewalls = 1 PTE	
4 Semi Sidewalls = 1 Semi Truck Tire = 5 PTE	
1 Ton	= 89 PTE (in ANY form) = 18 Semi Truck Tires = 9 Cubic Yards PTE (in ANY form) = 7 Cubic Yards Semi Truck Tires
1 Cubic Yard	= 10 PTE (in ANY form) = 2.5 Semi-Truck Tires = 40 Shredded PTE (shreds ~ 2" X 2") = 63 Crumbled PTE (20 - 30 mesh) = 0.1 Ton PTE (in ANY form) = 0.14 Ton Semi Truck Tires

EGLE MANAGED

District Office: [picklist] [Options: Bay City, Cadillac, Detroit, Gaylord, Grand Rapids, Jackson, Kalamazoo, Lansing, Marquette, Warren]

Does this applicant qualify for exemptions as an end-user?* [Yes, No]

Date of Issuance: [date field]

SCRAP TIRE END-USER METRICS

- Scrap Tires stored on site at the beginning of the calendar year (Jan 1). **EGLE will prepopulate this from your previous year's report.**
 - Whole passenger, units, whole truck, units, oversized, units, processed material: tire chips and shreds, units, Total tons, total PTE
- Whole Tires and Tire Chips Received for the ENTIRE calendar year. **The totals from this section should match the totals for Page 2 Table A.**

a. Whole passenger, units, whole truck, units, oversized, units, processed material: tire chips and shreds, units, Total tons, total PTE

3. Scrap Tires used in pursuant to a Part 55 permit OR a Part 115 Operating License

a. Whole passenger, units, whole truck, units, oversized, units, processed material: tire chips and shreds, units, Total tons, total PTE

4. Processed Tire Material and Scrap Tires Converted into a Commodity or Manufactured into Products. **The totals from this section should match the totals for Page 3 Table B.**

a. Whole passenger, units, whole truck, units, oversized, units, processed material: tire chips and shreds, units, Total tons, total PTE

5. Unprocessed Whole Tires, Tire Chips or Shreds Otherwise Removed from the Site and Properly Disposed. **The totals from this section should match the totals for Page 4 Table C.**

a. Whole passenger, units, whole truck, units, oversized, units, processed material: tire chips and shreds, units, Total tons, total PTE

6. Scrap tires, including tire material, at the end of the calendar year [auto calculated] tons

6. Scrap tires, including the tire material, at the end the calendar year [auto calculated] PTE

Total Stored and Received on site [auto calculated] Tons

Total Stored and Received on site [auto calculated] PTE

Total used toward ALL types of recycling or resource recovery [auto calculated] Tons

Total Used towards ALL types of recycling or resource recovery [auto calculated] PTE

Percent used toward recycling or resource recovery [auto calculated] % (tons)

Percent used toward recycling or resource recovery [auto calculated] % (PTE)

END-USER INFORMATION

Comment other authorized use here - Such as: TDF, ADC, etc.

Please describe [text box]

[page 2]

~~SCRAP TIRE END-USER CERTIFICATION~~ WHOLE TIRES RECIEVED

Are whole tires and/or tire chips received at the facility? [Yes, No]

If No, save and move to next page

If Yes, provide table

TABLE A: Whole Tires and Tire Chips Received for the ENTIRE calendar year (Table)

WHOLE TIRES AND TIRE CHIPS RECEIVED

	HAULER NAME *	HAULER REGISTRATION NUMBER	TOTAL WHOLE TIRES RECEIVED *	UNITS *	TOTAL PROCESSED MATERIAL: TIRE CHIPS AND SHREDS *	UNITS *	TOTAL TONS	TOTAL PTE	
1	<div></div>	<div></div>	23.665000	Tons	236.000000	Tons	259.665000	23,110	<div>REMOVE</div>
<div>ADD</div>									

Total Tires received on site during the calendar year

259.665000

TONS

Total Tires received on site during the calendar year

23,110

PTE

This is the end of page one. To go to page two select the ‘2’ in the top right corner of the screen OR click SAVE at the bottom of this survey to automatically move to page 2.

[page 4]

UNPROCESSED WHOLE TITES RECEIVED AT THE FACILITY

Are Unprocessed whole tires, tire chips or shreds otherwise removed from site and properly disposed?
[Yes, No]

- If No, save and move to next page
- If Yes, provide table

TABLE C: Unprocessed whole tires, tire chips or shreds otherwise removed from site and properly disposed

Unprocessed Whole Tires, Tire Chips or Shreds otherwise Removed from the Site and Properly Disposed

	HAULER NAME *	HAULER REGISTRATIO N NUMBER	TOTAL WHOLE TIRES REMOVED *	UNITS *	TOTAL PROCESSED MATERIAL REMOVED: TIRE CHIPS AND SHREDS *	UNITS *	TOTAL TONS	TOTAL PTE	COMPLIANT DISPOSAL SITE NAME *	COMPLIANT DISPOSAL SITE REGISTRATIO N NUMBER	COMPLIANT DISPOSAL SITE ADDRESS *	
1	-Selec	<div></div>	23.330000	Tons	232.000000	Tons	255.330000	22,724	<div></div>	<div></div>	<div></div>	<div>REMOVE</div>
<div>ADD</div>												

Total Tires converted into a commodity or manufactured into products on site during the calendar year

255.330000

TONS

Total Tires converted into a commodity or manufactured into products on site during the calendar year

22,724

PTE

PROCESSED TIRE MATERIAL

Are Processed tire material and scrap tires converted into a commodity or manufactured into products?
[Yes, No]

If No, save as draft or finalize

If Yes, provide table

TABLE B: Processed Tire Material and Scrap Tires

Processed Tire Material and Scrap Tires Converted into a Commodity or Manufactured into Products

	HAULER NAME *	HAULER REGISTRATION NUMBER *	TOTAL WHOLE TIRE DELIVERED *	UNITS *	TOTAL PROCESSED MATERIAL DELIVERED: TIRE CHIPS AND SHREDS *	UNITS *	TOTAL TONS	TOTAL PTE	PRODUCT MADE FROM TIRE MATERIAL *	MANUFACTURER CONTACT PERSON *	MANUFACTURER TELEPHONE NUMBER *	
1	<input type="text"/>	<input type="text"/>	23.330000	Tons	23.330000	Tons	46.660000	4,153	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="button" value="REMOVE"/>
<input type="button" value="ADD"/>												

Total Tires converted into a commodity or manufactured into products on site during the calendar year

46.660000

TONS

Total Tires converted into a commodity or manufactured into products on site during the calendar year

4,153

PTE

CERTIFICATION

I certify, under penalty of law, that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I further certify that I am fully authorized by the owner and/or operator of the Scrap Tire End User to submit this report. Should the signatory find at any time after submittal of the requested information that any portion of the submittal certified as true is false or misleading, the signatory shall immediately notify EGLE providing any corrections, explanations, or additional information necessary.

Who has entered this information:

Name of Applicant:

Job Title:

Electronic Signature: [text box]

Date: [calendar format]

Attachment List

Other (voluntary)

**ANALYTICS COMPOSTING FACILITY ANNUAL REPORT****Composting Facility Annual Report**

Department of Environment, Great Lakes, and Energy, Materials Management Division

Displaying data collected for: 2021

Annual reporting is required to be submitted to EGLE within 30 days after the end of each fiscal year under authority of Section 11521(4) of Part 115, Solid Waste Management, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Failure to comply with the provisions of Part 115 may result in fines and/or imprisonment. NOTE: The annual reporting period is the state's fiscal year (October 1 through September 30); and this form must be submitted to EGLE by October 30. The numbers reported in this document should be consistent with records required under Section 11521(4)(d). FOR ADDITIONAL INFORMATION, CONTACT THE DEPARTMENT OF ENVIRONMENT, GREAT LAKES AND ENERGY, MATERIALS MANAGEMENT DIVISION, SOLID WASTE SECTION, AT 517-284-6588

SITE IDENTIFICATION	
Reporting Year	October 1, 2020 to September 30, 2021
Legal Name of Company:	CITY OF GLADSTONE
Site Specific Name:	GLADSTONE COMPOST SITE
Michigan Corporate ID Number:	MUNICIPALITY
Facility Contact:	BARRY LUND
Physical Address:	29TH STREET, GLADSTONE, 49837 Michigan
FACILITY INFORMATION	
Area where compost activities are actively occurring	5.00
Total area of compost facility, including area not involved in composting	20.00

COMPOSTABLE MATERIAL RECEIVED AND DISTRIBUTED

Displaying data collected for:

2021

	CYDS	TONS
Amount of Compostable Material on-site as of October 1 of LAST YEAR	1,200.00	N/A
Compostable material brought to the site from October 1 of last year to September 30 of this year		
Aquatic Plants		
Biosolids	1,000.00	330.00
Compostable Products		
Dead animals		
Food Processing Residuals		
Food Waste		
Manure (farm)		
Manure (non-farm)		
Mixed MSW		
Paper products		
Paunch		
Solid Anaerobic Digestage		
Spent Grain from Breweries		
State or Federal Controlled Substances		
Wood		
Yard Wastes	1,200.00	396.00
Other - Fats, Oils, and Greases		
Other Materials		
Total Compostable material brought to the site from October 1 of last year to September 30 of this year	2,200.00	726.00
Number of Cubic yards of yard waste, finished compost, and other compostable material removed from the site between October 1 of last year and September 30 of this year		
Finished Compost	6,060.61	2,000.00
Unfinished Compost Material	3,030.30	1,000.00
Other		
Total Number of Cubic yards of yard waste, finished compost, and other compostable material removed from the site between October 1 of last year and September 30 of this year	9,090.91	3,000.00
Number of cubic yards of compostable material remaining on-site as of September 30 of this year		
Finished Compost	2.00	0.48
Unfinished Compost Material	0.00	0.00

Wood		
Other		
Total Number of cubic yards of compostable material remaining on-site as of September 30 of this year	2.00	0.48

Attachment F

This report would be made available for program managers only

Report Name: Composting Facility Annual Report
This report looks to this survey:

Report Generate Options:

This report generates on all survey statuses

Select Year
Select Member:
Select Status:

Select only one

Reporter Report: limit to members associated with member
all statuses

This is a header image to insert at the top left of the report----->



Above the table hardcoded text


Above the table hardcoded text

Composting Facility Annual Report

Department of Environment, Great Lakes, and Energy Materials Management Division

Annual reporting is required to be submitted to EGLE within 30 days after the end of each fiscal year under authority of Section 11521(4) of Part 115, Solid Waste Management, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Failure to comply with the provisions of Part 115 may result in fines and/or imprisonment. NOTE: The annual reporting period is the state's fiscal year (October 1 through September 30), and this form must be submitted to EGLE by October 30. The numbers reported in this document should be consistent with records required under Section 11521(4)(d).
FOR ADDITIONAL INFORMATION, CONTACT THE DEPARTMENT OF ENVIRONMENT, GREAT LAKES AND ENERGY, MATERIALS MANAGEMENT DIVISION, SOLID WASTE SECTION, AT 517-284-6588

Above the table hardcoded text



EGLE
RICHMOND DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY

Composting Facility Annual Report

Department of Environment, Great Lakes, and Energy; Materials Management Division

Annual reporting is required to be submitted to EGLE within 30 days after the end of each fiscal year under authority of Section 11521(4) of Part 115, So. Waste Management, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Failure to comply with the provisions of Part 115 may result in fines and/or imprisonment. NOTE: The annual reporting period is the state's fiscal year (October 1 through September 30), and this form must be submitted to EGLE by October 30.

The numbers reported in this document should be consistent with records required under Section 11521(4)(d).

FOR ADDITIONAL INFORMATION, CONTACT THE DEPARTMENT OF ENVIRONMENT, GREAT LAKES AND ENERGY, MATERIALS MANAGEMENT DIVISION, 500 WASTE SECTION, AT 517-284-6588

Reporting Year Legal Name of Company Site Specific Name MI Corporate ID Number Facility Contact Physical Address	<div style="text-align: center;">[October 1, #####] to [September 30, #####]</div> <p>SITE IDENTIFICATION</p> <p>[Site ID - Site Information - Legal Name of Company]</p> <p>[Site ID - Site Information - Site Specific Need]</p> <p>[Site ID - Site Information - WDS Number]</p> <p>[Site ID - Facility Contact Name - Facility Contact Name]</p> <p>[Site ID - Site Information - Physical Address - Street, City, state, zip]</p> <p>FACTORY INFORMATION</p> <p>[Facility Form - Size of composting facility - area of composting facility where active composting activities are occurring]</p> <p>[Facility Form - Size of composting facility - Total area of compost facility, including area not involved in composting]</p>
Area where compost activities are actively occurring Total area of compost facility, including area not involved in composting	<p>COMPOSTABLE MATERIAL RECEIVED AND DISTRIBUTED</p> <p>[Facility Form - Size of composting facility - area of composting facility where active composting activities are occurring]</p> <p>[Facility Form - Size of composting facility - Total area of compost facility, including area not involved in composting]</p>
Amount of Compostable Material on-site as of October 1 of LAST YEAR	<p>COMPOSTABLE MATERIAL RECEIVED AND DISTRIBUTED</p> <p>[Annual Report - Compostable Material Received and Distributed - Compostable Material on-site as of October 1 of LAST YEAR]</p>

Number of cubic yards of compostable material brought to the site from October 1 of last year to September 30 of this year Amount of compostable material brought to the site from October 1 of last year to September 30 of this year Number of Cubic yards of yard waste, finished compost, and other compostable material removed from the site between October 1 of last year and September 30 of this year Total number of cubic yards of yard waste, finished compost, and other compostable materials removed from the site between October 1 of last year and September 30 of this year Number of cubic yards of compostable material remaining on-site as of September 30 of this year	<p>[Annual Report - Compostable Material Received and Distributed - Compostable Material on-site as of October 1 of LAST YEAR - entire table]</p> <p>[Annual Report - Total CYDS of ALL materials brought on-site within the reporting period]</p> <p>[annual report - materials removed from the site within the reporting period entire table]</p> <p>[annual report - materials removed from the site within the reporting period Total CYDS of All material]</p> <p>[annual report - materials remaining on-site as of September 30 of this year material remaining on-site within the reporting period]</p>
Total number of cubic yards of compostable material brought to the site from October 1 of last year to September 30 of this year	<p>[Annual Report - Compostable Material Received and Distributed - Compostable Material on-site as of October 1 of LAST YEAR - entire table]</p>

Number of cubic yards of compostable material brought to the site from October 1 of last year to September 30 of this year	<p>[Annual Report - Compostable Material Received and Distributed - Compostable Material on-site as of October 1 of LAST YEAR - entire table]</p>
Number of cubic yards of compostable material brought to the site from October 1 of last year to September 30 of this year	<p>[Annual Report - Total CYDS of ALL materials brought on-site within the reporting period]</p>

Number of Cubic yards of yard waste, finished compost, and other compostable material removed from the site between October 1 of last year and September 30 of this year	<p>[annual report - materials removed from the site within the reporting period entire table]</p>
Total number of cubic yards of yard waste, finished compost, and other compostable materials removed from the site between October 1 of last year and September 30 of this year	<p>[annual report - materials removed from the site within the reporting period Total CYDS of All material]</p>

Number of cubic yards of compostable material remaining on-site as of September 30 of this year	<p>[annual report - materials remaining on-site as of September 30 of this year material remaining on-site within the reporting period]</p>
Number of cubic yards of compostable material remaining on-site as of September 30 of this year	<p>[annual report - materials remaining on-site as of September 30 of this year material remaining on-site within the reporting period]</p>

*this should only be available for EGLE staff to run

October will always be last year and September will always be this year

Does this report ONLY want to see CYDS? I don't see any reference to TONS throughout the whole table below.

Could we have the ability to select the units before running the analytic?

<p>unsure what is expected here. Do you want to see all rows entered on the survey here from this section?</p>	<p>this will be totals by material</p>	<p>Still unsure what is being requested. Do you want the totals by material all in one cell? Please provide an example using the materials.</p> <p>We would like each material to be its own cell.</p>
<p>unsure what is expected here. Do you want to see all rows entered on the survey here from this section?</p>	<p>Please provide an aggregate by material besides residuals</p>	
<p>there are two potential tables that can be looked at the one with finished compost etc in the table and the table with Aquatic plants etc... please confirm which table this should be looking at</p> <p>there are two potential tables that can be looked at the one with finished compost etc in the table and the table with Aquatic plants etc... please confirm which table this should be looking at</p>	<p>Please provide an aggregate by material besides residuals</p> <p>this is an aggregate total of all materials in the table</p>	



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 **071B4300150**

CONTRACTOR	EMERGE KNOWLEDGE DESIGN INC.	STATE	Program Manager	Various	EGLE
	401-250 McDermot Ave.				
	Winnipeg, MB R3B 0S5		Contract Administrator	Sarah Platte	DTMB
	Jennifer Peters			(517) 241-7000	
	204-772-7239			plattes3@michigan.gov	
	ap@emergeknowledge.com				
	CV0067009				

CONTRACT SUMMARY				
RE-TRAC CONNECT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
September 11, 2014	September 10, 2015	3 - 1 Year	September 10, 2022	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" 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 10, 2022
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$895,684.01	\$6,950.00	\$902,634.01		
DESCRIPTION				
Effective 9/21/2021, the State adds \$6,950 for the Part 175 Analytical Report Requirement configurations described in the attached statement of work.				
All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency, and DTMB Central Procurement approval.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
EGLE	Steve Noble	517-449-6153	NobleS4@michigan.gov
DTMB	Laura Brancheau	517-335-1334	BrancheauL@michigan.gov



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK FOR IT CHANGE NOTICES**

Project Title: Michigan Recycling Reporting Program Analytic	
Requesting Department: EGLE - MMD - Solid Waste	Date:
Agency Program Manager: Noble, Steven	Phone: 517-449-6153
DTMB Program Manager: Brancheau, Laura	Phone: 517-335-1334

Brief Description of Services to be provided:

BACKGROUND:

The Solid Waste Section of the Materials Management Division (MMD) is continuing its onboarding of the Re-TRAC Connect™ platform to modernize its registration, reporting, and materials management programs as required by various regulations.

Upon acceptance, this SOW would be governed by the terms and conditions of Contract 071B4300150.

PROJECT OBJECTIVE:

Configure, Quality Assure (QA), and deploy (launch) the Michigan Recycling Reporting Program analytic as outlined in Attachment A – 175 Analytical Report Requirements.

SCOPE OF WORK:

The scope of work includes the configuration of the Michigan Recycling Reporting Program analytic and subsequent QA and deployment.

1. Configuration and QA of the Michigan Recycling Reporting Program Analytic
2. Deployment (launch) of the Michigan Recycling Reporting Program analytic

PROFESSIONAL SERVICES:

Emerge Knowledge agrees to provide Professional Services to configure, QA, and deploy (launch) the Michigan Recycling Reporting Program analytic as outlined in Attachment A – 175 Analytical Report Requirements.

DELIVERABLES:

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

Deliverables for this project include the following items:

- Michigan Recycling Reporting Program analytic launched on production version of Re-TRAC Connect™ software

ACCEPTANCE CRITERIA:

Deliverables will not be considered complete until the EGLE Project Manager has formally accepted them. The following acceptance criteria apply to this project's deliverables:

1. Generate and display Michigan – Shipped To Report
 - a. Report displays volumes and shipping information for recycled materials by Reporter Name
 - b. User has the ability to select report parameters based on criteria as outlined in Attachment A
 - c. Report calculates and displays totals based on selected criteria
 - d. User has the option to download report results to .xlsx

PROJECT CONTROL AND REPORTS:

For efficiency (and to achieve cost savings while also achieving quality project control), Emerge Knowledge will report on the progress of this activity as part of its consolidated project report to the Agency and DTMB Project Managers throughout the life of this project. This report will be submitted with the billing invoice whereby this activity will be billed upon completion (deployment/launch) of the Michigan Recycling Reporting Program analytic.

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, if any, in addition to DTMB standards.

PROJECT SCHEDULE

The parties estimate the services will be provided according to the following schedule. The parties may modify this schedule by mutual agreement if needed. Completed report must be in production by 11/1/2021.

Item	Responsibility	Proposed Schedule (dates)
Configuration of draft analytic (report) according to specification in Attachment A	Contractor	Will begin promptly upon SOW approval
Review and provide feedback (in writing) of any changes required to comply with the specification in Attachment A (note: new changes not documented in the specification cannot be accommodated excepting for minor text changes) OR review and provide acceptance (in writing) that the draft analytic complies with specification in Attachment A	EGLE	Oct 11-15/21
Implement feedback (if any) and QA	Contractor	Oct 18-29/21
Deployment (after EGLE Business Hours)	Contractor	11/01/2021
Michigan Recycling Reporting Program analytic available to EGLE	Contractor	11/02/2021

PAYMENT SCHEDULE:

Contractor will invoice for Professional Services rendered at the firm fixed rate of \$6,950.00 after State has formally accepted all deliverables listed in this Statement of Work. Total cost will not exceed \$ 6,950.00. DTMB will pay Contractor upon receipt of properly completed invoice which shall be submitted to the billing address on the State issued purchase order. 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.

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Program Manager is:

Steven Noble

EGLE

Materials Management Division

Constitution Hall

525 W Allegan St Lansing, MI 48933

517-449-6153

Nobles4@michigan.gov

The designated DTMB Program Manager is:

Laura Brancheau

DTMB

Agency Services supporting EGLE, DNR, MDARD

Constitution Hall, Floor 1, North Tower

525 W Allegan St

Lansing, MI 48933

517-335-1334

BrancheauL@michigan.gov

AGENCY RESPONSIBILITIES:

EGLE (Agency) will provide staff to be available for requirements validation, project status meetings and document review.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

All services to be provided remotely from Contractor's location. Contractor is responsible for providing web conference and audio conference tools as needed to support project communication from its (remote) work location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

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

No overtime will be permitted.

Report Name:	Description:	Audience:	v2.0	9/17/2021
Michigan - Shipped To Report	Report displays all recyclable material	Program Mangers only		

Report Generation Options:					
	Field	Options	Comments	Developer Notes	Developer Notes
	Facility	One,subset,or all			
	Member Type	One, subset, or all			
	Material	One,subset,or all			
	Year	One only	Ideally go all the way back to the beginning of the program.	2016 and 2017 looked at the Annual Report and the Quarterly Report and there was no 'mandatory plus voluntary'	2018 through 2021 looks at all report surveys
	Response Status	One,subset,or all			
	In-State/Out of State	One,subset,or all	In-state or Out of State are the		
	Shipped To	One,subset,or all		There's a lot of versions and this list changes over the years. If 2016 or 2107 is chosen show only the dropdown for those years. In-state has a big list with 2 categories and out of state list	
	Reporter Type	One,subset,or all	Mandatory, Voluntary, Man Plus		
Totals			Calculate and display 'Total Tons Shipped'. Aggregate per selection		

Output:	Results of report must both display and output to XLXS. Data to be populated in individual cells. Example of how data should display in XLSX is displayed in the Report Example below.
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Report example:										
Example based on selections of Albion, ReCommunity, and Alpena Resource Recovery Facility, 2020, all other options were set	This comes from the name they used to join your program		This comes from the Recycling Reporting Registration Form							

Developer Notes:	Reporter Name	Member Type	Mandatory or Voluntary or Mandatory Plus Voluntary	Primary Material	Secondary Material	Total Tons Shipped	In-State or Out of State	Name of Shipped to Destination	Add the "IF NOT LISTED PROVIDE "SHIPPED TO" FACILITY NAME" column here	When "Other" is selected in the shipped to, include Facility Name. See example of "Other - AJ's Recycling".
	Albion Recycling Center	Drop Off Location	Voluntary	Glass	Clear Glass	3.93	In-State	Other - AJ's Recycling		
	Albion Recycling Center	Drop Off Location	Voluntary	Paper and Paper Products	Cardboard	31.72	In-State	Other - AJ's Recycling		
	Albion Recycling Center	Drop Off Location	Voluntary	Paper and Paper Products	Magazines	5.36	In-State	Other - AJ's Recycling		
	Albion Recycling Center	Drop Off Location	Voluntary	Paper and Paper Products	Mixed Paper	0.99	In-State	Other - AJ's Recycling		
	Albion Recycling Center	Drop Off Location	Voluntary	Paper and Paper Products	Newspaper	7.45	In-State	Other - AJ's Recycling		
	Albion Recycling Center	Drop Off Location	Voluntary	Paper and Paper Products	Office Paper	1.59	In-State	Other - AJ's Recycling		
	Albion Recycling Center	Drop Off Location	Voluntary	Plastic and Plastic Products	Mixed Plastic (1 thr	1.07	In-State	Other - AJ's Recycling		
	Albion Recycling Center	Drop Off Location	Voluntary	Plastic and Plastic Products	Plastic #1 (PETE)	2.64	In-State	Other - AJ's Recycling		
	Albion Recycling Center	Drop Off Location	Voluntary	Plastic and Plastic Products	Plastic #2 (HDPE Cle	1.12	In-State	Other - AJ's Recycling		
	Albion Recycling Center	Drop Off Location	Voluntary	Plastic and Plastic Products	Plastic #2 (HDPE Co	1.07	In-State	Other - AJ's Recycling		
	Albion Recycling Center	Drop Off Location	Voluntary	Ferrous Metal Including White Goods	Tin	1.25	In-State	Other - AJ's Recycling		
Secondary Material can be N/A as there are no secondary materials in the mandatory form	ReCommunity - Detroit	Material Recovery Facilit	Mandatory	Glass		12,238.64	In-State	In State Landfill		
	ReCommunity - Detroit	Material Recovery Facilit	Mandatory	Residuals	N/A	11,844.02	In-State	In State Landfill		
	ReCommunity - Detroit	Material Recovery Facilit	Mandatory	Paper and Paper Products	N/A	6,040.53	In-State	End Market User		
	ReCommunity - Detroit	Material Recovery Facilit	Mandatory	Plastic and Plastic	N/A	753.62	In-State	End Market User		
	ReCommunity - Detroit	Material Recovery Facilit	Mandatory	Ferrous Metal Including White Goods	N/A	1,474.09	In-State	Metal Processor/Scrap Metal/Salvage Yard		
	ReCommunity - Detroit	Material Recovery Facilit	Mandatory	Nonferrous Metals	N/A	88.69	In-State	Metal Processor/Scrap Metal/Salvage Yard		
	ReCommunity - Detroit	Material Recovery Facilit	Mandatory	Paper and Paper Products	N/A	34,716.17	Out of State	End Market User		
	ReCommunity - Detroit	Material Recovery Facilit	Mandatory	Plastic and Plastic	N/A	5,031.89	Out of State	End Market User		

	ReCommunity - Detroit	Material Recovery Facility	Mandatory	Ferrous Metal Including White Goods	N/A	1,099.10	Out of State	Metal Processor/Scrap Metal/Salvage Yard		
	ReCommunity - Detroit	Material Recovery Facility	Mandatory	Nonferrous Metals	N/A	246.35	Out of State	Metal Processor/Scrap Metal/Salvage Yard		
For title use: "Mandatory Plus - Mandatory Section" or "Mandatory Plus - Voluntary Section". The materials can be categorized the same as they would be for Mandatory or Voluntary reporters.	Alpena Resource Recovery Facility	Material Recovery Facility		Plastic and Plastic	N/A	18.00	In-State	Emmet County Recycling		
	Alpena Resource Recovery Facility	Material Recovery Facility	Mandatory Plus Voluntary	Household Hazardous Waste	Light Bulbs - Other	0.02	In-State	End Market User		
	Alpena Resource Recovery Facility	Material Recovery Facility	Mandatory Plus Voluntary	Household Hazardous Waste	Batteries - Lead Acid	1.48	In-State	Metal Processor/Scrap Metal/Salvage Yard		
	Alpena Resource Recovery Facility	Material Recovery Facility	Mandatory Plus Voluntary	Tires	Tractor Tires	16.88	In-State	End Market User		
	Alpena Resource Recovery Facility	Material Recovery Facility	Mandatory Plus Voluntary	Tires	Passenger Tires	22.50	In-State	End Market User		
	Alpena Resource Recovery Facility	Material Recovery Facility	Mandatory Plus Voluntary	Tires	Semi Truck Tires	24.75	In-State	End Market User		
	Alpena Resource Recovery Facility	Material Recovery Facility	Mandatory Plus Voluntary	Tires	Pick up Truck Tires	28.13	In-State	End Market User		
	Alpena Resource Recovery Facility	Material Recovery Facility	Mandatory Plus Voluntary	Household	Mattresses and Box	0.29	In-State	Bay Area Recycling for Charities		
If in the ManPlusVol survey they also enter data into the Mandatory section, display in this section. This data is a mocked up sample.	Alpena Resource Recovery Facility	Material Recovery Facility	Mandatory	Tires	Pick up Truck Tires	28.13	In-State	End Market User		
	Alpena Resource Recovery Facility	Material Recovery Facility	Mandatory	Household	Mattresses and Box	0.29	In-State	Bay Area Recycling for Charities		
	Total Tons					73703.34				



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 071B4300150

CONTRACTOR	EMERGE KNOWLEDGE DESIGN INC.	STATE	Program Manager	Various	EGLE
	401-250 McDermot Ave.				
	Winnipeg, MB R3B 0S5		Contract Administrator	Sarah Platte	DTMB
	Jennifer Peters			(517) 241-7000	
	204-772-7239			plattes3@michigan.gov	
	ap@emergeknowledge.com				
	CV0067009				

CONTRACT SUMMARY				
RE-TRAC CONNECT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE
September 11, 2014	September 10, 2015	3 - 1 Year		September 10, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING
<input type="checkbox"/> P-Card		<input type="checkbox"/> PRC	<input type="checkbox"/> Other	<input type="checkbox"/> Yes <input checked="" 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 checked="" type="checkbox"/>	1 Year	September 10, 2022
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$743,784.01		\$151,900.00	\$895,684.01	
DESCRIPTION				
Effective 9/7/2021, the parties extend the contract to September 10, 2022 with options to September 10, 2026. The parties reserve the right to negotiate additional renewal options, including any associated terms, up through September 10, 2031. The parties revise and fully restate the contract per the attached terms and schedules. The State Contract Administrator is changed to Sarah Platte. Per DTMB contractor and agency agreement, DTMB Central Procurement Services approval, and the State Administrative Board approval on 9/26/2019.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
EGLE	Steve Noble	517-449-6153	NobleS4@michigan.gov
DTMB	Laura Brancheau	517-335-1334	BrancheauL@michigan.gov

STATE OF MICHIGAN

SOFTWARE TERMS AND CONDITIONS

These Terms and Conditions, together with all Schedules (including the Statement(s) of Work), Exhibits and any other applicable attachments or addenda (collectively this “**Contract**”) are agreed to between the State of Michigan (the “**State**”) and Emerge Knowledge Design Inc. (“**Contractor**”), a Manitoba, Canada corporation with offices located at 401-250 McDermot Avenue, Winnipeg, Manitoba, Canada, R3B 0S5. This Contract is effective on September 11, 2021 (“**Effective Date**”), and unless terminated, will expire on September 10, 2022 (the “**Term**”).

This Contract may be renewed for up to four additional years (through September 10, 2026). Renewal is at the sole discretion of the State and will automatically extend the Term of this Contract. The State will document its exercise of renewal options via Contract Change Notice. The parties reserve the right to negotiate additional renewal options, including any associated terms, up through September 10, 2031.

1. **Definitions.** For the purposes of this Contract, the following terms have the following meanings:

“**Acceptance**” has the meaning set forth in **Section 9**.

“**Acceptance Tests**” means such tests as may be conducted in accordance with **Section 9.1** and a Statement of Work to determine whether the Software meets the requirements of this Contract and the Documentation.

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, the term “control” (including the terms “controlled by” and “under common control with”) means the direct or indirect ownership of more than fifty percent (50%) of the voting securities of a Person.

“**Allegedly Infringing Materials**” has the meaning set forth in **Section 18.2(b)**.

“**Authorized Users**” means all Persons authorized by the State to access and use the Software under this Contract, subject to the maximum number of users specified in the applicable Statement of Work. The term Authorized User does not include a Reporting Entity or a Reporting Entity User.

“**Business Day**” means a day other than a Saturday, Sunday or other day on which the State or Contractor is authorized or required by law to be closed for business. Days in the Province of Manitoba when the Contractor will be closed for business include New Year’s Day (January 1), Louis Riel Day (3rd Monday in February), Good Friday (Friday in April prior to Easter Sunday), Victoria Day (the Monday preceding May 25), Canada Day (July 1), August Civic Holiday (1st Monday in August), Labour Day (1st Monday in September), Thanksgiving Day (2nd Monday of October), Remembrance Day (November 11), Christmas Day (December 25) and Boxing Day (December 26).

“**Change**” has the meaning set forth in **Section 2.2**.

“**Change Notice**” has the meaning set forth in **Section 2.2(b)**.

“**Change Proposal**” has the meaning set forth in **Section 2.2(a)**.

“**Change Request**” has the meaning set forth in **Section 2.2**.

“**Confidential Information**” has the meaning set forth in **Section 22.1**.

"Configuration" means State-specific changes made to the Software without Source Code or structural data model changes occurring.

"Contract" has the meaning set forth in the preamble.

"Contract Administrator" is the individual appointed by each party to (a) administer the terms of this Contract, and (b) approve any Change Notices under this Contract. Each party's Contract Administrator will be identified in a Statement of Work.

"Contractor" has the meaning set forth in the preamble.

"Contractor Hosted" means the Hosted Services provided by Contractor

"Contractor Personnel" means all employees of Contractor involved in the performance of Services hereunder.

"Contractor Project Manager" means the individual appointed by Contractor and identified in a Statement of Work to serve as the primary contact with regard to Services, to monitor and coordinate the day-to-day activities of this Contract, and to perform other duties as may be further defined in this Contract, including an applicable Statement of Work.

"Deliverables" means the Software, and all other documents and other materials that Contractor is required to or otherwise does provide to the State under this Contract and otherwise in connection with any Services, including all items specifically identified as Deliverables in a Statement of Work.

"Documentation" means all user manuals, operating manuals, technical manuals and any other instructions, specifications, documents or materials, in any form or media, that describe the functionality, testing, operation, use, maintenance, support, technical or other components, features or requirements of the Software and/or the Services.

"DTMB" means the Michigan Department of Technology, Management and Budget.

"Effective Date" has the meaning set forth in the preamble.

"Fees" means the fees set forth in the Pricing Schedule attached as **Schedule B**.

"Financial Audit Period" has the meaning set forth in **Section 23.1**.

"Harmful Code" means any software, hardware or other technologies, devices or means, the purpose or effect of which is to: (a) permit unauthorized access to, or to destroy, disrupt, disable, encrypt, modify, copy, or otherwise harm or impede in any manner, any (i) computer, software, firmware, data, hardware, system or network, or (ii) any application or function of any of the foregoing or the integrity, use or operation of any data Processed thereby; or (b) prevent the State or any Authorized User from accessing or using the Services as intended by this Contract, and includes any virus, bug, trojan horse, worm, backdoor or other malicious computer code and any time bomb or drop dead device.

"Hosted Service" means the hosting, management and operation of the Operating Environment and Software, for remote electronic access to the Software and use by the State and its Authorized Users, including related to disaster recovery obligations.

"Intellectual Property Rights" means 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 associated goodwill; (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.

“Key Personnel” means any Contractor Personnel identified as key personnel in the Contract.

“Loss or Losses” means all losses, including but not limited to, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the costs of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

“Maintenance Release” means any update, upgrade, release or other adaptation or modification of the Software, including any updated Documentation, that Contractor may generally provide to its customers or licensees from time to time during the Term, 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.

“New Version” means any new version of the Software, including any updated Documentation, that the Contractor may from time to time introduce, as may be indicated by Contractor's designation of a new version number.

“Nonconformity” or “Nonconformities” means any failure or failures of the Software to conform to the requirements of this Contract, including any applicable Documentation.

“Open-Source Components” means any software component that is subject to any open-source copyright license agreement, including any GNU General Public License or GNU Library or Lesser Public License, or other obligation, restriction or license agreement that substantially conforms to the Open Source Definition as prescribed by the Open Source Initiative or otherwise may require disclosure or licensing to any third party of any source code with which such software component is used or compiled.

“Operating Environment” means, collectively, the platform, environment and conditions on, in or under which the Software is intended to be installed and operate, as set forth in a Statement of Work, including such structural, functional and other features, conditions and components as hardware, operating software, system architecture, configuration, computing hardware, ancillary equipment, networking, software, firmware, databases, data, and electronic systems (including database management systems).

“PAT” means a document or product accessibility template, including any Information Technology Industry Council Voluntary Product Accessibility Template or VPAT®, that specifies how information and software products, such as websites, applications, software and associated content, conform to WCAG 2.1 Level AA.

“Permitted Third Party Components” means all third party components, including Open-Source Components, that are included in or used in connection with the Software, that have been disclosed to the State by Contractor as required by the State's Security Accreditation Process defined in **Schedule E – Data Security Schedule** and that form part of the Software that is made available by Contractor to all of its other customers of the Software pursuant to Contractor's 'Software as a Service' business model.

“Person” means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association or other entity.

“Pricing Schedule” means the schedule attached as **Schedule B**.

“Process” means to perform any operation or set of operations on any data, information, material, work, expression or other content, including to (a) collect, receive, input, upload, download, record, reproduce, store, organize, combine, log, catalog, cross-reference, manage, maintain, copy, adapt, alter, translate or make other

improvements or derivative works, (b) process, retrieve, output, consult, use, disseminate, transmit, submit, post, transfer, disclose or otherwise provide or make available, or (c) block, erase or destroy. **"Processing"** and **"Processed"** have correlative meanings.

"Representatives" means a party's employees, officers, directors, partners, shareholders, agents, attorneys, successors and permitted assigns.

"Reporting Entity" means a third-party entity, for which an individual is authorized to act on its behalf (a Reporting Entity User) and uses the Software via an account for which they independently register, that is approved by the State to submit data or other information to the State's configurable program(s) within the Software. A Reporting Entity may use a limited no fee Software account or be a direct customer of Contractor and is not considered a State Authorized User and is not party to this Contract.

"Services" means any of the services, including the Hosted Service, Contractor is required to or otherwise does provide under this Contract.

"Service Level Agreement" means the schedule attached as **Schedule D**, setting forth the Support Services Contractor will provide to the State, and the parties' additional rights and obligations with respect thereto.

"Software" means Contractor's proprietary Re-TRAC Connect™ software, which for purposes of this Contract the Software is not considered to be an official State-owned .gov application, including Source Code and any Maintenance Releases or New Versions, which is/are provided by Contractor to its customers (including the State) pursuant to a 'Software as a Service' business model, including any Configurations made by or for the State pursuant to this Contract.

"Source Code" means the human readable source code of the Software to which it relates, in the programming language in which the Software was written, together with all related flow charts and technical documentation, including a description of the procedure for generating object code, all of a level sufficient to enable a programmer reasonably fluent in such programming language to understand, build, operate, support, maintain and develop modifications, upgrades, updates, adaptations, enhancements, new versions and other derivative works and improvements of, and to develop computer programs compatible with, the Software.

"State" means the State of Michigan.

"State Data" has the meaning set forth in **Section 21.1**.

"State Materials" means all materials and information, including documents, data, and trademarks and/or servicemarks, directly provided to Contractor by or on behalf of the State in connection with this Contract.

"State Program Managers" are the individuals appointed by the State, or their designees, to (a) monitor and coordinate the day-to-day activities of this Contract; (b) co-sign off on Acceptance of the Deliverables; and (c) perform other duties as may be specified in a Statement of Work. Program Managers will be identified in a Statement of Work.

"State Systems" means the information technology infrastructure, including the computers, software, databases, electronic systems (including database management systems) and networks, of the State or any of its designees.

"Statement of Work" means any statement of work entered into by the parties and incorporated into this Contract. The initial Statement of Work is attached as **Schedule A**.

"Stop Work Order" has the meaning set forth in **Section 15**.

“Support Services” means the Software maintenance and support services Contractor is required to or otherwise does provide to the State under the Service Level Agreement.

“Term” has the meaning set forth in the preamble.

“Testing Period” has the meaning set forth in **Section 9.1(b)**.

“Transition Period” has the meaning set forth in **Section 16.3**.

“Transition Responsibilities” has the meaning set forth in **Section 16.3**.

“Unauthorized Removal” has the meaning set forth in **Section 2.5(b)**.

“Unauthorized Removal Credit” has the meaning set forth in **Section 2.5(c)**.

“User Data” means all data, information and other content of any type and in any format, medium or form, whether audio, visual, digital, screen, GUI or other, that is input, uploaded to, placed into or collected, stored, Processed, generated or output by any device, system or network by or on behalf of the State, including any and all works, inventions, data, analyses and other information and materials resulting from any use of the Software by or on behalf of the State under this Contract, except that User Data does not include the Software or data, information or content, including any GUI, audio, visual or digital or other display or output, that is generated automatically upon executing the Software without additional user input, without the inclusion of user derived information or additional user input. For greater certainty, a Reporting Entity that reports to the State could also be a direct customer of Contractor in a manner that has nothing to do with the State and/or a customer of a different direct customer of Contractor. In any such event, no portion of this definition of ‘User Data’ applies to any data, information and/or other content of that Reporting Entity that relates to such direct relationship between Contractor and that Reporting Entity and/or to any such direct relationship between Contractor and that other direct customer.

“WCAG 2.1 Level AA” means level AA of the World Wide Web Consortium Web Content Accessibility Guidelines version 2.1.

2. Duties of Contractor. Contractor will provide Services and Deliverables pursuant to Statement(s) of Work entered into under this Contract. Contractor will provide all Services and Deliverables in a timely, professional manner and in accordance with the terms, conditions, and specifications set forth in this Contract and the Statement(s) of Work.

2.1 Statement of Work Requirements. No Statement of Work will be effective unless signed by each party's Contract Administrator. The term of each Statement of Work will commence on the parties' full execution of a Statement of Work and terminate when the parties have fully performed their obligations. The terms and conditions of this Contract will apply at all times to any Statements of Work entered into by the parties and incorporated into this Contract. The State will have the right to terminate such Statement of Work as set forth in **Section 16**. Contractor acknowledges that time is of the essence with respect to Contractor's obligations under each Statement of Work and agrees that prompt and timely performance of all such obligations in accordance with this Contract and the Statements of Work is strictly required.

2.2 Change Control Process. The State may at any time request in writing (each, a **“Change Request”**) changes to a Statement of Work, including changes to the Services (each, a **“Change”**). Upon the State's submission of a Change Request, the parties will evaluate and implement all Changes in accordance with this **Section 2.2**.

(a) As soon as reasonably practicable, and in any case within twenty (20) Business Days following receipt of a Change Request, Contractor will analyze each Change Request and provide the State with a written proposal for implementing the requested Change (**“Change Proposal”**), setting forth:

- (i) a written description of the proposed Changes that the State is interested in receiving, and that Contractor is willing to provide, and
- (ii) any additional State resources Contractor deems necessary to carry out such Changes; and
- (iii) any increase or decrease in Fees resulting from the proposed Changes, which increase or decrease will reflect only the increase or decrease in time and expenses Contractor requires to carry out the Change.

(b) Within thirty (30) Business Days following the State's receipt of a Change Proposal, the State will by written email notice to Contractor, approve, reject, or propose modifications to such Change Proposal. If the State proposes modifications, Contractor must modify and re-deliver the Change Proposal reflecting such modifications, or notify the State of any disagreement, in which event the parties will negotiate in good faith to resolve their disagreement. Upon the State's approval of the Change Proposal or the parties' agreement on all proposed modifications, as the case may be, the parties will execute a written agreement to the Change Proposal ("**Change Notice**"), which Change Notice will be signed by the State's Contract Administrator and will constitute an amendment to a Statement of Work to which it relates; and

(c) If the parties fail to enter into a Change Notice within fifteen (15) Business Days following the State's response to a Change Proposal, the State may, in its discretion:

- (i) require Contractor to perform the Services under a Statement of Work without the Change;
- (ii) require Contractor to continue to negotiate a Change Notice;
- (iii) initiate a Dispute Resolution Procedure; or
- (iv) notwithstanding any provision to the contrary in a Statement of Work, terminate this Contract under **Section 16.1**.

(d) No Change will be effective until the parties have executed a Change Notice. Except as the State may request in its Change Request or otherwise in writing, Contractor must continue to perform its obligations in accordance with a Statement of Work pending negotiation and execution of a Change Notice. Contractor will use its best efforts to limit any delays or Fee increases from any Change to those necessary to analyze and perform the Change in accordance with the applicable Change Notice. Each party is responsible for its own costs and expenses of preparing, evaluating, negotiating, and otherwise processing any Change Request, Change Proposal, and Change Notice.

(e) Contractor may, on its own initiative and at its own expense, prepare and submit its own Change Request to the State. However, the State will be under no obligation to approve or otherwise respond to a Change Request initiated by Contractor.

2.3 Contractor Personnel.

(a) Contractor is solely responsible for all Contractor Personnel and for the payment of their compensation, including, if applicable, withholding of income taxes, and the payment and withholding of social security and other payroll taxes, unemployment insurance, workers' compensation insurance payments and disability benefits.

(b) Prior to any Contractor Personnel performing any Services, Contractor will:

- (i) ensure that such Contractor Personnel have the legal right to work in the United States or Canada, as applicable;
- (ii) as specified in a Statement of Work, perform background checks on all Contractor Personnel prior to their assignment. Contractor is responsible for all costs associated with the requested

background checks performed by Contractor and documentation must, upon request, be provided to the State. The State, in its sole discretion, may also perform background checks on Contractor Personnel. Pursuant to Michigan law, all agencies subject to IRS Pub. 1075 are required to ask the Michigan State Police to perform fingerprint background checks on all employees, including Contractor and subcontractor employees, who may have access to any database of information maintained by the federal government that contains confidential or personal information, including, but not limited to, federal tax information. Further, pursuant to Michigan law, any agency described above is prohibited from providing Contractors or subcontractors with the result of such background check. For more information, please see Michigan Public Act 427 of 2018.

(c) Contractor and all Contractor Personnel will comply with all rules, regulations, and policies of the State that are communicated to Contractor in writing, including security procedures concerning systems and data and remote access, building security procedures, including the restriction of access by the State to certain areas of its premises or systems, and general health and safety practices and procedures.

(d) The State reserves the right to require the removal of any Contractor Personnel found, in the reasonable judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and Contractor cannot immediately replace the removed personnel, the State agrees to negotiate an equitable adjustment in schedule or other terms that may be affected by the State's required removal.

2.4 Contractor Project Manager. Throughout the Term of this Contract, Contractor must maintain a Contractor employee acceptable to the State to serve as Contractor Project Manager. Contractor Project Manager will be identified in a Statement of Work.

(a) Contractor Project Manager must:

- (i) have the requisite authority, and necessary skill, experience, and qualifications, to perform in such capacity;
- (ii) be responsible for overall management and supervision of Contractor's performance under this Contract; and
- (iii) be the State's primary point of contact for communications with respect to this Contract, including with respect to giving and receiving all day-to-day approvals and consents.

(b) Contractor Project Manager must attend all regularly scheduled meetings as set forth in any implementation plan contained in a Statement of Work and will otherwise be available as set forth in a Statement of Work.

(c) Contractor will maintain the same Contractor Project Manager throughout the Term of this Contract, unless:

- (i) the State, pursuant to **Section 2.3(d)**, requests in writing the removal of Contractor Project Manager; or
- (ii) Contractor Project Manager ceases to be employed by Contractor, whether by resignation, involuntary termination or otherwise.

(d) Contractor will promptly replace its Contractor Project Manager on the occurrence of any event set forth in **Section 2.4(c)**. Such replacement will be subject to the State's prior written approval.

2.5 Contractor's Key Personnel

(a) The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State Program Managers or their designees, and 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, acting reasonably, finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.

(b) Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("**Unauthorized Removal**"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under **Section 16.1**.

(c) It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to determine and remedy the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 16**, Contractor will issue to the State an amount equal to \$25,000 per individual (each, an "**Unauthorized Removal Credit**").

(d) Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed under **Subsection 2.4(c)** above: (i) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the Unauthorized Removal, which would be impossible or very difficult to accurately estimate; and (ii) may, at the State's option, be credited or set off against any Fees or other charges payable to Contractor under this Contract.

2.6 Subcontractors. Contractor must provide the State with prior written notice before engaging any subcontractor that will provide Services to the State under this Contract. Failure to provide such notice will constitute a material breach of the Contract. Engagement of any subcontractor by Contractor does not relieve Contractor of its representations, warranties or obligations under this Contract. Without limiting the foregoing, Contractor will:

(a) be responsible and liable for the acts and omissions of each subcontractor to the same extent as if such acts or omissions were by Contractor;

(b) be responsible for all fees and expenses payable to, by or on behalf of each subcontractor in connection with this Contract; and

(c) notify the State of the location of each subcontractor and indicate if it is located within the continental United States or Canada.

3. Notices. All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:	If to Contractor: Emerge Knowledge Design Inc.
Sarah Platte 525 W. Allegan, 1 st Floor Lansing, MI 48933 plattes3@michigan.gov (517) 219-2406	c/o Jennifer Peters, Administrative Officer 401-250 McDermot Avenue Winnipeg, MB, Canada, R3B 0S5 jen@emergeknowledge.com 1-888-600-3907 ext. 805 (toll free)

4. Insurance. Contractor must maintain the minimum insurances identified in the Insurance Schedule attached as **Schedule C**.

5. Software License.

5.1 Software License.

(a) Contractor hereby grants to the State, exercisable by and through its Authorized Users, a nonexclusive, royalty-free, irrevocable right and license during the Term and such additional periods, if any, as Contractor is required to perform Services under this Contract or any Statement of Work, to:

(i) access and use the Software, including in operation with other software, hardware, systems, networks and services for the State's business purposes pursuant to this Contract, including for Processing State Data,

(iii) prepare, reproduce, print, download and use a reasonable number of copies of the specifications and Documentation for any use of the Software under this Contract; and

(iv) access and use the Software for all such non-production uses and applications as may be necessary or useful for the effective use of the Software hereunder, including for purposes of analysis, configuration, testing, and training, which access and use will be without charge and not included for any purpose in any calculation of the State's or its Authorized Users' use of the Software, including for purposes of assessing any Fees or other consideration payable to Contractor or determining any excess use of the Software as described in **Section 5.2(c)** below

(b) License Restrictions. The State will not: (i) rent, lease, lend, sell, sublicense, assign, copy, distribute, publish, transfer or otherwise make the Software available to any third party, except as expressly permitted by this Contract or in any Statement of Work; (ii) use or authorize the use of the Software or Documentation in any manner or for any purpose that is unlawful under applicable Law; (iii) use the Software to store or transmit any data or other content that may infringe upon or misappropriate someone else's trademark, copyright, trade secret or other intellectual property right, or that may be tortious or unlawful; (iv) post or send spam, unsolicited communications, promotions or advertisements, or use contact or other user information obtained from the Software (including email addresses) to contact users outside of the Software without their express permission or authority or to create or distribute mailing lists or other collections of contact or user profile information for use outside of the Software; (v) upload to, or transmit from, the Software any data, file, software, or link that contains or redirects to a virus, Trojan horse, worm, or other harmful component or a technology that unlawfully accesses or downloads content or information stored within the Software or on the hardware of Contractor or a third party; (vi) attempt to reverse engineer, decompile, hack, disable, interfere with, disassemble, modify, copy, translate, or disrupt the features, functionality, integrity, or performance of the Services (including any mechanism used to restrict or control the functionality of the Services), any third party use of the Services, or any third party data or other content contained therein; (vii) attempt to gain unauthorized access to the Software or related systems or networks or to defeat, avoid, bypass, remove, deactivate, or otherwise circumvent protection or monitoring mechanisms of the Software; (viii) access the Software in order to build a similar or competitive product or service or copy any ideas, features, functions, or graphics of the Software; or (ix) authorize, permit, enable, induce or encourage any third party to do any of the above. The State agrees that all of these restrictions shall apply to its Authorized Users, and that it will be responsible for any breach of any of these restrictions by Authorized Users.

(c) Use. The State will pay Contractor the corresponding Fees set forth in a Statement of Work or Pricing Schedule for all Authorized Users access and use of the Software. Such Fees will be Contractor's sole and exclusive remedy for authorized use of the Software, including any excess use.

The State will be responsible for ensuring that Authorized Users maintain the confidentiality of account login credentials (the combination of account work email address and password is herein called "**Login Credentials**") and shall be solely responsible for all activities that occur using the Login Credentials and corresponding accounts issued to Authorized Users of the State, and for any breach of Contractor's Acceptable Use Policy by any Authorized User. The State will promptly notify Contractor of any known unauthorized use of any Login Credentials or other breach of security of which the State becomes aware.

The State will be responsible for authorizing permission, suspension, or termination of an Authorized User's access to the Software and for authorizing, suspending, or terminating each Reporting Entity's access to the State's configurable program(s) in the Software. In particular, State will: (a) inform all Authorized Users and all Reporting Entities of State policies and/or authority that is relevant to State's use of the Hosted Service and the processing of State Data (for example, State's statutory authority to collect specific program data); and (b) Contractor will not be responsible to obtain any necessary rights, permissions or consents from each Authorized User and from each Reporting Entity for the lawful use and transmission across any jurisdiction boundary(s) of State Data within the Hosted Service.

The State will be responsible for the legality, reliability, integrity, accuracy, and quality of its Authorized User's User Data, which is included in State Data, while using the Software. Contractor is not responsible in any manner whatsoever for the content of the State Data, including User Data, or the way in which the State, any Authorized User, or any Reporting Entity chooses to use the Hosted Service such as to enter, collect, submit, store, process, display, delete, download or export State Data.

The State may retrieve certain State Data stored in the Software using the standard retrieval mechanisms available to the State in the Software; specifically, survey response data may be downloaded and exported to XLS, CSV, and PDF, user contact information may be downloaded and exported to XLS, directory listings may be downloaded and exported to XLS, material transaction data may be downloaded and exported to XLS, and State files may be downloaded in the format in which they were uploaded in the Software. Messages sent and/or received by State's Authorized User(s) within the Software cannot be retrieved (downloaded and/or exported) from the Software; however, a copy of each message sent by an Authorized User in the Message Center in the Software is sent to the account work email address of the Authorized User; reports may be viewed online and may be exported by the State to XLS or PDF however the Software does not provide the functionality to save generated reports.

The State is solely responsible for providing high speed internet service and modern browsers that successfully display a web application for its Authorized Users, and for advising its Reporting Entities to visit the Contractor's website for the purpose of reviewing and complying with the that Contractor recommends, to access and use the Software. The Software is not designed, tested, and/or intended for use on mobile devices.

5.2 Certification. To the extent that a license granted to the State is not unlimited, Contractor may request written certification from the State regarding use of the Software for the sole purpose of verifying compliance with this **Section 5**. Such written certification may occur no more than once in any twenty four (24) month period during the Term of the Contract. The State will respond to any such request within 45 calendar days of receipt. If the State's use is greater than contracted, Contractor may invoice the State for any unlicensed use (and related support) pursuant to the terms of this Contract at the rates set forth in **Schedule B**, and the unpaid license and support fees shall be payable in accordance with the terms of the Contract. Payment under this provision shall be Contractor's sole and exclusive remedy to cure these issues.

5.3 State License Grant to Contractor. The State hereby grants to Contractor a limited, non-exclusive, non-transferable license (i) to use the State's (or individual agency's, department's or division's) name, trademarks, service marks or logos, solely in accordance with the State's specifications, and (ii) to display, reproduce, distribute and transmit in digital form the State's (or individual agency's, department's or division's) name, trademarks, service marks or logos in connection with promotion of the Services as communicated to Contractor by the State. Use of the State's (or individual agency's, department's or division's) name, trademarks, service marks or logos will be specified

in the applicable Statement of Work. Contractor is provided a limited license to State Materials for the sole and exclusive purpose of providing the Services.

Subject to the terms and conditions of this Contract (including **Section 21.3**), the State grants Contractor a worldwide, non-exclusive license to access, use, modify, delete, process, host, copy, export, display, and disclose State Data only as reasonably necessary to provide the Hosted Service, Deliverables, and fulfilling any other associated Contractual requirements, in accordance with the Statement of Work.

6. Permitted Third Party Components. At least 15 days prior to adding new Permitted Third Party Components, Contractor will provide the State with notification information identifying and describing the addition. Throughout the Term, on an annual basis, Contractor will provide updated information identifying and describing any Permitted Third Party Components included in the Software.

7. Intellectual Property Rights

7.1 Ownership Rights

Subject to the rights and licenses granted by Contractor in this Contract and the provisions of **Section 7.1(c)**:

(a) Contractor has, reserves and retains sole and exclusive ownership of all right, title and interest in and to the Hosted Service and the Software and in and to all Intellectual Property Rights arising out of or relating to the Hosted Service and the Software;

(b) Neither the State, nor any of its Authorized Users, acquires any ownership of the Hosted Service or the Software or of any Intellectual Property Rights in or to the Hosted Service or the Software as a result of this Contract; and

(c) Contractor owns and will continue to own the Hosted Service and the Software and will own and will continue to own (or is and will continue to be an authorized licensee) all other software that Contractor utilizes to provide the Services (including any report templates generated by the Software and the methodology that produces such reports), together with all modifications, enhancements, and updates to the Software and/or to such software, as well as all related documentation, and any and all Intellectual Property Rights therein or thereto that are not owned by a third party licensor of any such software, documentation or intellectual property right. Without limiting the generality of the foregoing, the content, organization, graphics, design, compilation, digital conversion and other matters related to the Hosted Service, to the Software, to such other software and/or to such documentation are protected under applicable Intellectual Property Rights, which are owned by Contractor or any such third party licensor. The copying, redistribution, use, or publication by the State of any such matters, except as expressly allowed by the terms of this Contract, is strictly prohibited. Any and all rights not expressly granted by this Contract to the State are hereby retained by Contractor.

Trademarks and service marks that appear in the Software that are not owned by Contractor are the property of their respective owners. Subject to the rights and licenses granted by the State in this Contract and the provisions of this paragraph, the State has, reserves and retains, sole and exclusive ownership of all right, title and interest in and to State Materials, and User Data, including all Intellectual Property Rights arising therefrom or relating thereto. The State has no ownership rights in the Software, the Hosted Service or any other software contemplated in Section 7.1(c). State Materials does not include survey and/or report specifications and shall not prevent Contractor from independently developing surveys and/or reports for any other customer, nor shall it prevent or restrict Contractor from allowing another customer to use any data field in the Software and/or in the Services that such customer wishes to use

8. **Reserved.**

9. **Software Acceptance Testing.**

9.1 Acceptance Testing.

- (a) Unless otherwise specified in a Statement of Work, or in the case of Contractor Hosted Software, when Contractor notifies the State in writing that the Hosted Services are ready for use in a testing environment, Acceptance Tests will be conducted as set forth in this **Section 9** to ensure the Software conforms to the requirements of this Contract, including the applicable Specifications and Documentation.
- (b) All Acceptance Tests will be conducted diligently for such period as may be set forth in a Statement of Work (the "**Testing Period**"). Acceptance Tests will be conducted by the party responsible as set forth in a Statement of Work or, if a Statement of Work does not specify, the State, provided that:
 - (i) for Acceptance Tests conducted by the State, if requested by the State, Contractor will make Contractor Project Manager available to remotely observe or participate in such Acceptance Tests; and
 - (ii) for Acceptance Tests conducted by Contractor, the State has the right to observe or participate, at the State's sole cost and expense, in all or any part of such Acceptance Tests.

9.2 The State may suspend Acceptance Tests and the corresponding Testing Period by written notice to Contractor if the State discovers a material Non-Conformity in the tested Software or part of a feature in the Software. In such event, Contractor will immediately, and in any case within ten (10) Business Days, correct such Non-Conformity, whereupon the Acceptance Tests and Testing Period will resume for the balance of the Testing Period.

9.3 **Notices of Completion, Non-Conformities, and Acceptance.** Within three (3) Business Days following the completion of any Acceptance Tests by the State, the State will prepare and provide to the Contractor Project Manager a written project communication via email of the completion of the tests. Such communication must include a report describing in reasonable detail the tests conducted and the results of such tests, including any uncorrected Non-Conformity in the tested Software.

- (a) If such project communication is provided by either party and identifies any Non-Conformities, the parties' rights, remedies, and obligations will be as set forth in **Section 9.4** and **Section 9.5**.
- (b) If such project communication is provided by the State, is sent by the State Program Managers or their designees and identifies no Non-Conformities, such notice constitutes the State's Acceptance of such Software.
- (c) If such notice is provided by Contractor and identifies no Non-Conformities, the State will have thirty (30) Business Days to use the Software in the Operating Environment and determine, in the exercise of its sole discretion, whether it is satisfied that the Software contains no Non-Conformities, on the completion of which the State will, as appropriate:
 - 1 Notify Contractor in writing of Non-Conformities the State has observed in the Software and of the State's non-acceptance thereof, whereupon the parties' rights, remedies and obligations will be as set forth in **Section 9.4** and **Section 9.5**; or
 - 2 Provide Contractor with a written notice of its Acceptance of such Software, which must be signed by the State Program Managers or their designees.

9.4 **Failure of Acceptance Tests.** If Acceptance Tests identify any Non-Conformities, Contractor, at Contractor's sole cost and expense, will remedy all such Non-Conformities and re-deliver the Software, in accordance with the requirements set forth in a Statement of Work excepting that changes to survey and/or report requirements, or other requirements, identified and requested by the State during the Acceptance Testing Period do not qualify as Non-Conformities and such requested changes, if any, will not be at Contractor's cost. Redelivery will occur as promptly as commercially possible and, in any case, within thirty (30) Business Days following, as applicable, Contractor's:

- a) completion of such Acceptance Tests, in the case of Acceptance Tests conducted by Contractor; or
- b) receipt of the State's project communication email under **Section 9.1(a)** or **Section 9.3(c)(i)**, identifying any Non-Conformities.

9.5 Repeated Failure of Acceptance Tests. If Acceptance Tests identify any Non-Conformity in the Software after a second or subsequent delivery of the Software, or Contractor fails to re-deliver the Software on a timely basis, the State may, in its sole discretion, by written notice to Contractor:

- a) continue the process set forth in this **Section 9** in good faith efforts;
- b) accept the Software as a nonconforming deliverable, in which case the Fees for such Software will be reduced equitably to reflect the value of the Software as received relative to the value of the Software had it conformed; or
- c) deem the failure to be a non-curable material breach of this Contract and a Statement of Work and terminate this Contract without cause in accordance with **Section 16.1**.

9.6 Acceptance. Acceptance ("**Acceptance**") of the Software and any Deliverables will occur on the date that is the earliest of the State's delivery of a notice accepting the Software or Deliverables under **Section 9.3(b)**, or **Section 9.3(c)(ii)**.

10. **Reserved**

11. **Assignment.** Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation and provide all necessary documentation and signatures.

12. **Change of Control.** Contractor will notify the State, within 30 days of any public announcement or otherwise once legally permitted to do so, of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following:

- i. a sale of more than 50% of Contractor's stock;
- ii. a sale of substantially all of Contractor's assets;
- iii. a change in a majority of Contractor's board members;
- iv. consummation of a merger or consolidation of Contractor with any other entity; or
- v. the board (or the stockholders) approves a plan of complete liquidation.

A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes. In the event of a change of control, Contractor must require the successor to assume this Contract and all of its obligations under this Contract.

13. **Invoices and Payment.**

13.1 Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Services and Deliverables provided as specified in Statement(s) of Work. Invoices must include an itemized statement of all charges.

13.2 The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time and in any event within the applicable 45 day payment period. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Services and Deliverables. Contractor's acceptance of final payment by the State constitutes a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed.

13.3 The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/SIGMAVSS> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment. 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 Contract.

13.4 Right of Setoff. Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount owing to it by Contractor against any amount payable by the State to Contractor under this Contract.

13.5 Taxes. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services or Deliverables purchased under this Contract are for the State's exclusive use. Notwithstanding the foregoing, all Fees are exclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Contract.

13.6 Pricing/Fee Changes. All Pricing set forth in this Contract will not be increased, except as otherwise expressly provided in this Section. The Fees will not be increased at any time except for the addition of additional licenses, the fees for which licenses will also remain firm in accordance with the Pricing set forth in the Pricing Schedule.

14. Liquidated Damages.

14.1 The parties understand and agree that any liquidated damages (including credits) Contractor must pay to the State as a result of such nonperformance are described in a Statement of Work, and that these amounts are reasonable estimates of the State's damages in accordance with applicable law.

14.2 The assessment of liquidated damages will not constitute a waiver or release of any other remedy the State may have under this Contract for Contractor's breach of this Contract, including without limitation, the State's right to terminate this Contract for cause under **Section 16.1** and the State will be entitled in its discretion to recover actual damages caused by Contractor's failure to perform its obligations under this Contract. However, the State will reduce such actual damages by the amounts of liquidated damages received for the same events causing the actual damages.

14.3 Amounts due the State as liquidated damages may be set off against any Fees payable to Contractor under this Contract, or the State may bill Contractor as a separate item and Contractor will promptly make payments on such bills.

15 **Stop Work Order**. The State may, at any time, order the Services of Contractor partially stopped for up to ninety (90) calendar days at no additional cost to the State. The State will provide Contractor a written notice detailing such suspension (a "**Stop Work Order**"). Contractor must comply with the Stop Work Order upon receipt. Within 90 days, or any longer period agreed to by Contractor, the State will either:

- (a) issue a notice authorizing Contractor to resume work, or
- (b) terminate this Contract. The State will not pay for any IT professional services pursuant to a SOW as part of the Services, Contractor's lost profits, or any additional compensation during a stop work period. The State will, however, pay the applicable Software License Fee and the Maintenance and Technical Support Fee on the basis that the State will maintain access to the Software via active account credentials and Contractor will continue to host and maintain State Data (no refund will be provided for any prepaid Software License Fee and/or Maintenance and Technical Support Fee).

16. Termination, Expiration, Transition.

16.1 Termination for Cause. In addition to any right of termination set forth elsewhere in this Contract, the State may terminate this Contract or any Statement of Work, in accordance with the following:

- (a) The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State:

- (i) endangers the value, integrity, or security of State Systems or State Data

- (ii) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; or
 - (iii) breaches any of its material duties or obligations under this Contract. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.
- (b) If the State terminates this Contract under this **Section 16.1**, the State will issue a termination notice specifying whether Contractor must:
 - (i) cease performance immediately. Contractor must submit all invoices for Services accepted by the State within 30 days of the date of termination. Failure to submit an invoice within that timeframe will constitute a waiver by Contractor for any amounts due to Contractor for Services accepted by the State under this Contract, or
 - (ii) continue to perform for a specified period in accordance with Section 16.3. If it is later determined that Contractor was not in breach of this Contract, the termination will be deemed to have been a termination for public interest, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in **Section 16.2**.
- (c) The State will only pay for amounts due to Contractor for Services accepted by the State on or before the date of termination. Contractor must promptly reimburse to the State any Fees prepaid by the State as of the date termination notice is issued prorated to the date of such termination, including any prepaid Fees.

16.2 Termination for Public Interest. The State may immediately terminate this Contract in whole or in part, without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must:

- (a) cease performance immediately. Contractor must submit all invoices for Services accepted by the State within 30 days of the date of termination. Failure to submit an invoice within that timeframe will constitute a waiver by Contractor for any amounts due to Contractor for Services accepted by the State under this Contract, or
- (b) continue to perform in accordance with **Section 16.3**. If the State terminates this Contract for public interest, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities to the extent the funds are available.

16.3 Transition Responsibilities.

- (a) Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days; the "**Transition Period**"), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract to continue without interruption or adverse effect. Such transition assistance may include but is not limited to:
 - (i) continuing to perform the Services at the established Contract rates;
 - (ii) taking all reasonable and necessary measures to assist the State to retrieve (export) State Data;
 - (iii) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, and comply with **Section 22.5** regarding the return or destruction of State Data at the conclusion of the Transition Period; and
 - (iv) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, the "**Transition Responsibilities**"). The Term of this Contract is automatically extended through the end of the Transition Period.

16.4 Termination by Contractor. Contractor may terminate this Contract without limiting our other rights and remedies, effective immediately on notice to the State if (a) if any Fees owed to Contractor (excluding amounts disputed reasonably and in good faith) are overdue and State does not make payment of the overdue amount within sixty (60) days of receiving a written notice of such overdue payment, or (b) if the State materially breaches the

Contract and such breach is not cured within ninety (90) days after Contractor provides written notice of the breach.

17 Indemnification

17.1 General Indemnification. Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to:

- (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract;
- (b) any infringement, misappropriation, or other violation of any Intellectual Property Right or other right of any third party;
- (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and
- (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

17.2 Indemnification Procedure. The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations. The State is entitled to:

- (a) regular updates on proceeding status;
- (b) participate in the defense of the proceeding;
- (c) employ its own counsel; and to
- (d) retain control of the defense, at its own cost and expense, if the State deems necessary. Contractor will not, without the State's prior written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. Any litigation activity on behalf of the State or any of its subdivisions, under this **Section 17**, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

17.3 The State is constitutionally prohibited from indemnifying Contractor or any third parties.

18 Infringement Remedies.

18.1 The remedies set forth in this Section are in addition to, and not in lieu of, all other remedies that may be available to the State under this Contract or otherwise, including the State's right to be indemnified for such actions.

18.2 If the Software or any component thereof, other than State Materials, is found to be infringing or if any use of any software or any component thereof is enjoined, threatened to be enjoined or otherwise the subject of an infringement claim, Contractor must, at Contractor's sole cost and expense:

- (a) procure for the State the right to continue to use such Software or component thereof to the full extent contemplated by this Contract; or
- (b) modify or replace the materials that infringe or are alleged to infringe ("**Allegedly Infringing Materials**") to make the Software and all of its components non-infringing while providing fully equivalent features and functionality.

18.3 If neither of the foregoing is possible notwithstanding Contractor's best efforts, then Contractor may direct the State to cease any use of any materials that have been enjoined or finally adjudicated as infringing, provided that Contractor will:

- (a) refund to the State all amounts paid by the State in respect of such Allegedly Infringing Materials and any other aspects of the Software provided under a Statement of Work for the Allegedly Infringing Materials that the State cannot reasonably use as intended under this Contract; and
- (b) in any case, at its sole cost and expense, secure the right for the State to continue using the Allegedly Infringing Materials for a transition period of up to six (6) months to allow the State to replace the affected features of the Software without disruption.

18.4 If Contractor directs the State to cease using the Software under **Section 18.3**, the State may terminate this Contract for cause under **Section 16.1**. Unless the claim arose against the Software independently of any of the actions specified below, Contractor will have no liability for any claim of infringement arising solely from:

- (a) Contractor's compliance with any designs, specifications, or instructions of the State; or
- (b) modification of the Software by the State without the prior knowledge and approval of Contractor.

19 Disclaimer of Damages and Limitation of Liability.

19.1 **The State's Disclaimer of Damages.** THE STATE WILL NOT BE LIABLE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS AND LOST BUSINESS OPPORTUNITIES.

19.2 **The State's Limitation of Liability.** IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO CONTRACTOR UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES PAYABLE UNDER THIS CONTRACT.

19.3 **Contractor's Disclaimer of Damages.** IN NO EVENT SHALL THE CONTRACTOR OR THE CONTRACTOR'S DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS BE LIABLE FOR ANY CLAIM FOR: (I) PUNITIVE, EXEMPLARY, OR AGGRAVATED DAMAGES; (II) DAMAGES FOR LOSS OF PROFITS OR REVENUE, FAILURE TO REALIZE EXPECTED SAVINGS; OR (III) INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES.

19.4 **Contractor's Limitation of Liability.** IN NO EVENT WILL THE CONTRACTOR'S MAXIMUM TOTAL LIABILITY FOR ANY CLAIM WHATSOEVER INCLUDING, WITHOUT LIMITATION, CLAIMS FOR BREACH OF CONTRACT, TORT (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE) OR OTHERWISE, BE AN AWARD FOR DIRECT, PROVABLE DAMAGES EXCEEDING THE AMOUNT OF FEES PAID TO THE CONTRACTOR UNDER THIS AGREEMENT IN THE MOST RECENT ANNUAL TERM. Exception. This **Section 19.4** will not apply to Contractor's obligation to indemnify under **Section 17.1 (b)** or to its obligations in any other section relating to damages or remedies for infringement, misappropriation, or other violation of any Intellectual Property Right or other right of any third party of this Contract;

20 **Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including:

- (a) a criminal Proceeding;
- (b) a parole or probation Proceeding;
- (c) a Proceeding under the Sarbanes-Oxley Act;
- (d) a civil Proceeding involving:
 - (i) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or
 - (ii) a governmental or public entity's claim or written allegation of fraud; or
- (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.

21 **State Data.**

21.1 Ownership. (a) The State's data ("**State Data**"), which will be treated by Contractor as Confidential Information, includes:

- (a) User Data.; Authorized Users may manage certain content such as enter, collect, submit, store, process, display, delete, download, or export allowable data, files, and messages for the State or be authorized for limited 'read-only' access. In addition, the State may approve a Reporting Entity to join a State configurable program in the Software for the purpose of submitting data to the State. All such data, files and messages so entered or submitted in the Software for the State by Authorized Users or Reporting Entities are herein collectively referred to as "State Data". The State shall manage its Authorized Users' permissions and exports of certain State Data from the Hosted Service and Reporting Entities' permissions in the Software pertaining to the State's configurable program(s) as the State sees fit. The State has sole responsibility for the legality, reliability, integrity, accuracy, and quality of any and all data uploaded by the State (including by any Authorized User). Data entered, collected, submitted, or otherwise obtained by the State from a Reporting Entity will for the purposes of this Contract be treated by Contractor in the same manner as it would State Data excepting that Contractor is not required to retrieve or restore data deleted by a Reporting Entity and/or is not responsible for data disclosed by a Reporting Entity. Further, both Contractor and State expressly acknowledge and agree that the State or the Contractor does not now and will not in the future have any responsibility for the legality, reliability, integrity, accuracy, or quality of any data originating from a Reporting Entity.

(b) State Data shall not include:

Personal health information ("PHI"). The Services are not HIPAA compliant. The State must not submit, collect, or use any "personal health information" as defined in 45 CFR §160.103 ("PHI") with or to the Hosted Service. The State agrees that the Contractor has no liability for PHI received from the State, notwithstanding anything to the contrary herein.

21.2 State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State.

21.3 Contractor Use of State Data. Subject to the terms and conditions of this Contract, the State grants Contractor a non-exclusive license to access, use, modify, delete, Process, host, copy, export, display, and disclose State Data:

(i) to provide, maintain, and improve the Software; (ii) to prevent or address service, security, support or technical issues; (iii) as required by law; or (iv) to generate aggregate information from and about the Software through the combination and compilation of State Data from multiple customers, provided that the information is aggregated and/or de-identified so that it is no longer associated with an identifiable individual, device or device location (collectively, “**Aggregated Data**”), and to use such Aggregated Data for statistical analysis, benchmarking, and other business or research purposes and/or to make such Aggregated Data (unanalyzed or analyzed) available to all customers of the Software, or to any third part(y)s; and (v) as otherwise expressly permitted in writing by the State. The State represents and warrants that it has secured all rights in and to State Data from its Authorized Users as may be necessary to grant this license, and that none of the State Data constitutes confidential information

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 must:

- (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 Contract 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 Contract, any applicable Statement of Work, and applicable law;
- (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 except as otherwise provided in the Contract, without the State’s prior written consent.

21.4 Discovery. Contractor will not respond to subpoenas, service of process, FOIA requests, and other legal requests related to the State without first notifying the State and obtaining the State’s prior approval of Contractor’s proposed responses. Contractor will immediately notify a State Program Manager of such a request by the fastest means available and also in writing. In no event will Contractor provide such notification more than twenty-four (24) hours after Contractor receives such request. Contractor agrees to provide its completed responses to the State with adequate time for State review, revision and approval.

21.5 Loss or Compromise of State Data. In the event of any act, error or omission, negligence, misconduct, or breach on the part of Contractor that compromises or is suspected to compromise the security, confidentiality, integrity, or availability 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 integrity, or availability of State Data, Contractor must, as applicable:

- (d) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence;
- (e) 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;
- (f) in the case of PII, at the State’s sole election:
 - (i) with approval and assistance from the State, notify the affected individuals who comprise the PII 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
- (g) perform or take any other actions required to comply with applicable law as a result of the occurrence;

- (h) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence;
- (i) be responsible for restoring State Data lost by Contractor in a commercially reasonable manner and schedule agreed upon by the State without charge to the State however, Contractor is not responsible for any deletion, whether by intention or error, of State Data by an Authorized User or by a Reporting Entity;
- (j) 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, must comply with applicable law, be written in plain language, not be tangentially used for any solicitation purposes, 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 if applicable; and, information regarding the credit and identity monitoring services to be provided by Contractor if applicable. The State will have the option to review and approve any notification sent to affected individuals prior to its delivery. Notification to any other party, including but not limited to public media outlets, must be reviewed and approved by the State in writing prior to its dissemination.

21.6 The parties agree that any damages relating to a breach of **Section 21.4** are to be considered direct damages and not consequential damages. **Section 21** survives termination or expiration of this Contract.

22 **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 communication not intended to be disclosed to third parties. This **Section 22** survives termination or expiration of this Contract.

22.1 Meaning of Confidential Information. The term "**Confidential Information**" means 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 was or is:
- (d) in the possession of the State and subject to disclosure under the Michigan Freedom of Information Act (FOIA);
- (e) already in the possession of the receiving party without an obligation of confidentiality;
- (f) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights;
- (g) obtained from a source other than the disclosing party without an obligation of confidentiality; or,
- (h) 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 Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.

22.2 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 Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise their respective employees, agents, and subcontractors who have access or control access to Confidential Information of their obligations to keep all Confidential Information confidential. Disclosure to the Contractor's subcontractors is permissible where:

- (a) the disclosure is necessary or otherwise naturally occurs in connection with the Services; and
- (b) Contractor has obligated the subcontractor in a written contract to maintain its customer's information in confidence. At the State's request, any of the Contractor's Personnel may be required to execute a separate agreement to be bound by the provisions of this **Section 22.2**.

22.3 Cooperation to Prevent Disclosure of Confidential Information. Each party must 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 must 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 Section 22. Each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

22.4 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 Contract or any Statement of Work corresponding to the breach or threatened breach.

22.5 Surrender of Confidential Information upon Termination. Upon termination or expiration of this Contract, the State within fifteen (15) Business Days from the date of termination must retrieve the State Data from the Software using the standard feature available in the Software. Upon confirmation from the State, of receipt of all State Data, Contractor must permanently sanitize or destroy the State Data from all media including backups using National Security Agency ("NSA") and/or National Institute of Standards and Technology ("NIST") (NIST Guide for Media Sanitization 800-88) data sanitation methods or as otherwise instructed by the State. The Contractor must certify the destruction of State Data in writing within ninety-five (95) Business Days from the date of confirmation from the State.

23 Records Maintenance, Inspection, Examination, and Audit.

23.1 Right of Audit. Pursuant to MCL 18.1470, the State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to this Contract through the Term of this Contract and for four (4) years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Financial Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Financial Audit Period, Contractor must retain the records until all issues are resolved.

23.2 Right of Inspection. Within twenty (20) calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises and examine, copy, and audit all records related to this Contract at State sole cost and expense. Contractor must cooperate and provide reasonable assistance. If financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of this Contract must be paid or refunded within forty-five (45) calendar days.

24 **Support Services.** Contractor will provide the State with the Support Services described in the Service Level Agreement attached as **Schedule D** to this Contract. Such Support Services will be provided:

- (a) Thereafter, for so long as the State elects to receive Support Services for the Software during the Term, in consideration of the State's payment of Fees for such services in accordance with the rates set forth in the Pricing Schedule.

25 **Data Security Requirements.** Throughout the Term and at all times in connection with its actual or required performance of the Services, Contractor will 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's Confidential Information that comply with the requirements of the State's data security policies as set forth in **Schedule E** to this Contract.

26 **Training.** Contractor will provide training on all uses of the Software permitted hereunder in accordance with the times and other terms set forth in a Statement of Work. Upon the State's request, Contractor will timely provide training for additional Authorized Users or other additional training on all uses of the Software for which the State requests such training, at such reasonable times pursuant to such rates and other terms as are set forth in the Pricing Schedule. All training is provided remotely via phone or webinar by Contractor from Contractor premises.

27 **Removal Rights.** Contractor may review any access and use of the Software for compliance purposes and, if Contractor believes that there is a violation of the terms of the Contract that can be remedied by removal of certain State Data by the State and/or by State speaking with an Authorized User or Reporting Entity User regarding any non-compliance, Contractor may first ask the State to take the remedial action. However, upon no less than 1 (one) business day prior notice being given to State, Contractor may remove and retain (for a minimum of 90 business days) State Data that Contractor believes creates a credible risk of significant harm to Contractor, any of the Services, any Authorized User, or any third party(s). Contractor will return any removed State Data to the State within 10 business days. Contractor may further temporarily suspend an Authorized User's Login Credentials, upon no less than 1 (one) business day prior notice, if Contractor believes there is a credible risk of harm to Contractor, any of the Services, any Authorized User, or any third party(s).

28 **Contractor Representations and Warranties.**

28.1 Authority. Contractor represents and warrants to the State that:

- (a) It is duly organized, validly existing, and in good standing as a corporation or other entity as represented under this Contract under the laws and regulations of its jurisdiction of incorporation, organization, or chartering;
- (b) It has the full right, power, and authority to enter into this Contract, to grant the rights and licenses granted under this Contract, and to perform its contractual obligations;
- (c) The execution of this Contract by its Representative has been duly authorized by all necessary organizational action;
- (d) When executed and delivered by Contractor, this Contract will constitute the legal, valid, and binding obligation of Contractor, enforceable against Contractor in accordance with its terms; and
- (e) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606.

28.2 Software Representations and Warranties. Contractor further represents and warrants to the State that:

- (a) it is the legal and beneficial owner of the entire right, title and interest in and to the Software, including all Intellectual Property Rights relating thereto, or has the legal right and authority to allow the State to use the

Software as it relates to those components of the Software that are licensed to Contractor by third party licensors;

- (b) it has, and throughout the license term, will retain the unconditional and irrevocable right, power and authority to grant and perform the license hereunder;
- (c) it has, and throughout the Term and any additional periods during which Contractor does or is required to perform the Services will have, the unconditional and irrevocable right, power and authority, including all permits and licenses required, to provide the Services and grant and perform all rights and licenses granted or required to be granted by it under this Contract;
- (d) the Software, and the State's use thereof, is and throughout the license term will be free and clear of all encumbrances, liens and security interests of any kind;
- (e) neither its grant of the license, nor its performance under this Contract does or to its knowledge will at any time:

 - (i) conflict with or violate any applicable law;
 - (ii) require the consent, approval or authorization of any governmental or regulatory authority or other third party; or
 - (iii) require the provision of any payment or other consideration to any third party;
- (f) when used by the State or any Authorized User in accordance with this Contract and the Documentation, the Software, the Hosted Service, if applicable, or Documentation as delivered or installed by Contractor does not or will not:

 - (i) infringe, misappropriate or otherwise violate any Intellectual Property Right or other right of any third party; or
 - (ii) fail to comply with any applicable law;
- (g) as provided by Contractor, the Software and Services do not and will not at any time during the Term contain any:

 - (i) Harmful Code; or
 - (ii) Third party or Open-Source Components with the exception of the Permitted Third Party Components;
- (h) it will perform all Services in a timely, skillful, 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 will devote adequate resources to meet Contractor's obligations under this Contract;
- (i) when used in the Operating Environment (or any successor thereto) in accordance with the Documentation, the Software as provided by Contractor, will be fully operable, meet all applicable specifications, and function in all respects, in conformity with this Contract and the Documentation;
- (j) Contractor acknowledges that the State 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 Services, and that notwithstanding anything to the contrary contained in any third-party software license agreement or end user license agreement, the State will not indemnify any third party software provider for any reason whatsoever;

- (k) no Maintenance Release or New Version, when released in accordance with this Contract, will have a material adverse effect on the functionality or operability of the Software;
- (l) all Configurations made during the Term will be forward-compatible with future Maintenance Releases or New Versions and be fully supported without additional costs;
- (m) If Contractor Hosted:
 - (i) Contractor will not advertise using third party digital advertising through the Hosted Service (whether with adware, banners, buttons or other forms of online third party advertising), Contractor's Software, however, Contractor may include links to Contractor's website and solutions/services provided by Contractor; and
 - (ii) the Software and Services will in all material respects conform to and perform in accordance with the specifications specified in each Statement of Work, and all requirements of this Contract, including the Availability and Availability Requirement provisions set forth in the Service Level Agreement;
- (n) During the Term of this Contract, 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 Software or with the Hosted Service, if applicable, will apply solely to Contractor or its subcontractors. 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 State Systems or networks.

28.3 Disclaimer. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, CONTRACTOR HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, WITH RESPECT TO THIS CONTRACT.

29 Reserved

- 30 **Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that provides Services and Deliverables in connection with this Contract.
- 31 **Compliance with Laws.** Contractor, its subcontractors, including subcontractors, and their respective Representatives must comply with all laws in connection with this Contract.
- 32 **Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and Executive Directive 2019-09, Contractor and its subcontractors agrees not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex (as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of the Contract.
- 33 **Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
- 34 **Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by

Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in the Michigan Court of Claims. Complaints against the State must be initiated in Ingham County, Michigan. Contractor waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint an agent in Michigan to receive service of process.

- 35 **Non-Exclusivity.** Nothing contained in this Contract is intended nor is to be construed as creating any requirements contract with Contractor, nor does it provide Contractor with a right of first refusal for any future work. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Services from other sources.

36 **Force Majeure**

36.1 Force Majeure Events. Neither party will be liable or responsible to the other party, or be deemed to have defaulted under or breached the Contract, for any failure or delay in fulfilling or performing any term hereof, when and to the extent such failure or delay is caused by: acts of God, flood, fire or explosion, war, terrorism, invasion, riot or other civil unrest, embargoes or blockades in effect on or after the date of the Contract, national or regional emergency, or any passage of law or governmental order, rule, regulation or direction, or any action taken by a governmental or public authority, including imposing an embargo, export or import restriction, quota or other restriction or prohibition, including a public health order in the case of a pandemic that is issued by a governmental entity which strictly mandates actions by the parties (the violation of which would put the party in a position of violating such order, law or regulation) that would directly prevent the material performance by the party under this Contract (each of the foregoing, a “**Force Majeure Event**”), in each case provided that: (a) such event is outside the reasonable control of the affected party; (b) the affected party gives prompt written notice to the other party, stating the period of time the occurrence is expected to continue, if known; (c) the affected party uses diligent efforts to end the failure or delay and minimize the effects of such Force Majeure Event.

36.2 State Performance; Termination. In the event of a Force Majeure Event affecting Contractor’s performance under the Contract, the State may suspend its performance hereunder until such time as Contractor resumes performance. The State may terminate the Contract by written notice to Contractor if a Force Majeure Event affecting Contractor’s performance hereunder continues substantially uninterrupted for a period of five (5) Business Days or more. Unless the State terminates the Contract pursuant to the preceding sentence, any date specifically designated for Contractor’s performance under the Contract will automatically be extended for a period up to the duration of the Force Majeure Event.

36.3 Exclusions; Non-suspended Obligations. Notwithstanding the foregoing or any other provisions of the Contract or this Schedule:

(a) in no event will any of the following be considered a Force Majeure Event:

- (i) shutdowns, disruptions or malfunctions of the Hosted Service or any of Contractor’s telecommunication or internet services other than as a result of general and widespread internet or telecommunications failures that are not limited to the Hosted Service; or
- (ii) the delay or failure of any subcontractor to perform any obligation of Contractor hereunder unless such delay or failure to perform is itself by reason of a Force Majeure Event.

(b) no Force Majeure Event modifies or excuses Contractor’s obligations under **Sections 21** (State Data), **22** (Non-Disclosure of Confidential Information), or **17** (Indemnification) of the Contract, Disaster Recovery and Backup requirements set forth in the Service Level Agreement, Availability Requirement (if Contractor Hosted) defined in the Service Level Agreement, or any data retention or security requirements under the Contract.

- 37 **Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties’ respective Contract Administrators. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance. Litigation to resolve the dispute will not be instituted until after the dispute has been

elevated to the parties' senior executive and either concludes that resolution is unlikely or fails to respond within fifteen (15) business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive or equitable relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.

- 38 **Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to this Contract or project to which it relates must not be made without the prior written approval of the State, and then only in accordance with the explicit written instructions of the State.
- 39 **Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.
- 40 **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
- 41 **Survival.** The rights, obligations and conditions set forth in this Section and **Section 1** (Definitions), Section 5.1(b) (License Restrictions), Section 7 (Intellectual Property Rights), **Section 16.3** (Transition Responsibilities), **Section 17** (Indemnification), **Section 19** (Disclaimer of Damages and Limitations of Liability), **Section 21** (State Data), **Section 22** (Non-Disclosure of Confidential information), **Section 28** (Contractor Representations and Warranties), Section 37 (Dispute Resolution), Section 44 (Links to third party websites), Section 45 (Feedback), Section 52 (Equitable Relief), Section 56 (Entire Agreement) and **Schedule C** Insurance and any right, obligation or condition that, by its express terms or nature and context is intended to survive the termination or expiration of this Contract, survives any such termination or expiration.
- 42 **Contract Modification.** This Contract may not be amended except by signed agreement between the parties (a "**Contract Change Notice**"). Notwithstanding the foregoing, no subsequent Statement of Work or Contract Change Notice executed after the Effective Date will be construed to amend this Contract unless it specifically states its intent to do so and cites the section or sections amended.
- 43 **Reserved**
- 44 **Links to third party websites.** Links to third party websites found in the Software are provided merely as a convenience and do not imply endorsement by Contractor of the linked or referenced sites or their content in any manner whatsoever. Contractor is not responsible for the accuracy, reliability, or currency of the information or services provided on any linked site or by any external source. The State's use of any linked site is at the State's own risk and is subject to the terms and conditions established by and applicable to each such site.
- 45 **Feedback.** The State or any of its Authorized Users may provide suggestions, comments or other feedback regarding the Software including but not limited to improved or additional functionality or features ("**Feedback**") to Contractor. The State agrees that any Feedback shall be voluntarily given, that any and all Feedback will immediately and automatically become property of Contractor, and that Contractor shall be entitled to incorporate any Feedback into the Software without any compensation or other liability or obligation of any nature or kind whatsoever to the State.
- 46 **Reserved**
- 47 **Accessibility Requirements.**
- 47.1 The Software provided by Contractor under this Contract, including associated content and documentation, must conform to WCAG 2.1 Level AA. Contractor must provide a description of conformance with WCAG 2.1 Level AA specifications by providing a completed PAT for each product provided under the Contract. At a minimum, Contractor must comply with the WCAG 2.1 Level AA conformance claims it made to the State, including the level of conformance provided in any PAT. Throughout the Term of the Contract, Contractor must:

- (a) maintain compliance with WCAG 2.1 Level AA and meet or exceed the level of conformance provided in its written materials, including the level of conformance provided in each PAT;
- (b) comply with plans and timelines approved by the State to achieve conformance in the event of any deficiencies;
- (c) 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 2.1 Level AA;
- (d) promptly respond to and resolve any complaint the State receives regarding accessibility of Contractor's Software;
- (e) upon the State's written request, provide evidence of compliance with this Section by delivering to the State Contractor's most current PAT for each product provided under the Contract; and
- (f) participate in the State of Michigan Digital Standards Review.
- (g) At no additional cost, submit a PAT annually upon request by the State and remediate all issues identified from any assessment of accessibility pursuant to plans and timelines that are approved in writing by the State.

47.2 **Warranty.** Contractor warrants that all WCAG 2.1 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. If the State determines such conformance claims provided by the Contractor represent a higher level of conformance than what is actually provided to the State, Contractor will, at its sole cost and expense, promptly remediate its Software to align with Contractor's stated WCAG 2.1 Level AA conformance claims in accordance with plans and timelines that are approved in writing by the State. If Contractor is unable to resolve such issues in a manner acceptable to the State, in addition to all other remedies available to the State, the State may terminate this Contract for cause under **Section 16.1**.

47.3 Contractor must, without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State arising out of its failure to comply with the foregoing accessibility standards.

47.4 Failure to comply with the requirements in this **Section 47** shall constitute a material breach of this Contract.

48 **Further Assurances.** Each party will, upon the reasonable request of the other party, execute such documents and perform such acts as may be necessary to give full effect to the terms of this Contract.

49 **Relationship of the Parties.** The relationship between the parties is that of independent contractors. Nothing contained in this Contract is to be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party has authority to contract for nor bind the other party in any manner whatsoever.

50 **Headings.** The headings in this Contract are for reference only and do not affect the interpretation of this Contract.

51 **No Third-party Beneficiaries.** This Contract is for the sole benefit of the parties and their respective successors and permitted assigns. Nothing herein, express or implied, is intended to or will confer on any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Contract.

52 **Equitable Relief.** Each party to this Contract acknowledges and agrees that (a) a breach or threatened breach by such party of any of its obligations under this Contract may give rise to irreparable harm to the other party for which monetary damages would not be an adequate remedy and (b) in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto is, in addition to any and all other rights and remedies that may be available to such party at law, at equity or otherwise in respect of such breach, entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction, without any requirement to post a bond or other security, and without any requirement to prove actual damages or that monetary damages will not afford an adequate remedy. Each party to this Contract agrees that such party will not oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this Section.

53 **Reserved**

54 **Schedules.** All Schedules that are referenced herein and attached hereto are hereby incorporated by reference. The following Schedules are attached hereto and incorporated herein:

Schedule A	Statement of Work for Software Licensing, Maintenance and Technical Support
Schedule B	Pricing Schedule
Schedule C	Insurance Schedule
Schedule D	Service Level Agreement
Schedule E	Data Security Requirements
Schedule F	Disaster Recovery Plan (if Contractor Hosted)

55 **Counterparts.** This Contract may be executed in counterparts, each of which will be deemed an original, but all of which together are deemed to be one and the same agreement and will become effective and binding upon the parties as of the Effective Date at such time as all the signatories hereto have signed a counterpart of this Contract. A signed copy of this Contract delivered by facsimile, e-mail or other means of electronic transmission (to which a signed copy is attached) is deemed to have the same legal effect as delivery of an original signed copy of this Contract.

56 **Entire Agreement.** These Terms and Conditions, including all Statements of Work and other Schedules and Exhibits (again collectively the "Contract") constitutes the sole and entire agreement of the parties to this Contract with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, representations and warranties, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements made in the Terms and Conditions, the Schedules, Exhibits, and a Statement of Work, the following order of precedence governs: (a) first, these Terms and Conditions and (b) second, **Schedule E** – Data Security Requirements and (c) third, each Statement of Work; and (d) fourth, the remaining Exhibits and Schedules to this Contract. NO TERMS ON CONTRACTOR'S INVOICES, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE SERVICES, OR DOCUMENTATION HEREUNDER, EVEN IF ATTACHED TO STATE'S DELIVERY OR PURCHASE ORDER, WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE OR ANY AUTHORIZED USER FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE AND THE AUTHORIZED USER, EVEN IF ACCESS TO OR USE OF SUCH SERVICE OR DOCUMENTATION REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.

SCHEDULE A - STATEMENT OF WORK FOR SOFTWARE LICENSING, MAINTENANCE & TECHNICAL SUPPORT

1. PURPOSE

Contractor will continue to host, maintain and support the Re-TRAC Connect™ Software. Contractor will provide software licensing as a subscription to the software as a service and provide maintenance and technical support services.

2. IT ENVIRONMENT RESPONSIBILITIES

Definitions:

- **Facilities** – Physical buildings containing Infrastructure and supporting services, including physical access security, power connectivity and generators, HVAC systems, communications connectivity access and safety systems such as fire suppression.
- **Infrastructure** – Hardware, firmware, software, and networks, provided to develop, test, deliver, monitor, manage, and support IT services which are not included under Platform and Application.
- **Platform** – Computing server software components including operating system (OS), middleware (e.g. Java runtime, .NET runtime, integration, etc.), database and other services to host applications.
- **Application** – Software programs which provide functionality for end user and Contractor services.
- **Storage** – Physical data storage devices, usually implemented using virtual partitioning, which store software and data for IT system operations.
- **Backup** – Storage and services that provide online and offline redundant copies of software and data.
- **Development** – Process of creating, testing and maintaining software components.

Component Matrix	Identify contract components with contractor or subcontractor name(s), if applicable
Facilities	Emerge Knowledge Design Inc. (Contractor) office
Infrastructure	Amazon Web Services, Inc. (server infrastructure service) = no physical access to facility permitted by Contractor or State
Platform	CentOS/Rocky Linux (operating system)
Application	Percona MySQL, Elasticsearch, and Redis (databases) Ruby & NodeJS (application programming languages) Nginx & Puma (web server software) Haproxy (load balancer) See https://www.re-trac.com/subprocessors/
Storage	Amazon Web Services, Inc. (server infrastructure service)
Backup	Amazon Web Services, Inc. (server infrastructure service) = no physical access to facility permitted by Contractor or State
Development	VSCode, Vagrant, and Virtualbox (development) Qualys PCI Scan and Qualys SSL Labs (security/vulnerability scanners) Brakeman and Bundler Audit (Vulnerability and code scanners)

3. RESERVED

4. USER TYPE AND CAPACITY

Contractor's Software must be able to meet the expected number of concurrent Users shown below. The Software must be able to scale up or down without affecting performance.

Type of User	Access Type	Number of Users	Number of Concurrent Users
Third-Party Reporting Entity	Read, Write	1000	100

State Employee	Admin, Read & Write	10	10
State Employee	Read, Write	40	40

5. ACCESS CONTROL AND AUTHENTICATION

The Contractor's Software access controls will continue as has been used for this application with the State of Michigan since 2015. Authentication details are as follows:

- User ID and password are local to the application. Contractor does not use distributed or third-party authentication mechanisms such as Open ID or OAuth.
- Authentication is based on user identification (user supplied work email address) and password.
- Passwords have a minimum number of characters while allowing a broad range of characters to let the user to construct a strong password.
- Users can change their email address (and thus the username used to access the application).
- Users can change their password but must enter their old password in order to make the change.
- Passwords are stored in the database encrypted using a script hash and salted; plain text forms of the password are not stored in any location.
- The application uses two (2) session cookies:
 1. A general session cookie that expires when the browser closes.
 2. An encrypted user-credentials cookie that expires an hour after the last user activity.

6. DATA RETENTION AND REMOVAL

The State will need to retain data for the entire length of the Contract unless otherwise direct by the State. The State will need the ability to delete data, even data that may be stored off-line or in backups. Unless deleted in accordance with this section, the State will be able to retrieve data, even data that may be stored off-line or in backups.

State Data, but not including deleted State Data, will be retained and available in the production version of the Software for the length of the Contract unless otherwise directed by the State. At any time during the Contract, the State may export State Data - but not including deleted State Data - as described in the State of Michigan Software Terms and Conditions, Section 5.1 (ii) Software License - from the production version of the Software using the standard data export feature. Contractor will conduct daily back-ups of State Data which are retained for seven (7) days and will conduct weekly back-ups of State Data which are retained for ninety (90) days.

State Data that is deleted in the Software by the State will be removed from the production version of the Software and from the backup retention records upon 91 days (upon the end of the 90-day data retention cycle).

Upon State request and cost, Contractor will use available professional services hours to retrieve and restore State Data - that was deleted by the State - from backup retention records within a 90-day window from the date that the State Data was deleted.

7. END USER OPERATING ENVIRONMENT

The SOM IT environment includes X86 VMware, IBM Power VM, MS Azure/Hyper-V and Oracle VM, with supporting platforms, enterprise storage, monitoring, and management.

Contractor must accommodate the latest browser versions as well as some pre-existing browsers. To ensure that users with older browsers are still able to access online services, applications must, at a minimum, display and function correctly in standards-compliant browsers and the state standard browser without the use of special plugins or extensions. The rules used to base the minimum browser requirements include:

- Over 2% of site traffic, measured using Sessions or Visitors (or)
- The current browser identified and approved as the State of Michigan standard

This information can be found at <https://www.michigan.gov/browserstats>. Please use the most recent calendar quarter to determine browser statistics. For those browsers with over 2% of site traffic, except Internet Explorer

which requires support for at minimum version 11, the current browser version as well as the previous two major versions must be supported.

Contractor must support the current and future State standard environment at no additional cost to the State.

Look and Feel Standards

The system must continue to meet the look and feel of the Software in respect to State branding as of the Effective Date of this Contract Change Notice. The parties may agree to modify the look and feel of State branding in the future by mutual agreement. Contractor's Software must adhere to and meet conformance level AA of the World Wide Web Consortium (W3C) 2.1.

8. TECHNICAL SUPPORT SERVICES

Contractor provides technical support to all users via a standard technical support request form in the Software (see <https://connect.re-trac.com/support/requests/new> and <https://connect.re-trac.com/support/requests>).

9. DOCUMENTATION

Contractor must provide all user manuals, and any other instructions, documents or materials, that describe the functionality testing, use, support or features of the Software. Contractor must develop and submit for State approval complete, accurate, and timely Software documentation to support all users, and will update any discrepancies, or errors through the life of the contract. The Contractor's user documentation must provide detailed information about all software features and functionality, enabling the State to resolve common questions and issues prior to initiating formal support requests.

10. CONTRACTOR PERSONNEL

Contractor Contract Administrator. Contractor designates the person below as the resource who is responsible to (a) administer the terms of this Contract, and (b) approve and execute any Change Notices under this Contract.

Contractor Contract Administrator
Jennifer Peters 401-250 McDermot Ave., Winnipeg, MB R3B 0S5 204-772-7239 jen@emergeknowledge.com

11. CONTRACTOR KEY PERSONNEL

Contractor designates the following staff as Contractor Key Personnel:

1. Jennifer Peters, Administrative Officer (jen@emergeknowledge.com)
2. Boris Reisig, Security Infrastructure Specialist (boris@emergeknowledge.com)
3. Dan Butcher, Senior Solutions Manager (dan@emergeknowledge.com)
4. Chris Ronson, Senior Solutions Manager (chris@emergeknowledge.com)
5. Jerett Bogue, Solutions Manager (jerett@emergeknowledge.com)

12. CONTRACTOR PERSONNEL REQUIREMENTS

Background Checks. Contractor key personnel shall meet the following screening criteria conducted by Contractor: identity verification (based on a passport or similar government issued photo identification), verification of legal qualification to work in Canada (based on viewing an individual's Government of Canada Social Insurance Number [SIN] card), verification of academic qualification (based on a copy of a degree or diploma transcript including individual's full legal name); and verification that no record of conviction exists within the Winnipeg Police Service (or other local police service in jurisdiction of residence) or the National Criminal Records Repository of Canada (based on provision of a current - within 30 days upon request - Winnipeg Police Service Criminal Record Search Certificate for Non-Vulnerable Sector Search bearing blue Personal Search sticker with the Service Crest, Title, and a unique serial number (or other local police service in jurisdiction of residence official Certificate/Record)

whereby such Certificate is then securely stored in a Personnel File and handled in accordance with employment and privacy legislation. The State shall not pay any fees associated with Contractor background checks.

13. STATE RESOURCES/RESPONSIBILITIES

The State will provide the following resources as part of the support of the Software.

State Contract Administrator. The State Contract Administrator is the individual appointed by the State to (a) administer the terms of this Contract, and (b) approve and execute any Change Notices under this Contract.

State Contract Administrator
Sarah Platte 517-219-2406 PlatteS3@michigan.gov

Program Managers. The DTMB and Agency Program Managers (or designee) will jointly approve all Deliverables and day to day activities.

DTMB Program Manager
Laura Brancheau 517-335-1334 BrancheauL@michigan.gov

Agency Program Manager
Steve Noble 517-449-6153 NobleS4@michigan.gov

14. MONTHLY SYSTEM AVAILABILITY REPORT

The Contractor Contract Administrator will report system availability as defined in the Service Level Agreement on a monthly basis to the State's Project Manager.

SCHEDULE B – PRICING

1. Enterprise Account Subscription Fee (Annual)

1.1 The annual fees for the first Term (Sept 11, 2021, to Sept 10, 2022), and each renewal Term up through September 10, 2026, shall be as follows:

Service	# Hours	Fee
Re-TRAC Connect™ Software License (annual) Includes: + 1-10 configured programs* + 50 State Authorized Users (State Employee Users) Note: *Each configured program in the Software involves different Reporting Entity Users to report substantially different data, on behalf of Reporting Entities, than in the State's other program/s and/or involves data which the State may permit only designated State Authorized Users to access. A directory is also considered and managed as a configured program.	n/a	\$99,900.00
Maintenance and Technical Support Note: This annual fee is fixed at this rate regardless of number of configured programs.	Included	\$ 52,000.00
Total Enterprise Account Subscription Fee:		\$ 151,900.00

1.2 The annual fees for additional Software Licenses during the first Term, and each renewal Term up through September 10, 2026, shall be as follows:

Service	# Hours	Fee
An additional Re-TRAC Connect™ Software License (annual) shall apply for each additional tier (expansion of) 1-3 configured programs Includes: + 1-3 configured programs + 12 State Authorized Users (State Employee Users) Note: Each additional Re-TRAC Connect Software License (annual) shall be pro-rated in the first year to align with the then Current Term. This fee would be chargeable when the first program of the three is launched on the production version.	n/a	\$29,970.00
Total Additional Software License Fee:		\$29,970.00

2. IT Professional Services Hourly Rates by Labor Category

IT Professional Services ordered pursuant to a SOW will be provided at the standard commercial rates set out in the table below during the Term.

Blended labor rate	\$125.00/hr		
Solutions Manager	\$130.00/hr	Senior Solutions Manager	\$170.00/hr
President or Administrative Officer	\$180.00/hr	Systems Analyst	\$90.00/hr
Senior Systems Analyst	\$120.00/hr	Principal Systems Analyst	\$170.00/hr
Junior Computer Programmer	\$70.00/hr	Computer Programmer	\$90.00/hr
Senior Computer Programmer	\$110.00/hr	Quality Assurance Analyst	\$90.00/hr
Technical Support Analyst	\$90.00/hr	Web Designer	\$110.00/hr
Administrative Support	\$50.00/hr		

3. Additional Information

3.1 All references herein to Fees are in the following currency: **USD**

3.2 The Enterprise Account Subscription Fee (annual) will be invoiced at the beginning of each Term. Each Additional Software License Fee (annual) will be invoiced upon the launch in the production version of the Software of the first configured program (ie. 1 of 5 included configured programs) per each new tier.

3.3 Billing shall follow Section 13 Invoices and Payment of the Legal Terms & Conditions and additional instructions, if any, pursuant to a SOW.

3.4 The Re-TRAC Connect™ Software as a service will be used in the State of Michigan.

SCHEDULE C - INSURANCE SCHEDULE

Required Coverage.

1. Insurance Requirements. Contractor, at its sole expense, must maintain the insurance coverage identified below. All required insurance must: (i) protect the State from claims that arise out of, are alleged to arise out of, or otherwise result from Contractor's or subcontractor's performance; (ii) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (iii) be provided by a company with an A.M. Best rating of "A-" or better, and a financial size of VII or better.

Required Limits	Additional Requirements
Commercial General Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence \$1,000,000 Personal & Advertising Injury \$2,000,000 Products/Completed Operations \$2,000,000 General Aggregate Limit	Policy must be 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 20 10 12 19 and CG 20 37 12 19.
Employers Liability Insurance	
<u>Minimal Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	
Privacy and Security Liability (Cyber Liability) Insurance	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence \$1,000,000 Annual Aggregate	Contractor must have their policy cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.
Professional Liability (Errors and Omissions) Insurance	
<u>Minimal Limits:</u> \$3,000,000 Each Occurrence \$3,000,000 Annual Aggregate	

1.1 If any required policies provide claims-made coverage, the Contractor must: (i) provide coverage with a retroactive date before the Effective Date of the Contract or the beginning of Services; (ii) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Services; and (iii) if coverage is cancelled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the Effective Date of this Contract, Contractor will provide proof of maintaining insurance, via insurance policy renewals, for three (3) years after completion of work.

1.2 Contractor must: (i) provide insurance certificates to the Contract Administrator, containing the agreement or delivery order number, at Contract formation and within twenty (20) calendar days of the expiration date of the applicable policies; (ii) require that subcontractors maintain the required insurances contained in this Section; (iii) notify the Contract Administrator within five (5) business days if any policy is cancelled; and (iv) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

1.3 This Section is not intended to and is not to be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State)

1.4 The insurance minimal limits herein shall be in Canadian dollars. Contractor's insurance policies are in Canadian dollars.

SCHEDULE D - SERVICE LEVEL AGREEMENT

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 Terms and Conditions.

"Actual Uptime" means the total minutes in the Service Period that the Hosted Services are Available.

"Availability" has the meaning set forth in **Section 2.1**.

"Availability Requirement" has the meaning set forth in **Section 2.1**.

"Available" has the meaning set forth in **Section 2.1**.

"Contact List" means a current list of Contractor contacts and telephone numbers set forth in the attached **Schedule D – Attachment 1** to this Schedule to enable the State to escalate its Support Requests, including: (a) the first person to contact; and (b) the persons in successively more qualified or experienced positions to provide the support sought.

"Corrective Action Plan" has the meaning set forth in **Section 3.9**.

"Critical Service Error" has the meaning set forth in **Section 3.5**.

"Exceptions" has the meaning set forth in **Section 2.2**.

"High Service Error" has the meaning set forth in **Section 3.5**.

"Low Service Error" has the meaning set forth in **Section 3.5**.

"Medium Service Error" has the meaning set forth in **Section 3.5**.

"Resolve" has the meaning set forth in **Section 3.6**.

"RPO" or "Recovery Point Objective" means the maximum amount of potential data loss in the event of a disaster.

"RTO" or "Recovery Time Objective" means the maximum period of time to fully restore the Hosted Services in the case of a disaster.

"Scheduled Downtime" has the meaning set forth in **Section 2.3**.

"Scheduled Uptime" means the total minutes in the Service Period.

"Service Availability Credits" has the meaning set forth in **Section 2.6(a)**.

"Service Error" means any failure of any Hosted Service to be Available or otherwise perform in accordance with this Schedule.

"Service Level Credits" has the meaning set forth in **Section 3.8**.

“Service Level Failure” means a failure to perform the Software Support Services fully in compliance with the Support Service Level Requirements.

“Service Period” has the meaning set forth in **Section 2.1**.

“Software Support Services” has the meaning set forth in **Section 3**.

“State Systems” means the information technology infrastructure, including the computers, software, databases, electronic systems (including database management systems) and networks, of the State or any of its designees.

“Support Hours” means 8:30 a.m. to 5:00 p.m. Central Standard Time/Central Daylight Time (9:30 a.m. to 6:00 p.m. Eastern Standard Time/Eastern Daylight Time) each Contractor Business Day.

“Support Request” has the meaning set forth in **Section 3.5**.

“Support Service Level Requirements” has the meaning set forth in **Section 3.4**.

2. Service Availability and Service Availability Credits.

2.1 Availability Requirement. Contractor will make the Hosted Services and Software Available, as measured over the course of each calendar month during the Term and any additional periods during which Contractor does or is required to perform any Hosted Services (each such calendar month, a **“Service Period”**), at least 99% of the time, excluding only the time the Hosted Services are not Available solely as a result of one or more Exceptions (the **“Availability Requirement”**). **“Available”** means the Hosted Services and Software are available and operable for access and use by the State and its Authorized Users over the Internet in material conformity with the Contract. **“Availability”** has a correlative meaning. The Hosted Services and Software are not considered Available in the event of a material performance degradation or inoperability of the Hosted Services and Software, in whole or in part. The Availability Requirement will be calculated for the Service Period as follows and expressed in minutes: $\text{Actual Uptime} \div (\text{Scheduled Uptime minus Total time in Service Period Hosted Services or Software are not Available Due to an Exception}) \times 100$.

2.2 Exceptions. No period of Hosted Services degradation or inoperability will be included in calculating Availability to the extent that such downtime or degradation is due to any of the following (**“Exceptions”**):

- (a) Failures of the State's or its Authorized Users' internet connectivity;
- (b) Scheduled Downtime as set forth in **Section 2.3**.

2.3 Scheduled Downtime. Contractor will provide the State at least (2) hours in advance of all scheduled outages of the Hosted Services or Software in whole or in part via an on screen timer in the Software (**“Scheduled Downtime”**). All such scheduled outages will: (a) last no longer than five (5) hours; (b) be scheduled between the hours of 6:00 p.m. and 6:00 a.m., Eastern Time; and (c) occur no more frequently than once per week; provided that Contractor may request the State to approve extensions of Scheduled Downtime, and such approval by the State may not be unreasonably withheld or delayed.

2.4 Reserved.

2.5 Service Availability Reports. Within thirty (30) days after the end of each Service Period, Contractor will provide to the State a report describing the Availability and other performance of the Hosted Services and Software during that calendar month as compared to the Availability Requirement. The report must be in electronic or such other form as the State may approve in writing and shall include, at a minimum: (a) the actual performance of the Hosted Services and Software relative to the Availability Requirement; and (b) if Hosted Service performance has failed in any respect to meet or exceed the Availability Requirement during the reporting period, a description in

sufficient detail to inform the State of the cause of such failure and the corrective actions the Contractor has taken and will take to ensure that the Availability Requirement are fully met.

2.6 Remedies for Service Availability Failures.

(a) If the actual Availability of the Hosted Services and Software is less than the Availability Requirement for any Service Period, such failure will constitute a Service Error for which Contractor will issue to the State the following credits on the fees payable for the Software License but not including any Professional Services delivered as part of the Services pertaining to any SOWs as part of this Contract, provided during the Service Period ("**Service Availability Credits**"):

Availability	Credit of Fees
≥99.00%	None
<98.98% but ≥99.0%	15%
<99.0% but ≥95.0%	50%
<95.0%	100%

(b) Any Service Availability Credits due under this **Section 2.6** will be applied in accordance with payment terms of the Contract.

(c) If the actual Availability of the Hosted Services and Software is less than the Availability Requirement in any two (2) of four (4) consecutive Service Periods, then, in addition to all other remedies available to the State, the State may terminate the Contract on written notice to Contractor with no liability, obligation or penalty to the State by reason of such termination.

3. **Support Services.**

Contractor will provide Hosted Services and Software support services ("**Software Support Services**") in accordance with the provisions of this **Section 3**. The Software Support Services are included in the Services, and Contractor may not assess any additional fees, costs or charges for such Software Support Services.

3.1 Support Service Responsibilities. Contractor will:

(a) correct all Service Errors in accordance with the Support Service Level Requirements, including by providing defect repair, programming corrections and remedial programming;

(b) provide unlimited telephone support during Support Hours to the State,

(c) provide unlimited online technical support to the State as specified below pending the classification of the Service Error;

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

(e) respond to and Resolve Support Requests as specified in this **Section 3**

3.2 Service Monitoring and Management. Contractor will continuously monitor and manage the Hosted Services and Software to optimize Availability that meets or exceeds the Availability Requirement. Such monitoring and management includes:

(a) proactively monitoring on a twenty-four (24) hour by seven (7) day basis all Hosted Service functions, servers, firewall and other components of Hosted Service security;

(b) if such monitoring identifies, or Contractor otherwise becomes aware of, any circumstance that is reasonably likely to threaten the Availability of the Hosted Service taking all necessary and reasonable remedial measures to promptly eliminate such threat and ensure full Availability; and

(c) if Contractor receives knowledge that the Hosted Service or any Hosted Service function or component is not Available (including by written notice from the State pursuant to the procedures set forth herein):

- (i) confirming (or disconfirming) the outage by a direct check of the associated facility or facilities;
- (ii) If Contractor's facility check in accordance with clause (i) above confirms a Hosted Service outage in whole or in part: (A) notifying the State in writing pursuant to the procedures set forth herein that an outage has occurred, providing such details as may be available, including a Contractor trouble ticket number, if appropriate, and time of outage; and (B) working all problems causing and caused by the outage until they are Resolved as Critical Service Errors in accordance with the Support Request Classification set forth in **Section 3.5**, or, if determined to be an internet provider problem, open a trouble ticket with the internet provider; and
- (iii) Notifying the State that Contractor has fully corrected the outage and any related problems, along with any pertinent findings or action taken to close the trouble ticket.

3.3 Service Maintenance. Contractor will continuously maintain the Hosted Services and Software to optimize Availability that meets or exceeds the Availability Requirement. Such maintenance services include providing to the State and its Authorized Users:

(a) all updates, bug fixes, enhancements, Maintenance Releases, New Versions and other improvements to the Hosted Services and Software and associated release notes, including the Software, that Contractor provides at no additional charge to its other similarly situated customers; and

(b) all such services and repairs as are required to maintain the Hosted Services and Software so that the Hosted Services and Software operate properly in accordance with the Contract and this Schedule.

3.4 Support Service Level Requirements. Contractor will correct all Service Errors and respond to and Resolve all Support Requests in accordance with the required times and other terms and conditions set forth in this Section ("**Support Service Level Requirements**"), and the Contract.

3.5 Support Requests. The State will classify its requests for Service Error corrections in accordance with the descriptions set forth in the chart below (each a "**Support Request**"). The State will notify Contractor of Support Requests by email, telephone or such other means as the parties may hereafter agree to in writing.

Support Request Classification	Description: Any Service Error Comprising or Causing any of the Following Events or Effects
Critical Service Error	<ul style="list-style-type: none">• Software functionally inoperable (system down or primary component inoperable)• Data integrity has been breached• Declared a Critical Support Request by the State; or• Widespread access interruptions other than due to Exceptions
High Service Error	<ul style="list-style-type: none">• Primary component failure that materially impairs or degrades the performance of the Software so that it does not routinely work as intended; or• Data entry or access is materially impaired on a limited basis.

Medium Service Error	<ul style="list-style-type: none"> Hosted Services and Software is operating with minor issues that can be addressed with an acceptable (as determined by the State) temporary work around.
Low Service Error	<ul style="list-style-type: none"> Request for assistance information, or services that are routine in nature excepting requests for dedicated training, requirements analysis, changes to product configuration, project meetings, and other such services that will be escalated by Technical Support personnel to a Solutions Manager, will constitute professional services, and will be managed as agreed to in a SOW applicable thereto.

3.6 Response and Resolution Time Service Levels. Response and Resolution times will be measured from the time Contractor receives a Support Request until the respective times Contractor has (i) responded to, in the case of response time and (ii) Resolved such Support Request, in the case of Resolution time. **“Resolve”** (including **“Resolved”**, **“Resolution”** and correlative capitalized terms) means that, as to any Service Error, Contractor has provided the State the corresponding Service Error correction and the State has confirmed such correction and its acceptance thereof. Contractor will respond to and Resolve all Service Errors within the following times based on the severity of the Service Error:

Support Request Classification	Service Level Metric (Required Response Time)	Service Level Metric (Required Resolution Time)	Service Level Credits (For Failure to Respond to any Support Request Within the Corresponding Response Time)	Service Level Credits (For Failure to Resolve any Support Request Within the Corresponding Required Resolution Time)
Critical Service Error	One (1) hour	48 hours (priority until incident is resolved, priority hotfix)	Five percent (5%) of the Software License Fees for the month in which the initial Service Level Failure begins and five percent (5%) of such monthly Software License Fees for each additional hour or portion thereof that the corresponding Service Error is not responded to within the required response time.	Five percent (5%) of the Software License Fees for the month in which the initial Service Level Failure begins and five percent (5%) of such monthly Software License Fees for the first additional hour or portion thereof that the corresponding Service Error remains un-Resolved, which amount will thereafter double for each additional one-hour increment.

High Service Error	One (1) hour	Forty-eight (48) hours	Three percent (3%) of the Software License Fees for the month in which the initial Service Level Failure begins and three percent (3%) of such monthly Software License Fees for each additional hour or portion thereof that the corresponding Service Error is not responded to within the required response time.	Three percent (3%) of the Software License Fees for the month in which the initial Service Level Failure begins and three percent (3%) of such monthly Software License Fees for the first additional hour or portion thereof that the corresponding Service Error remains un-Resolved, which amount will thereafter double for each additional one-hour increment.
Medium Service Error	Same business day upon becoming aware of the issue	Two (2) Business Days	N/A	N/A
Low Service Error	Same business day upon becoming aware of the issue	Five (5) Business Days	N/A	N/A

3.7 Escalation. With respect to any Critical Service Error Support Request, until such Support Request is Resolved, Contractor will escalate that Support Request within sixty (60) minutes of the receipt of such Support Request by the appropriate Contractor support personnel, including, as applicable, the Contractor Project Manager and Contractor's management or engineering personnel, as appropriate.

3.8 Support Service Level Credits. Failure to achieve any of the Support Service Level Requirements for Critical and High Service Errors will constitute a Service Level Failure for which Contractor will issue to the State the corresponding service credits set forth in **Section 4.4(b)** ("**Service Level Credits**") in accordance with payment terms set forth in the Contract.

3.9 Corrective Action Plan. If two or more Critical Service Errors occur in any thirty (30) day period during (a) the Term or (b) any additional periods during which Contractor does or is required to perform any Hosted Services, Contractor will promptly investigate the root causes of these Service Errors and provide to the State within five (5) Business Days of its receipt of notice of the second such Support Request an analysis of such root causes and a proposed written corrective action plan for the State's review, comment and approval, which, subject to and upon the State's written approval, shall be a part of, and by this reference is incorporated in, the Contract as the parties' corrective action plan (the "**Corrective Action Plan**"). The Corrective Action Plan must include, at a minimum: (a) Contractor's commitment to the State to devote the appropriate time, skilled personnel, systems support and equipment and other resources necessary to Resolve and prevent any further occurrences of the Service Errors giving rise to such Support Requests; (b) a strategy for developing any programming, software updates, fixes, patches, etc. necessary to remedy, and prevent any

further occurrences of, such Service Errors; and (c) time frames for implementing the Corrective Action Plan. There will be no additional charge for Contractor's preparation or implementation of the Corrective Action Plan in the time frames and manner set forth therein.

- 4 Data Storage, Backup, Restoration and Disaster Recovery.** Contractor must maintain or cause to be maintained backup redundancy and disaster avoidance and recovery procedures designed to safeguard State Data and the State's other Confidential Information, Contractor's Processing capability and the availability of the IT Environment Services and Software, in each case throughout the Term and at all times in connection with its actual or required performance of the Services hereunder. The force majeure provisions of this Contract do not limit Contractor's obligations under this section.

4.1 Data Storage. Contractor will provide sufficient storage capacity to meet the needs of the State at no additional cost.

4.2 Data Backup. Contractor will conduct, or cause to be conducted, daily back-ups of State Data which are retained for seven (7) days and perform, or cause to be performed, weekly back-ups of State Data on at least a weekly basis which are retained for ninety (90) days and store and retain such back-ups as specified in **Schedule A**. 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 from the production version of the Software or the most recent backup.

4.3 Data Restoration. If the data restoration is required due to the actions or inactions of the Contractor or its subcontractors, Contractor will promptly notify the State and complete actions required to restore service to normal production operation. If requested, Contractor will restore data lost due to Contractor action or inaction from the most recent backup upon written notice from the State. Contractor will restore the data within two (2) Business Days of the State's request (Recovery Time Objective is 48 hours). Contractor will provide data restorations at its sole cost and expense.

4.4 Disaster Recovery. Throughout the Term and at all times in connection with its actual or required performance of the Services, Contractor will maintain and operate a backup and disaster recovery plan to achieve a Recovery Point Objective (RPO) of 48 hours, and a Recovery Time Objective (RTO) of 48 hours (the "**DR Plan**"), and implement such DR Plan in the event of any unplanned interruption of the Hosted Services. Contractor's current DR Plan is attached as **Schedule F**. Contractor will actively test, review and update the DR Plan on at least an annual basis using industry best practices as guidance. All updates to the DR Plan are subject to the requirements of this **Section 4**. If Contractor fails to reinstate all material Hosted Services and Software within the periods of time set forth in the DR Plan, the State may, in addition to any other remedies available under this Contract, in its sole discretion, immediately terminate this Contract as a non-curable default.

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 subprocessor that is providing any infrastructure as a service or platform as a service for 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:

- (a) ensure the security 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 any State Data in Contractor’s or its subcontractor’s possession; and
- (e) 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 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---,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.

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. 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 or SOC 2 Type II audits for all Hosted Services environments throughout the Term, and in the event a Hosting Provider is unable to maintain FedRAMP authorization or SOC 2 Type II audits, 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, or other evidence acceptable to the State based on State required NIST Special Publication 800-53 MOD Controls using identified controls and minimum values as established in applicable State PSPs or materially equivalent industry standards.

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 or Canada and;

5.4 establish, 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 materially 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 applicable standards and regulations.

5.6 take all reasonable measures to:

(a) 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

(b) 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 contaminated by the data of other customers or their users of the Services (note that the Software database is a shared database with protocols in place to prevent contamination whereby the State will not have its own instance of a database); and (iii) unauthorized access to any of the State Data;

5.7 ensure that State Data is encrypted in transit using FIPS AES compliant encryption algorithms and a key size of 128 bits or higher and, prior to March 1, 2022, ensure that State Data is encrypted at rest using FIPS compliant 140-2 or 140-3 encryption algorithms; and

5.8 ensure access to the operating environment utilizes 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 90 calendar days 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, which shall, at the State's option and request, include penetration and security tests, of any and all Hosted Services 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 resolve material findings identified by the State or by any audit of Contractor's data privacy and information security program to the mutual satisfaction of both parties.

8.5 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**.

9. 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)).

(a) Contractor must grant the State the right to dynamically scan a deployed version of the Software. The environment must be available to the State quarterly (dates to be provided by the State) and for each major release. Scans must be completed in a non-production environment with verifiable matching source code and supporting infrastructure configurations.

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

(a) 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 prior to production release, 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.

(a) 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.

(a) 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).

(b) 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 reports to the State to use 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.

SCHEDULE F – DISASTER RECOVERY PLAN

This document contains a high level overview of Contractor's procedures to continue its business operations in the event of two different types of disasters:

1. Contractor's office is rendered inaccessible due fire, flood, building collapse, or any other event that makes the office unavailable for use for an indeterminate period.
2. The loss of hardware or connectivity in the server infrastructure hosting facility used by Contractor to provide its contractual services, said loss being expected to last greater than one day.

Note: Not documented here are the detailed procedures managed and maintained by Contractor, which are considered sensitive information.

Split Operations

Contractor recognizes that business offices and server hosting environments have different requirements for security and continuity of operations. The servers hosting Contractor's primary (contracted) operations including Re-TRAC Connect™ software, are housed at a secure hosting facility that is geographically separate from Contractor's office. An incident that disrupts the company's web-facing servers will not affect its place of business. Likewise, a disaster that makes Contractor's offices unavailable for use will not immediately affect the company's ability to continue operating its contractual services.

Contractor has equipped temporary offices for personnel to securely work; the I/T infrastructure, policies, and procedures to support remote work has been enhanced during 2020/21 due to the pandemic.

Crisis Communication Plan

Contractor will notify all clients in the event that a disaster has occurred and will describe the procedures being undertaken to restore service at any capacity. Customers will be informed of any interruption to communication services within four (4) hours as circumstances allow. Follow-up communication will be sent once all systems are restored. Should a disaster occur that renders Contractor's telephone system and email server unavailable, the restoration of the company's ability to send and receive email is its top I/T priority. In the interim, Contractor personnel have some ability to communicate with customer Authorized Users within the Re-TRAC Connect™ software both through the use of private messages and use of notification banners on the site. Additionally, Contractor maintains a Twitter account to be used to provide updates until email service is restored.

Criticality of Services List & Equipment Replacement Plan

Contractor's server infrastructure operates in a secure data facility. Should Contractor's servers become unavailable for an extended period (for example, service cannot be restored on the affected server within one business day) Contractor has access to restore these services by:

- 1) Using additional server resources provided by the primary data centre;
- 2) Using existing commodity hardware at the Emerge office;
- 3) Using server resources from another approved data centre.

Contractor maintains a prioritized list of systems to be restored, and tests the procedures for restoring systems, in the event of a disaster.

Contractor maintains an asset listing in order to expediently procure new equipment and file related insurance claim.

Data Backup and Restoration Plan

Contractor maintains a comprehensive set of daily data backups; all Contractor systems, internal and external, are included in these backups. Contractor maintains detailed written instructions on performing system restores, and these instructions are also available off-site. The restore procedures are tested on a schedule, and an adhoc basis to better replicate an unexpected incident, to ensure the procedures are accurate and the restored systems run as expected.



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 **6**
 to
 Contract Number **071B4300150**

CONTRACTOR	EMERGE KNOWLEDGE DESIGN INC.
	401-250 McDermot Ave.
	Winnipeg, MB R3B 0S5
	Jennifer Peters
	204-772-7239
	ap@emergeknowledge.com
	CV0067009

STATE	Program Manager	Various	EGLE
	Contract Administrator	Jarrod Barron	DTMB
		(517) 249-0406	
		barronj1@michigan.gov	

CONTRACT SUMMARY				
RE-TRAC CONNECT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
September 11, 2014	September 10, 2015	3 - 1 Year	September 10, 2021	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" 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 10, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$743,784.01	\$0.00	\$743,784.01		
DESCRIPTION				
Effective 1/8/2021, the parties revise and fully restate Schedule A - Key Personnel from the current version in Contract Change Notice 5 to the attached version. Per DTMB contractor, agency, and DTMB Central Procurement Services approval.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
EGLE	Steve Noble	517-449-6153	NobleS4@michigan.gov
DTMB	Laura Brancheau	517-335-1334	BrancheauL@michigan.gov

SCHEDULE A
KEY PERSONNEL
(Revised Jan 2021 for Contract Number 071B4300150)

The following Contractor key personnel may perform professional services and technical support as part of this contract:

Jennifer Peters, Administrative Officer (jen@emergeknowledge.com)

Boris Reisig, Security Infrastructure Specialist (boris@emergeknowledge.com)

Dan Butcher, Senior Solutions Manager (dan@emergeknowledge.com)

Chris Ronson, Senior Solutions Manager (chris@emergeknowledge.com)

Jerett Bogue, Solutions Manager (jerett@emergeknowledge.com)

Carla Bergstrom, Solutions Manager (carla@emergeknowledge.com)

Nick Clark, Solutions Manager (nick@emergeknowledge.com)

New: Ashley DeVries, Solutions Manager and Product Scheduler (contact only via jen@emergeknowledge.com)

Hudson Gevaert, Principal Systems Analyst (contact only via jen@emergeknowledge.com)

Frankie McGregor, Computer Programmer (contact only via jen@emergeknowledge.com)

New: Ryan Beasse, Computer Programmer (contact only via jen@emergeknowledge.com)

New: Ian Ongsanoy, Web Designer (contact only via jen@emergeknowledge.com)

Cathie Baranda, Quality Assurance Analyst and Technical Support Representative (support@re-trac.com)

Wilson Maranan, Quality Assurance Analyst (contact only via jen@emergeknowledge.com)



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 **5**
 to
 Contract Number **071B4300150**

CONTRACTOR	EMERGE KNOWLEDGE DESIGN INC.
	401-250 McDermot Ave.
	Winnipeg, MB R3B 0S5
	Jennifer Peters
	204-772-7239
	ap@emergeknowledge.com
	CV0067009

STATE	Program Manager	Various	
	Contract Administrator	Jarrod Barron	DTMB
		(517) 249-0406	
		barronj1@michigan.gov	

CONTRACT SUMMARY				
RE-TRAC CONNECT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
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PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" 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 10, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$743,784.01	\$0.00	\$743,784.01		
DESCRIPTION				
Effective 4/20/2020, the parties revise and fully restate Schedule A - Key Personnel from the original contract to the attached version. This is a zero-dollar change notice unrelated to work and deliverables. All other terms, conditions, specifications, and pricing remain the same. Per DTMB contractor, agency, and DTMB Central Procurement Services approval.				

**Program Managers
for
Multi-Agency and Statewide Contracts**

AGENCY	NAME	PHONE	EMAIL
EGLE	Steve Noble	517-449-6153	NobleS4@michigan.gov
DTMB	Laura Brancheau	517-335-1334	BrancheauL@michigan.gov

SCHEDULE A
KEY PERSONNEL
(Revised 2020 for Contract Number 071B4300150)

The following Contractor key personnel may perform professional services and technical support as part of this contract:

Jennifer Peters, Administrative Officer (jen@emergeknowledge.com)

Boris Reisig, Security Infrastructure Specialist (boris@emergeknowledge.com)

Dan Butcher, Senior Solutions Manager (dan@emergeknowledge.com)

Chris Ronson, Senior Solutions Manager (chris@emergeknowledge.com)

Jerett Bogue, Solutions Manager (jerett@emergeknowledge.com)

New in 2020: Carla Bergstrom, Solutions Manager (carla@emergeknowledge.com)

New in 2020: Nick Clark, Solutions Manager (nick@emergeknowledge.com)

Hudson Gevaert, Principal Systems Analyst (contact only via jen@emergeknowledge.com)

Frankie McGregor, Computer Programmer (contact only via jen@emergeknowledge.com)

Cathie Baranda, Quality Assurance Analyst and Technical Support Representative (support@re-trac.com)

Wilson Maranan, Quality Assurance Analyst (contact only via jen@emergeknowledge.com)



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 **4**

to

Contract Number **071B4300150**

CONTRACTOR	EMERGE KNOWLEDGE DESIGN INC.
	401-250 McDermot Ave.
	Winnipeg, MB R3B 0S5
	Jennifer Peters
	204-772-7239
	ap@emergeknowledge.com
	CV0067009

STATE	Program Manager	Steven Noble	EGLE
		517-284-6589	
		nobles4@Michigan.gov	
	Contract Administrator	Jennifer Bronz	DTMB
		(517) 249-0493	
		bronzj@michigan.gov	

CONTRACT SUMMARY				
RE-TRAC CONNECT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
September 11, 2014	September 10, 2015	3 - 1 Year	September 10, 2021	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" 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 10, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$303,132.01	\$440,652.00	\$743,784.01		
DESCRIPTION				
Effective 9/27/2019, the following amendment is hereby incorporated into the contract per attached SOW. This change includes the following: Scope, Resource change and modified language to the Technical Environment. The contract is also increased by \$440,652.00. All other terms, conditions, specifications, and pricing remain the same. Per DTMB contractor and agency agreement, DTMB Central Procurement Services approval, and the State Administrative Board approval on 9/26/2019.				



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK FOR IT CHANGE NOTICES**

Project Title: Fillable MMP Form	Period of Coverage: Sept 11, 2019- Sept 10, 2021
Requesting Department: EGLE - WMRPD - Solid Waste	Date: 9/27/2019
Agency Project Manager: Miller, Christina	Phone: 517-614-7426
DTMB Project Manager: Brancheau, Laura	Phone: 517-335-1334

Brief Description of Services to be provided:

BACKGROUND:

Materials Management Plans are required to be completed by each County in Michigan to develop goals, site materials management facilities, and properly manage its generated materials. As part of our Materials Management Program, all facilities must also complete a separate authorization to the Department such as a notification, registration, general permit, permit/license and reporting. This allows the Department to ensure facilities are in compliance with applicable statutes and law requirements.

The work objective is to develop a web form template/s through system configuration that will expand upon current use of the existing Re-TRAC Connect™ reporting system to include additional facility types and to develop a module for counties to complete their Materials Management Plans. This template will also allow for increased functionality for the county user(s) when developing their individual planning documents and ultimately using the data input to create a digital version of the Materials Management Plan (MMP). Specified data points will be downloadable and exportable from the system with compatibility to upload into EGLE's Waste Data System (external from Re-TRAC Connect).

Upon acceptance, this Statement of Work would be governed by the terms and conditions of Contract 071B4300150.

PROJECT OBJECTIVE:

The purpose of this project is to develop a web form template that will interface with our existing Re-TRAC reporting system. This template also allows for increased functionality for the county user when developing their individual planning documents and ultimately using the data input to create a digital version of the Materials Management Plan.

SCOPE OF WORK:

This SOW provisions for a Re-TRAC Connect Leader Account Subscription for the MMD's EGLE MMP Reporting Program and professional services to implement enhancements, requirements and requested project reporting. The scope for this effort will encompass configuration of Emerge Knowledge Design Inc.'s Re-TRAC Connect™ system to include the functionality listed in the deliverables below, with the end goal being a new digital MMP form for EGLE to use, an expanded notification, registration, and

reporting (authorizations) program for additional facility types, and the ability to download and export various data points from the system with compatibility to upload into EGLE's Waste Data System.

Emerge Knowledge will provide the services necessary to deliver the items outlined in the project Deliverables and project Work Plan sections. This includes the following high-level activities (tasks) and Project Management documentation as necessary to support the following:

- Requirements finalization
- Configuration to provide tailored surveys for the EGLE MMP Reporting Program and the Authorizations (Facility Reporting) Program
- Configuration to provide system analytical reports including Materials Management Plan analytical report
- Quality Assurance testing
- Facilitation of user testing
- Deployment (launch)
- Program Manager and Reporting User Trainings

DELIVERABLES:

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

Deliverables for this project include:

<i>Requirements</i>	<i>Description of required implementation</i>
1) Account Management and Administration	
a) Account users must be approved by EGLE staff prior to granting access.	EGLE Staff (i.e. Program managers) will utilize Re-TRAC Connect Member Approval functionality to approve/deny reporting members into the EGLE Re-TRAC program(s).
b) Existing Re-TRAC accounts must be integrated into new program	Dependent on the alignment between Michigan's existing Re-TRAC Connect program and the new program(s), a couple different migration processes can be implemented. Existing accounts can choose to join the new program once it has been built themselves, or some information can be pre-populated into the system once it is built by Emerge staff.
c) Data must be integrated from the Materials Management Facility and Program Infrastructure project	A one-time data import must be completed by Emerge staff using a Re-TRAC Connect data import (.XLS or .CSV) template to upload and populate relevant data from the Materials Management Facility and Program Infrastructure project.
d) DPA User accounts must have the ability to encompass more than one County (for Regional Planning)	As per the demonstration provided to the EGLE staff by Emerge Knowledge, each county and municipality that the DPA is responsible for will be accessed by logging into the DPA's user account and be accessible from their 'Members' page.
e) Administrative users must be able to review workflow of existing forms and provide approval or return for edits (with commentary) for steps in the MMP and Authorizations workflow.	EGLE Staff (i.e. Program Managers) will utilize Re-TRAC Connect Survey Response page to review each survey response and must be able to make edits, comments (via in-form notes fields) or verify the data.
2) Authorizations Program	

a) Must develop Authorizations Program to allow for all levels of authorization required to operate	Authorizations Program (i.e. Facility reporting program) may be configured to replace existing Michigan MRF reporting program and may encompass all identified reporting entities as per 'Authorizations Mapping Flowchart 5-9.pdf' sent by MI EGLE staff to Emerge Knowledge Design Inc. Workflow and survey dependencies to be determined during the Requirements Finalization activity of the work plan.
b) Authorization Program users must have the ability to report to system on an annual basis	A draft list of Authorization Program surveys (including reporting frequencies) has been developed.
3) Web Platform	
a) Manually fillable dynamic web forms must be configured	EGLE will specify to Emerge staff the data fields which should be mandatory (i.e. required) and Emerge staff must configure the survey(s) accordingly.
i) Series of questions (organized by topic into templates) must be configured	Authorizations Program and EGLE MMP surveys must be configured for each reporting entity type and must be organized as per MI EGLE's direction. EGLE MMP program must be configured to ensure an MMP plan can be generated for each planning area.
ii) Multiple choice, yes/no, open ended and drop-down must be configured	EGLE will work with Emerge staff to identify the data fields that will be multiple choice, yes/no, open ended and drop-down
iii) In some cases, drop-down options and/or type-ahead fields will draw from a database or from answers previously provided in other form within system (ex: facility list will be populated by common authorization form registrations)«	<p>Emerge Knowledge must ensure that tools/updates are made prior to the start of each reporting cycle that must accommodate the alignment of fields between applicable surveys and/or programs in the Re-TRAC Connect system. Strategies to achieve this requirement may include the following:</p> <ul style="list-style-type: none"> - Annual update of all relevant drop-down lists in EGLE MMP program surveys that align with Authorization Program facility names. If additional items need to be added more frequently, Emerge staff must ensure that they are added as needed. - Pre-population of data from the municipalities' prior year responses to reduce data entry efforts.
iv) Branch logic (send respondents down different paths in form based on answers)	EGLE will work with Emerge staff to identify the branch logic paths.
b) Must create tables and graphics based on answers given to form questions where applicable.	Tables and charts/graphs will be delivered in the 'Analytics' area of the Re-TRAC Connect system.
c) Must have the ability to submit attachments with forms.	Attachments can be uploaded by the reporting member for survey(s) currently with a max file size of 5MB per file and some restrictions exist on the number of attachment items per survey.
d) Map and/or list of existing infrastructure in Michigan that DPA users can filter and select from geographically.«	<p>As per the demonstration by Emerge Knowledge to the EGLE staff, a list (in the form of an analytical report) may be generated within the survey forms that allow the DPA users to filter and view (but not select).</p> <p>DPA users will then be able to select the desired facilities found in Michigan from a select/drop-</p>

	<p>down list that is aligned with the Authorizations Program and the Materials Management Facility and Program Infrastructure project on the surveys themselves. By selecting these facilities, this will eliminate the need for users to manually enter facility description data.</p> <p>Annual updates of facility drop-down lists in EGLE MMP program surveys that align with Authorization Program facility names may be completed by Emerge based on information provided by EGLE. If additional items need to be added more frequently, Emerge staff must add as needed upon request by EGLE as supported by available subscription services hours.</p> <p>Facility information for facilities that are selected by the DPA user can be pulled into the final MMP plan analytical report as long as the DPA user selects the facility when they are filling out their surveys.</p>
4) Workflow Management	
i) Portions of the approved plan will be updated on a schedule. Other portions will be locked and users will not be able to make modifications.	Surveys can be locked on a survey cycle basis to restrict users from making modifications. A portion of the survey cannot be locked, so Emerge Knowledge staff will work with EGLE staff to design surveys to best accommodate the workflow needed.
ii) User dashboard with information on progress and deadlines	Information regarding survey status (including deadlines*) will be displayed on a member's workspace.
5) Materials Management Plan	
a) A static report (Materials Management Plan) will be created based on answers provided by DPA users in the form and in a format provided by EGLE.«	<p>EGLE staff will work with Emerge Knowledge staff to design each survey with the goal of ensuring that the required output of the information collected from the surveys will be displayed in a Re-TRAC Connect specialized analytical report.</p> <p>Report design and layout will be determined by Emerge Knowledge and EGLE staff utilizing existing Re-TRAC Connect analytical report infrastructure. Aggregate data can be included in the analytical report via tables and charts. The content of attachments that a user uploads will not be included in the Material Management Plan specialized analytical report (however EGLE staff will have access to all attachments that the user uploads using the Re-TRAC Connect Program Management page(s)).</p>
i) Must have the ability to have locked version of MMP. Some portions may be updated by users.	Surveys can be locked on a survey cycle basis to restrict users from making modifications. A portion of the survey cannot be locked, so Emerge Knowledge staff must work with EGLE staff to design surveys to best accommodate the workflow needed. EGLE will be able to use the 'Verified' functionality of the software in combination with up to three cycles of the survey (e.g. Version 1, Version 2 Final, Version 2 Final

	with Modifications) to approve modifications to survey responses.
6) Data	
a) Must allow data to be exported into formats usable by Microsoft Access (Excel & .csv)	All analytical report tables can be exported to .CSV and .XLS.
b) Website will act as a central repository for data. Users will be able to login for duration of subscription.	EGLE will own rights to data entered within MMP and Authorizations Program. Users will utilize free accounts within Re-TRAC Connect to access each Program throughout duration of the subscription.
c) Must have the ability to interface with external data inputs (Emerge MMP, Authorization Forms, and Materials Management Facility and Program Infrastructure).	<p>Implementation Strategies:</p> <p><i>Emerge Municipal Measurement Program (eMMP)</i> Upon MI EGLE subscribing to the Government Data Management Plan (GDMP), MI EGLE will have access to both the eMMP management pages in addition to the MI EGLE MMP program management pages.</p> <p>Additionally, up to two data imports of eMMP data into EGLE's MMP (via .XLS or .CSV file template populated by MI's GDMP export) have been included in the budget based on fields identified by EGLE in the following documents:</p> <ul style="list-style-type: none"> • MMP - About curbside collection programs in your municipality - all ques..._CMM.PDF • MMP - About your municipality - all questions.PDF <p>Please note that to facilitate imports described above, the survey(s) that are configured in EGLE's MMP program to gain this data will need to be distinct survey(s) with identical questions as in the eMMP (and specified as per above).</p> <p><i>Authorizations Program Data</i> Authorizations Program Data (i.e. Facility Reporting program) data can be displayed utilizing in-survey analytical reports, and specialized analytical reports in the Analytics area.</p> <p>Annual updates of facility drop-down lists in EGLE MMP program surveys that align with Authorization Program facility names will be completed by Emerge based on information provided by EGLE. If additional items need to be added more frequently, Emerge staff will add as needed upon request by EGLE as supported by available subscription services hours.</p> <p><i>Material Management Facility and Program Infrastructure</i> Infrastructure data must be imported by Emerge into the applicable surveys as a one-time data import.</p>
d) Must be able to investigate and implement (as possible) the integration of the Emerge Municipal Measurement Program system with the EGLE reporting and MMP Program to allow participants	<p><i>Emerge Municipal Measurement Program (eMMP)</i> Upon MI EGLE subscribing to the Government Data Management Plan (GDMP), MI EGLE will have access to both the eMMP management</p>

to use the Emerge Municipal Measurement Program dashboard.«	<p>pages in addition to the MI EGLE MMP program management pages.</p> <p>Additionally, up to two data imports of eMMP data into EGLE's MMP (via .XLS or .CSV file template populated by MI's GDMP export) have been included in the budget based on fields identified by EGLE in the following documents:</p> <ul style="list-style-type: none"> • MMP - About curbside collection programs in your municipality - all ques._CMM.PDF • MMP - About your municipality - all questions.PDF <p>EGLE MMP Program Participants (i.e DPAs/Counties) will gain access to the aforementioned imported data in the EGLE MMP Program; however, would each require their own subscription to the GDMP plan to access the eMMP program management pages.</p>
e) Contractor must work with Windsor Solutions and EGLE staff to assure data fields identified by EGLE can be uploaded to the EGLE Waste Data System.	<p>Emerge Knowledge must ensure relevant data from the surveys in the Authorizations program can be exported by the MI EGLE Program Managers. This must be implemented via an analytical report that is generated in the Re-TRAC Connect system (format to be either .XLS, .CSV, or JSON). Once the export functionality has been configured, EGLE Program Managers will be able to export data on demand. Tables configured to export to JSON will require a higher level of effort. Professional service hours have been budgeted for a JSON export.</p>
7) User Notifications	
a) Must have the ability for system to email users reminders of approaching deadlines. From start to finish users will have a specified amount of days to complete portions of the template. «	<p>Deadlines*« may be designated for each Survey cycle prior to making each survey available. EGLE Program Managers will have the ability to message individual users directly utilizing the 'Message Members' feature. Once a user is messaged by the EGLE MMP Program Manager, the user can respond to the Message via Re-TRAC Connect.</p> <p>The Authorizations Program will have different deadlines from the EGLE MMP. The EGLE MMP program will have different deadlines per DPA user based on calendar dates. Emerge and EGLE staff to work together to determine the best way to remind users of upcoming deadlines (e.g. automated messaging, PM triggered reminders, on-screen instructions, other.)</p>
b) System must include time stamps of submissions and EGLE must receive notifications of submittal. Website must have the ability to create multiple versions of reports.	<p>Each time a survey response is updated in Re-TRAC Connect, the user and time the change was made is tracked and associated with the survey. Each survey can be configured to send messages to EGLE Program Managers based on whether the survey is 'Saved as Draft' and/or 'Marked as Complete'. Reporting entities will have the ability to</p>

	<p>generate (and export) their analytical reports and survey responses at any time based on the most recent data available, however the system will not save a copy of each survey response and/or analytical report generated.</p> <p>Emerge proposes to have up to 3 distinct 'versions' of each component of the plan (e.g. Version 1, Version 2 Final, Version 2 Final with Modifications). This will achieve the ability to preserve each version in its final state, allow EGLE to review/edit/request modifications, and will allow the system to analyze the differences between the versions and display them to EGLE staff via an analytical report.</p>
c) Items as determined by EGLE staff, such as basic facility information within the template will be based on the Authorization program. The Authorization data will be updated on a yearly basis. Users will be notified if information is updated.	<p>Language must be added to the instructions on applicable surveys (e.g. "Facility lists have been UPDATED for 2021!") and/or MI EGLE can send a message to all members prior to reporting season to notify of updates made to the surveys.</p>

*Indicates functionality that is part of the Re-TRAC Connect product roadmap that is in progress and will be released during the project timeline.

«Indicates that complete details of the requirement and implementation of the requirement are not known at the time of this SOW development and EGLE and Emerge teams agree and acknowledge that Emerge will work to achieve the goals of the requirement - without compromising the Re-TRAC Connect platform - but may not be able to meet the full requirement. An alternative solution to fulfill requirements will be developed in any circumstance where full requirements are not met. Costs and/or hours associated with requirements that are not met in full will be deducted as applicable, as described in "Work Plan & Detail of Change Notice Costs" tables and can be reallocated or used to offset future subscription costs.

PROFESSIONAL SERVICES:

Emerge Knowledge agrees to provide Professional Services to undertake all work related to scheduling and undertaking requirements analysis and finalization, reporting program configuration (implementation of surveys and analytical reports as supported by the SOW approved budget) per the deliverables and work plan described herein, on-boarding including training for Agency program managers (as authorized users) and reporting users (end users), and requested project control and reporting.

Emerge Knowledge must also provide Technical Support to program managers and reporter users via the Technical Support online form in Re-TRAC Connect™ software during each annual term. Program managers and reporters may receive technical support for assistance to use the Re-TRAC Connect software; Technical Support, however, does not include requirements analysis, configuration services, or technical support for any software other than Re-TRAC Connect™. Emerge Knowledge will not bill the State or any technical support hours provided beyond the hours included in the subscription, as described in the Work Plan & Detail of Change Notice Costs table below.

Work Plan & Detail, Resource changes and Environment of Change Notice Costs

Term: October 15, 2019 to Oct 14, 2020

Year One (Set up & Subscription) - Leader	Proposed	Hours	Cost
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Account for EGLE MMP reporting program	Target Completion Date		
Re-TRAC Connect™ Leader Account Software License	n/a	n/a	\$18,904.000
Professional Services for:			
Kick off meeting (includes preparation, actual meeting time, and next steps project detailed planning related to establishing meeting schedule for requirements analysis & finalization project phase)	To be held October 15-31, 2019	16	\$2,000.00
SOW deliverable EGLE MMP reporting program survey requirements analysis & finalization (includes dedicated meetings for this work focus)	January 2020	116	\$14,500.00
Technical Support	4 hrs/month	48	\$4,320.00
Total Subscription Fee:		\$39,724.00	

Term: Oct 15, 2020 to Oct 14, 2021

Year Two (Renewal, if any) - Leader Account for EGLE reporting program	Target Completion Date	Hours	Cost
Re-TRAC Connect™ Leader Account Software License	n/a	n/a	\$18,904.00
Professional Services for general client services	On-going	43	\$5,404.00
Technical Support	4 hrs/month	48	\$4,320.00
Total Subscription Fee:		\$28,628.00	

Oct 15, 2019 - Oct 14, 2021 (two years)

Additional Professional Services	Target Completion Date	Hours	Cost
Project control and progress reporting (monthly)	3 hrs/month up to Sept 10/21	72	\$10,320.00
EGLE MMP Program Configuration, QA, & Launch of Surveys Includes up to 20 configured surveys with the following content/category titles (final survey titles and reporting frequency to be confirmed during requirements analysis activity) whereby if survey content is combined [to achieve fewer surveys] the level of effort and cost do not diminish): <ul style="list-style-type: none"> • <i>DPA Contact Information</i> • <i>Planning Committee Member Template</i> • <i>Outreach and Education</i> • <i>Municipality List</i> • <i>Demographics</i> • <i>Infrastructure – Solid Waste</i> • <i>Infrastructure – Recycling</i> • <i>Infrastructure – Organics</i> • <i>Mugs</i> • <i>Implementation Plan</i> • <i>Proposed Diversion Activities</i> 	Sept 10/20 (date TBD upon completion of requirements finalization)	920	\$116,400.00 (\$5,820.00 per survey x 20 surveys)

<ul style="list-style-type: none"> • <i>Siting</i> • <i>Enforcement Mechanisms</i> • <i>Public Participation</i> • <i>Responsible Parties</i> • <i>eMMP exact questions for municipal survey (to accommodate import from eMMP to EGLE MMP)</i> • <i>Annual Progress Report</i> 			
Launch EGLE MMP Reporting Program on Production System	Sept 10/20 (TBD upon requirements finalization)	48	\$6,240.00
Training for MI EGLE Program Managers (web-based)	TBD	16	\$2,400.00
SOW deliverable Authorizations program survey requirements analysis & finalization (includes dedicated meetings for this work focus)	January 2020	70	\$10,500.00
Authorizations Program Configuration, QA, & Launch of Surveys Includes 18 configured surveys with the following content/category titles (final survey titles to be confirmed during requirements analysis activity) whereby if survey content is combined [to achieve fewer surveys] the level of effort and cost do not diminish): <ul style="list-style-type: none"> • <i>Site ID/Common Notification Form</i> • <i>Part 115 - MRF Reporting Forms</i> • <i>Part 115 - Compost Reporting Forms</i> • <i>Part 115 - Processing and Transfer Facility Reporting Forms</i> • <i>Part 115 - Anaerobic Digester Reporting Forms</i> • <i>Part 115 - Waste Diversion Reporting Forms</i> • <i>Part 115 - Landfill Reporting Forms</i> • <i>Part 173 – E Waste Manufacturer Reporting Forms</i> • <i>Part 173 – E Waste Recycler Reporting Forms</i> • <i>Part 175 Reporting Forms</i> • <i>Part 169 Scrap Tire Hauler Reporting Forms</i> • <i>Part 169 Scrap Tire Processor Reporting Forms</i> • <i>Part 169 Scrap Tire Collection Site Reporting Forms</i> 	Sept 10/20 (TBD upon requirements finalization)	828	\$104,760.00 (\$5,820.00 per survey x 18 surveys)
Launch Authorizations Program on Production System	Sept 10/20 (TBD upon requirements finalization)	48	\$6,240.00
Analytical Report Requirements Finalization, Configuration, QA, & Launch	Sept 10/21 (TBD upon	628	\$64,680.00

- Materials Management Plan report (\$18,480) - Additional analytical reports to be configured as budget permits	requirements finalization)		
Member migrations from existing Re-TRAC Connect program	TBD	84	\$9,240.00
Report allowing EGLE Program Managers to export in JSON format (on demand) from Authorizations Program	Sept 10/21 (TBD upon requirements finalization)	136	\$14,640.00
Up to two data imports of Municipal Measurement Program municipal data that aligns with EGLE's MMP program (via .XLS or .CSV file template populated by MI's GDMP export)	TBD based on when data is verified in the MMP	84	\$9,240.00
One-time data import of Materials Management Facility and Program Infrastructure project data	TBD based on when data is made available to Emerge	124	\$12,840.00
Training for MI EGLE MMP Reporters (web-based)	TBD	16	\$2,400.00
Training for Facility Reporters (web-based)	TBD	16	\$2,400.00
Total Additional Professional Services	\$372,300.00 (3,090 hours)		
Total Change Notice Costs	\$440,652.00 (3,361 hours)		

The scope of work outlined herein will begin on Oct 15, 2019 and be completed according to the high-level schedule provided in this work plan (all services to be completed by Oct 14, 2021 contract end date). During the project, the parties will establish more specific target completion dates for all work plan activities in order to plan, schedule resources, and achieve project success.

Revised 2019 Contractor Personnel

- Jennifer Peters, Administrative Officer (jen@emergeknowledge.com)
- Boris Reisig, Security Infrastructure Specialist (boris@emergeknowledge.com)
- Dan Butcher, Senior Solutions Manager (dan@emergeknowledge.com)
- Chris Ronson, Senior Solutions Manager (chris@emergeknowledge.com)
- Jerett Bogue, Solutions Manager (jerett@emergeknowledge.com)
- Hudson Gevaert, Principal Systems Analyst (contact only via jen@emergeknowledge.com)
- Frankie McGregor, Computer Programmer (contact only via jen@emergeknowledge.com)
- Cathie Baranda, Quality Assurance Analyst and Technical Support Representative (support@re-trac.com)
- Wilson Maranan, Quality Assurance Analyst (contact only via jen@emergeknowledge.com)

Revised Environment

1.103 Environment

The Service Software must run on and be compatible with the State Agency Specific Technical Environment.

Agency Specific Technical Environment:

Windows 10 Enterprise 64-bit

In 2019, Internet Explorer 11 and IE Edge

ACCEPTANCE CRITERIA:

As covered in the primary contract 071B4300150.

PROJECT CONTROL AND REPORTS:

For efficiency (and to achieve cost savings while also achieving quality project control), Emerge Knowledge will submit a monthly progress report to the Agency and DTMB Project Managers throughout the life of this project (up to Oct 14, 2021). This report will be submitted with the billing invoice. Each monthly progress report will contain the following:

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

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, if any, in addition to DTMB standards.

PAYMENT SCHEDULE:

The Leader Account Year One Term Software License fee and Technical Support fee for the new EGLE MMP Reporting Program will be paid upon Change Notice 4 execution. Payment for Professional Services included with Year One Subscription Fee will be made on a satisfactory acceptance of each deliverable basis and will be paid within the year one term.

The Leader Account Year Two Renewal (if any) Subscription Fee for the EGLE MMP Reporting Program will be invoiced within thirty (30) days of the start of the Renewal Term. Payment shall be considered timely if made by DTMB within forty-five (45) days after receipt of properly completed invoices. All dollar amounts referred to shall be in USD currency.

Payment for Additional Professional Services itemized to complete this SOW will be made on a satisfactory acceptance of each deliverable basis during the annual term in which the deliverables are completed and accepted.

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.

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Christina Miller

EGLE

MMD - Solid Waste

Constitution Hall

525 W Allegan St

Lansing, MI 48933

517-614-7426

Millerc1@michigan.gov

The designated DTMB Project Manager is:

Laura Brancheau

DTMB

Agency Services supporting EGLE, DNR, MDARD

Constitution Hall, Floor 1, North Tower

525 W Allegan St

Lansing, MI 48933

517-335-1334

BrancheauL@michigan.gov

AGENCY RESPONSIBILITIES:

As covered in the primary contract 071B4300150.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

All services to be provided remotely from Contractor's location. Contractor is responsible for providing web conference and audio conference tools as needed to support project communication from its (remote) work location.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

As covered in the primary contract 071B4300150.



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 **3**

to

Contract Number **071B4300150**

CONTRACTOR	Emerge Knowledge Design, Inc.
	401-250 McDermot Ave.
	Winnipeg, MB R3B 0S5
	Jennifer Peters
	204-772-7239
	jen@emergeknowledge.com
	*****2433

STATE	Program Manager	Steven Noble	DEQ
		517-284-6589	
		nobles4@Michigan.gov	
	Contract Administrator	Jarrod Barron	DTMB
		(517) 284-7045	
		barronj1@michigan.gov	

CONTRACT SUMMARY				
RE-TRAC CONNECT				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
September 11, 2014	September 10, 2015	3 - 1 Year	September 10, 2017	
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 year	<input checked="" type="checkbox"/>	3 years	September 10, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$120,007.00	\$183,125.01	\$303,132.01		
DESCRIPTION				
Effective April 25, 2017, the State exercises the final option year, adds three extension years per MPPM 5.7.6 and adds the services in the attached statement of work to add a Michigan Recycled Material Markets Directory Account module to the system. See attached pricing summary and documentation. All other terms, conditions, specifications, and pricing not modified herein remain the same. Per Contractor, Agency, DTMB Procurement and State Administrative Board approval.				

SUMMARY OF CHANGE NOTICE COSTS

Product	4/25/17- 9/10/17	9/11/17- 9/10/18	9/11/18- 9/10/19	9/11/19- 9/10/20	9/11/20- 9/10/21	TOTAL
Leader Account		\$28,628.00	\$28,628.00	\$28,628.00	\$28,628.00	\$114,512.00
EcoPoint Directory		\$4,475.00	\$4,475.00	\$4,475.00	\$4,475.00	\$17,900.00
RMMD Directory & Additional Program	\$12,413.01	\$9,575.00	\$9,575.00	\$9,575.00	\$9,575.00	\$50,713.01
TOTAL	\$12,413.01	\$42,678.00	\$42,678.00	\$42,678.00	\$42,678.00	\$183,125.01

See Statement of Work attached below for \$12,413.01 RMMD Directory & Additional Program Implementation details. See Detail of Change Notice Costs attached below for itemization of the costs summarized above.

STATEMENT OF WORK

RMMD Directory & Additional Program Implementation

BACKGROUND:

This Statement of Work is governed by the terms and conditions of Contract 071B4300150. The objective is to achieve new surveys and reports through system configuration and provide additional training. Contractor will not need to develop new source code as part of this effort.

SCOPE:

Contractor will:

- Configure the software to produce a General Information Survey (Directory);
- Configure the software to allow system searches of Listed Entities, as described in Section 1.3 below;
- Configure the software to produce system reports on Listed Entities and related data; and
- Provide web-based training sessions.

1. DESCRIPTION OF SERVICES AND DELIVERABLES

This SOW provides for the State's new Re-TRAC Connect Directory Account Subscription for the new Michigan Recycled Material Markets Directory and the related reporting program and Services.

1.1 Directory Features and Configuration:

- (a) Emerge Knowledge will configure the Re-TRAC Connect Directory within a standard template on the basis of content provided by the State including:
 - Organization logo. Preferred format is png (transparent background).
 - Custom Directory title. Some restrictions may apply. Maximum title length is 255 characters and title must also be presented in system font for usability.
 - Up to three (3) images (dimensions of 1280px x 300px, with a maximum file size of 300K per image) and captions (maximum length of 255 characters and presented in system font for usability) to be presented on Directory custom header.
 - A subset of organization types to be included in the Directory, as selected from the standard list available in Re-TRAC Connect.
- (b) State employees or contractors designated by the State as a "**Directory Manager**" will be given a Directory Manager account, including Credentials required to access and manage the Directory. Up to nine (9) Directory Manager accounts are available with each Directory account.
- (c) Search Engine Optimization (SEO): Emerge Knowledge monitors various Google analytics. Emerge Knowledge also submits the sitemap to Google to ensure that all content on all the public html pages (Recyclesearch homepage and all Listing Entity Profiles) is indexed by Google to help boost overall search rankings and help facilitate how often the content should be re-indexed so that Google is searching on current content (such as organization name, address, contact info, materials, description, and FAQs).
- (d) The State Directory will be added to and displayed in the Re-TRAC Connect "Join Directories" catalogue.
- (e) Directory URL: Re-TRAC Connect directories are found at a URL extension of www.recyclesearch.com, which is based on the approved Directory title provided in (a) above (e.g. <https://recyclesearch.com/profile/directorytitle>).

Note: The State is responsible for promotion of its own Directory.

Emerge Knowledge will provide HTML code for the State's Directory URL (e.g. www.recyclesearch.com/directorytitle) that the State may share with websites in Your community in order to promote and facilitate traffic (visits) to Your Directory. In addition, Emerge Knowledge can also provide HTML code for a "Recyclesearch" badge that State may add to Your own website, which would also point to the State's Directory URL as described in (e).

1.2 Directory Population

Directories may be populated by the Program Manager(s) and/or populated as **Listing Entity (ies)** (entities that elect to submit a listing request and corresponding data to State via limited, free Re-TRAC Connect™ accounts for which they independently register) learn of Your Directory and submit a listing request to make the locations of recycling drop-offs, curbside programs, and facilities available to the public via the State's on-line, searchable Directory and mapping function.

(a) As a Program Manager you can add Listing Entities in one of the following ways:

- i. An electronic invitation can be sent to entities that the State wishes to invite to become Listing Entities in the Directory. The invitation will include instructions for how the entities may register a free Re-TRAC Connect user account, which they use to join the State's Directory and submit a listing request via a templated form in the Software. Only data that is submitted to the Directory by the Listing Entity and approved by Directory Manager(s) is made public.
 - ii. Alternatively, if the State has a pre-established set of entities (Listing Entities) that You wish to assist with the listing process, the Directory Manager(s) may register free Re-TRAC Connect user accounts for each Listing Entity and manually enter their listing details directly via the templated form in the Software. The Listing Entity's Credentials (user name and password) are then sent to the Listing Entity who has the ability to access and maintain the Listing Details thereafter. Only data that is submitted to the Directory by the Listing Entity and approved by Directory Manager(s), is made public.
 - iii. Assistance with account setup for Listing Entities and automated data uploads are not included in the standards services and will be covered under a separate statement of work if required.
- (b) Organic population of the State's Directory occurs as potential Listing Entities learn about Your Directory and submit a request to join it. After registering for a free Re-TRAC Connect user account, which is used to join the State's Directory, Listing Entities submit a listing request via a templated form in the Software. Only data that is submitted to the Directory by the Listing Entity and approved by Directory Manager(s), is made public.

1.3 Directory Searching

- (a) **"External Users"** are members of the general public who wish to search listings in the Directory. External Users who visit Your Directory make use of a searchable map to search by keyword, with results weighted based on Listing Entity name (if included in the search string) and material list selections, followed by the remaining content of the listing including notes and location relative to the External user.

Note: Search results are provided using Google Maps™ service. Accuracy of mapping information is dependent upon the mapping service as provided to Emerge Knowledge and accuracy of Directory listings are dependent upon data entered by users. Emerge Knowledge does not verify the accuracy of the Directory listings provided by Users.

1.4 Directory Management

- (a) Directory Managers review and approve all new Listing Entities and the listing data Listing Entities submit before listings are made public.
- (b) Directory Managers can send messages to Listing Entities who agree to join and share listing data with State.
- (c) Directory Managers have exclusive access to view standard Directory usage reports.

1.5 Additional Program License and Services

As Michigan DEQ intends for this new Directory Account to be one element of a new reporting program, this SOW also provides for an Additional Program License and Additional Professional Services for related configuration up to the number of hours described in Section 5.1 below.

2. PROFESSIONAL SERVICES

Emerge Knowledge agrees to provide Professional Services to the State consisting of solutions management to provide client service and undertake all work related to scheduling programming and quality assurance work tasks, and dependencies between tasks, as well as programming and quality assurance services to configure the requirements listed below as Enhancements to the Software.

PROFESSIONAL SERVICES	DEDICATED HOURS	TARGET DATE
Directory Setup, Configuration and Testing Emerge Knowledge shall during the <u>initial</u> Term, set up and configure the Directory on the basis of content provided as described in Section 1.1 above. Contractor will assist the State in identifying the types of non-State organizations the State needs included in the Directory. Contractor will configure the Directory for the identified organization types.	24	July 31, 2017 *Note: will very likely be able to complete earlier in July (pending DEQ availability during summer).
Web-based Training Emerge Knowledge will provide two – 1.5 hour web-based training sessions, including one for Directory Manager(s) and one for External Users. Dedicated hours include all preparation and related follow up thereafter.	8	For completion by Aug 14, 2017, with dates TBD
Directory Client Services Emerge Knowledge will during the initial Term and each renewal Term thereafter provide Professional Services including project meetings, additional web-based training, and responding to general questions as needed to assist Project Staff to use the features & functionality in the Software.	22	Meetings to occur on dates mutually acceptable to both parties.
<i>Sub-Total Professional Services</i>	54	
Additional Professional Services Emerge Knowledge will provide Professional Services including supporting analysis of the Michigan Recycled Material Markets Directory initiative and the specification, configuration, and testing of one related survey.	26	Sep 10, 2017
Total	80	

3. TECHNICAL SUPPORT SERVICES

Emerge Knowledge will provide technical support to Michigan Recycled Material Markets Directory Program Managers and end users (Listing Entities) during the Term in accordance with Section 6 of the Agreement and this SOW. Emerge Knowledge will not bill the State for any technical support hours provided beyond the hours included in the subscription, as described in Section 5 below.

During each year of the Term, Contractor will make available to the State a telephone number ("Hotline") for the State to call and an online form within the Service Software for the State to use for the purpose of receiving technical support for assistance to use the Service Software. The Hotline operates during Contractor Business Hours on each Contractor Business Day. The Hotline or email can also be used to notify Contractor of problems associated with the Service Software and related documentation. Technical Support includes online Frequently Asked Questions (FAQs) and may also include web-based general technical support for user's self-diagnostics.

During each year of the Term, the State's Listing Entities will receive technical support for assistance to use the Service Software via an online form in the Service Software. Technical Support includes online Frequently Asked Questions (FAQs) and may also include web-based general technical support for user's self-diagnostics.

4. TIMELINE

4.1 The scope of work outlined herein will begin on May 30, 2017 and be completed according to the schedule provided in Section 2 of this SOW.

5. SUBSCRIPTION FEES AND PAYMENT TERMS

5.1 Michigan DEQ's **Total First Year** Subscription Fees for the new Michigan Recycled Material Markets Directory Account and related reporting program, including dedicated services are \$12,413.01. See Detail of Change Notice Costs below for itemization of the costs.

5.2 For each **Renewal Year** following the first year of the Term, the Annual Subscription Fee shall be \$9,575.00. See Detail of Change Notice Costs below for itemization of the costs.

5.3 Upon receipt of a signed copy of this Statement of Work from the State, Emerge Knowledge will submit an invoice for the above First Year Directory Software License, with payment due net 45 days. At the time the Additional Program specification has been finalized and configuration begins, Emerge Knowledge will review the pro-rated Additional Program License Fee in 5.1 above, and invoice for the updated amount, based on the number of days remaining in the current Term at that time. All other services will be invoiced as completed. All payments are due net 45 days, and dollar amounts referred to shall be in USD currency.

ACCEPTANCE CRITERIA:

Deliverables will not be considered complete until the DEQ Project Manager has formally accepted them. The following acceptance criteria apply to this project's deliverables:

1. Recycling Material Marketing Directory

The system will allow interested Listed Entities to:

- a. Enter basic contact information upon registration for a RMMD listing.
- b. List materials available for reuse, using the fixed materials collected templated form in the Software (as per Section 1.2 above).
- c. List details associated with listed materials usage, using the listing description field.

2. Basic usage information reporting

The system will generate a report that:

- a. Generate reports on number of Listed Entities.
- b. Generate reports on general geographic location of Listed Entities.
- c. Generate reports on Listed Entities that offer various specific types of material.

The above reports will only be available to Directory Program Managers, not the general public.

3. Configuration

The system allows public searches of Listed Entities in the Directory as described in Section 1.3 above.

Examples:

- a. Number and identity of Listed Entities that accept specific materials, as indicated by the Listing Entities when they complete the materials collected form.
- b. Number of Listed Entities that accept specific materials.
- c. Number of listings per geographic/prosperity region, available only as described in Section 1.3 above.
- d.

4. Web-Based Training Session

Contractor has provided:

- a. One 1.5-hour web-based training session that for facilities on a mutually agreeable date, the objective of which is to Training DEQ staff on the functionality of the Directory
- b. One 1.5-hour web-based training session that for the State Program Manager on a mutually agreeable date, the objective of which is to train public users on the functionality of the Directory

PROJECT CONTROL AND REPORTS:

Per existing contract.

PROJECT CONTACTS:

Per existing contract.

LOCATION WHERE THE WORK IS TO BE PERFORMED:

Contractor will perform all work remotely.

EXPECTED WORK HOURS AND CONDITIONS:

Per existing contract.

DETAIL OF CHANGE NOTICE COSTS

Apr 25, 2017- Sept 10, 2017 (Current Term – Year 3 [Option Year 2]; New Budget Required: \$12,413.01) Pricing for the subscription and implementation of the newly added RMMD Directory during this Term is as follows (as per the SOW provided in November):

Year One - RMMD Directory Account & Additional Program	Dedicated Hours Included	Cost
Directory Software License (\$1,000.00 annual fee, <u>pro-rated</u> for the 139 day period between Apr 25, 2017 and the end of current Term on Sep 10, 2017)	n/a	\$380.82
Technical Support (\$225.00 annual fee, <u>pro-rated</u> for the 139 day period between Apr 25, 2017 and Sep 10, 2017)	1.0	\$90.00
Professional Services	54	\$6,750.00
Additional Program License (\$5,100.00 annual fee, <u>pro-rated</u> for the 139 day period between Apr 25, 2017 and the end of current Term on Sep 10, 2017)	n/a	\$1,942.19
Additional Professional Services	26	\$3,250.00
Subscription Fee:	USD \$12,413.01	

Sept 11, 2017 to Sept 10, 2018 (Next Term – Year 4 [Option Year 3]; New Budget Required: \$42,678.00)
The Department would need to include budget for:

Year Four (Renewal) – Leader Account	Dedicated Hours Included	Cost
Re-TRAC Connect™ Leader Account Software License base license fee	n/a	\$ 18,904.00
Professional Services	48	\$ 6,034.00
Technical Support	41	\$ 3,690.00
Total Subscription Fee	\$28,628.00	

Year Four (Renewal) – Re-use and Recycling Directory Account	Dedicated Hours Included	Cost
Re-TRAC Connect™ Directory Account Software License base license fee	n/a	\$ 1,000.00
Professional Services	26	\$ 3,250.00
Technical Support	2.5	\$ 225.00
Total Subscription Fee	\$ 4,475.00	

Year Two (Renewal) - RMMD Directory Account & Additional Program	Dedicated Hours Included	Cost
Re-TRAC Connect™ Directory Software License base license fee	n/a	\$1,000.00
Technical Support	2.5	\$225.00
Professional Services	26	\$3,250.00
Additional Program License	n/a	\$5,100.00
Subscription Fee:	USD \$9,575.00	

Sept 11, 2018 to Sept 10, 2019 (New Year 5 [Option Year 4]; New Budget Required: \$42,678.00)

Year Five (Renewal) – Leader Account		Dedicated Hours Included	Cost
Re-TRAC Connect™ Leader Account Software License base license fee		n/a	\$ 18,904.00
Professional Services		48	\$ 6,034.00
Technical Support		41	\$ 3,690.00
Total Subscription Fee		\$28,628.00	

Year Five (Renewal) – Re-use and Recycling Directory Account		Dedicated Hours Included	Cost
Re-TRAC Connect™ Directory Account Software License base license fee		n/a	\$ 1,000.00
Professional Services		26	\$ 3,250.00
Technical Support		2.5	\$ 225.00
Total Subscription Fee		\$ 4,475.00	

Year Three (Renewal) - RMMD Directory Account & Additional Program		Dedicated Hours Included	Cost
Re-TRAC Connect™ Directory Software License base license fee		n/a	\$1,000.00
Technical Support		2.5	\$225.00
Professional Services		26	\$3,250.00
Additional Program License		n/a	\$5,100.00
Subscription Fee:		USD \$9,575.00	

Sept 11, 2019 to Sept 10, 2020 (New Year 6 [Option Year 5]; New Budget Required: \$42,678.00)

Year Six (Renewal) – Leader Account		Dedicated Hours Included	Cost
Re-TRAC Connect™ Leader Account Software License base license fee		n/a	\$ 18,904.00
Professional Services		48	\$ 6,034.00
Technical Support		41	\$ 3,690.00
Total Subscription Fee		\$28,628.00	

Year Six (Renewal) – Re-use and Recycling Directory Account		Dedicated Hours Included	Cost
Re-TRAC Connect™ Directory Account Software License base license fee		n/a	\$ 1,000.00
Professional Services		26	\$ 3,250.00
Technical Support		2.5	\$ 225.00
Total Subscription Fee		\$ 4,475.00	

Year Four (Renewal) - RMMD Directory Account & Additional Program		Dedicated Hours Included	Cost
Re-TRAC Connect™ Directory Software License base license fee		n/a	\$1,000.00
Technical Support		2.5	\$225.00
Professional Services		26	\$3,250.00
Additional Program License		n/a	\$5,100.00
Subscription Fee:		USD \$9,575.00	

Sept 11, 2020 to Sept 10, 2021 (New Year 7 [Option Year 6]; New Budget Required: \$42,678.00)

Year Seven (Renewal) – Leader Account		Dedicated Hours Included	Cost
Re-TRAC Connect™ Leader Account Software License base license fee		n/a	\$ 18,904.00
Professional Services		48	\$ 6,034.00
Technical Support		41	\$ 3,690.00
Total Subscription Fee			\$28,628.00

Year Seven (Renewal) – Re-use and Recycling Directory Account		Dedicated Hours Included	Cost
Re-TRAC Connect™ Directory Account Software License base license fee		n/a	\$ 1,000.00
Professional Services		26	\$ 3,250.00
Technical Support		2.5	\$ 225.00
Total Subscription Fee			\$ 4,475.00

Year Five (Renewal) - RMMD Directory Account & Additional Program		Dedicated Hours Included	Cost
Re-TRAC Connect™ Directory Software License base license fee		n/a	\$1,000.00
Technical Support		2.5	\$225.00
Professional Services		26	\$3,250.00
Additional Program License		n/a	\$5,100.00
Subscription Fee:			USD \$9,575.00

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
PROCUREMENT

525 W. ALLEGAN STREET
 LANSING, MI 48933

P.O. BOX 36626
 LANSING, MI 48939

CHANGE NOTICE NO. 2
 to
CONTRACT NO. 071B4300150
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Emerge Knowledge Design, Inc. 401-250 McDermot Ave. Winnipeg MB, R3B 0S5	Jennifer Peters	jen@emergeknowledge.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	204-772-7239	*****2433

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DEQ	Steven Noble	517-284-6589	Nobles4@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	(517) 284-7045	BarronJ1@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Re-Trac Connect			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 11, 2014	September 10, 2015	3 - 1 Year	September 10, 2016
PAYMENT TERMS		DELIVERY TIMEFRAME	
n/a		n/a	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
n/a			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 year	<input type="checkbox"/>		September 10, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$ 113,887.00		\$ 6,120.00	\$ 120,007.00	
DESCRIPTION: Effective March 16, 2016:				
1. the State exercises the second option year, utilizing \$33,103.00 of existing contract funds to cover the Leader Account and EcoPoint subscription costs detailed in the original contract and				
2. the parties add \$6,120.00 to cover the configuration services detailed in the attached Statement of Work. All other terms, conditions, specifications, and pricing not modified herein remain the same.				
Per Contractor, Agency and DTMB Procurement agreement.				

STATEMENT OF WORK

Configurations and Training

BACKGROUND:

1. This Statement of Work is governed by the terms and conditions of Contract 071B4300150. The objective is to achieve new surveys and reports through system configuration and provide additional training. Contractor will not need to develop new source code as part of this effort.

2.

SCOPE OF WORK, TASKS AND DELIVERABLES:

3. Contractor will:

1. Configure the software to produce a General Information Survey;
2. Configure the software to produce a Tonnage Reporting Survey;
3. Configure the software to produce an Analytical Report; and
4. Provide web-based training sessions.

4.

LEVEL OF EFFORT AND PROJECT SCHEDULE:

Program Requirements	Dedicated Hours	Timeline
Program Setup	8	May 16, 2016 to September 1, 2016
Surveys: The following surveys as described in Part 175 Reporting Form: 1. General Information Survey 2. Tonnage Reporting Survey	24	May 16, 2016 to September 1, 2016
Analytical Report: One custom analytical report to aggregate numbers for tons of each recyclable material shipped off-site and grand total of all materials reported shipped off site as described in Part 175 Reporting Form.	32	May 16, 2016 to October 1, 2016
Training: One 1.5 hour web-based training session for facilities will be held on a mutually agreeable date, as per Michigan DEQ's schedule requirements. An additional 1.5 hours of dedicated web-based training for Michigan Program Manager to be held throughout the program buildout. Total dedicated hours include training preparation and follow up.	6	TBD by mutual agreement, but to be completed before September 10, 2016
Ongoing Client Services for the Term: Production support hours for the new surveys and the report generation after the system has been built.	30	Ongoing during the current term (up to September 10, 2016).
Total	100	

ACCEPTANCE CRITERIA:

Deliverables will not be considered complete until the DEQ Project Manager has formally accepted them. The following acceptance criteria apply to this project's deliverables:

1. General Information Survey

The system will generate a survey that:

- a. Provides registration information as required under Part 175
- b. Allows mandatory reporting companies to register
- c. Allows voluntary reporting companies to register
- d. Allows the DEQ to generate the necessary reports to complete its annual reporting as required by Part 175 of Act 451 as amended.

2. Tonnage Reporting Survey

The system will generate a survey that:

- a. Collects recycling volume data from required reporting companies
- b. Collect recycling volume data from voluntary reporters
- c. Allows the DEQ to generate the necessary reports to complete its annual reporting as required under Part 175 of Act 451. This report (survey) will be provided as an annual report and as four (4) quarterly reports. Reporters will have the option to submit their data annually or quarterly. However both versions of the report, whether annual or quarterly, will have the same data fields – i.e. they will be the exact same report (survey).

3. Analytical Report

The system allow the DEQ to generate custom analytical reports to meet the annual reporting requirements contained in statute. Examples:

- a. Aggregate recycling amounts for 7 different types of material
- b. Statewide recycling rate
- c. Recycling rates on a regional basis
- d. Recycling rate trends for various types of material
- e. Similar reports that separate data provided by voluntary and required reporting entities.

4. Web-Based Training Session

Contractor has provided:

- a. One 1.5-hour web-based training session that for facilities on a mutually agreeable date, the objective of which is to train required and voluntary reporting entities how to register and submit data to the system
- b. 1.5-hours of dedicated web-based training for the State Program Manager will be provided throughout the program buildout, the objective of which is to beta test and demonstrate the constructed system in preparation for roll out to the regulated community.

PROJECT CONTROL AND REPORTS:

Per existing contract.

PROJECT CONTACTS:

Per existing contract.

LOCATION WHERE THE WORK IS TO BE PERFORMED:

Contractor will perform all work remotely.

EXPECTED WORK HOURS AND CONDITIONS:

Per existing contract.

PAYMENT:

This project will require 100 hours of effort. Under Contract SOW section 1.601.A.2, the State has already paid for 48 Professional Services hours as part of its Year 2 subscription. The price of the additional needed 52 hours is \$6,120.00 firm-fixed. Payment will be made in one lump sum after the State formally accepts all deliverables. Cost is broken down as follows (rates per existing Contract):

Additional Professional Services	Dedicated Hours	Professional Services Fees
Solutions Manager	36	\$ 4,680.00
Computer Programmer	16	\$ 1,440.00
Total:	52	USD \$6,120.00

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. 071B4300150
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Emerge Knowledge Design Inc	Jennifer Peters	jen@emergeknowledge.com
401-250 McDermot Ave.	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
Winnipeg, MB R3B 0S5	(204) 772-7239 Ext. 805	2433

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DEQ	Steven Noble	517-284-6589	Nobles4@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Jarrod Barron	517-284-7045	Barronj1@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: RE-TRAC Connect			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 11, 2014	September 10, 2015	3, one year	September 10, 2015
PAYMENT TERMS	F.O.B.	SHIPPED TO	
N/A	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	One year	September 10, 2016
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	
\$113,887.00		\$0.00	\$113,887.00	

DESCRIPTION:

Effective April 16, 2015, the State exercises the first option year. This is a zero-dollar change notice utilizing \$33,103 of existing contract funds to renew subscriptions to the Re-TRAC Connect Leader Account and Re-TRAC Connect EcoPoint Directory Account at the firm fixed prices established in the original contract.

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

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

**NOTICE
 OF
 CONTRACT NO. 071B4300150
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Emerge Knowledge Design Inc. 401-250 McDermot Ave. Winnipeg, MB R3B 0S5	Rick Penner	rick@emergeknowledge.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(204) 772-7239	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DEQ	Steven Noble	517-284-6589	Nobles4@michigan.gov
BUYER:	DTMB	Jarrold Barron	517-284-7045	barronj@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION:			
RE-TRAC Connect			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
1 year	September 11, 2014	September 10, 2015	3, one year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	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 type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$113,887.00	

THIS IS NOT AN ORDER: Orders for delivery will be issued directly by the Department of Technology, Management & Budget through the issuance of a Purchase Order Form.



STATE OF MICHIGAN
Department of Technology, Management and Budget
Procurement

Contract No. 071B4300150
Michigan Department of Technology, Management and Budget
DEQ Re-TRAC Connect™ Leader Account

Buyer Name: Jarrod Barron
Telephone Number: 517-284-7045
E-Mail Address: barronj1@michigan.gov



Software as a Service Agreement

This Software as a Service (SaaS) Agreement (the “**Agreement**”), dated September 11, 2014 (the “**Effective Date**”), is by and between the Michigan Department of Technology, Management and Budget, on behalf of the Michigan Department of Environmental Quality (collectively, the “**State**”) and Emerge Knowledge Design Inc., a Manitoba, Canada corporation with offices located at 401-250 McDermot Ave., Winnipeg, Manitoba, Canada, R3B 0S5 (“**Contractor**”).

Definitions.

“**Accept**” has the meaning set forth in **Section 4.2(b)**.

“**Acceptance**” has the meaning set forth in **Section 4.2(b)**.

“**Action**” has the meaning set forth in **Section 13.1**.

“**Actual Uptime**” means the total minutes in the Service Period that the Hosted Services are Available.

“**Agreement**” has the meaning set forth in the preamble, including the Schedules to this Agreement, as it or they may be amended or supplemented from time to time as agreed upon in writing between the State and the Contractor.

“**Allegedly Infringing Features**” has the meaning set forth in **Section 13.3(b)(ii)**.

“**Authorized Users**” means all Persons authorized by the State to access and use the Services through the State’s account under this Agreement, subject to the maximum number of users specified in the applicable Statement of Work.

“**Availability**” has the meaning set forth in **Section 5.1**.

“**Availability Requirement**” has the meaning set forth in **Section 5.1**.

“**Available**” has the meaning set forth in **Section 5.1**.

“**Base License Fee**” means, for the applicable year of the Term, the Re-TRAC Connect™ Leader Account Software License base license fee of \$18,904.00 USD per annum and the Re-TRAC Connect™ Directory Account Software License base license fee of \$1,000.00 USD per annum set out in Schedule D Statement of Work in **Section 1.601 Compensation and Payment**.

“**Change Notice**” has the meaning set forth in **Section 2.2**.

“**Confidential Information**” has the meaning set forth in **Section 10.1**.

“**Contractor**” has the meaning set forth in the preamble.

“**Contractor Business Day**” means any day of the week other than Saturday, Sunday, a statutory holiday in the Province of Manitoba, Remembrance Day (November 11), Boxing Day (December 26), and the August Civic



Holiday (1st Monday in August). The eight general (statutory) holidays in the Province of Manitoba include: 1. New Year's Day (Jan 1), 2. Louis Riel Day (3rd Monday in February), 3. Good Friday, 4. Victoria Day (the Monday preceding May 25), 5. Canada Day (July 1), 6. Labour Day (1st Monday in September), 7. Thanksgiving Day (2nd Monday in October), and 8. Christmas Day (December 25).

"Contractor Business Hours" means from 8:30 a.m. to 5:00 p.m. Central Standard Time/Central Daylight Time (9:30 a.m. to 6:00 p.m. Eastern Standard Time/Eastern Daylight Time) each Contractor Business Day.

"Contractor Personnel" means all employees of Contractor involved in the performance of Services.

"Contractor Security Officer" has the meaning set forth in **Section 2.5(a)**.

"Contractor Solutions Manager" has the meaning set forth in **Section 2.5(a)**.

"Contractor Systems" has the meaning set forth in **Section 11.3**.

"Critical Service Error" has the meaning set forth in **Section 6.4(a)(i)**.

"Documentation" means all generally available documentation relating to the Services, including all technical information, design documents, databased layouts, test materials, notes, user manuals, operating manuals and other instructions, specifications, documents and materials, in any form or media, supplied by the Contractor that describe any component, feature, requirement or other aspect of the Services, including any functionality, testing, operation or use thereof.

"Effective Date" has the meaning set forth in the preamble.

"Enhancements" means all updates, upgrades, bug fixes, patches, additions, modification or other improvement to the Service Software (including without limitation any new releases of the Service Software) provided or made available by the Contractor and all changes to the Source Code and Documentation as a result of such Enhancement.

"Fees" has the meaning set forth in **Section 8.1**.

"Force Majeure Event" has the meaning set forth in **Section 17.1**.

"Harmful Code" means any software or means, the purpose or effect of which is to: (a) permit unauthorized access to, or to destroy, disrupt, disable, distort, or otherwise harm or impede in any manner, any (i) computer, software, firmware, hardware, system or network, or (ii) any application or function of any of the foregoing or the integrity, use or operation of any data Processed thereby; or (b) prevent the State or any Authorized User from accessing or using the Service Software as intended by this Agreement, and includes any virus, trojan horse, worm, backdoor or other malicious computer code and any time bomb or drop dead device.

"Hosted Services" has the meaning set forth in **Section 1.4**.

"Initial Term" has the meaning set forth in **Section 7.1**.

"Key Personnel" means any Contractor Personnel identified as key personnel in this Agreement or any Statement of Work.



“Law” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree or other requirement or rule of any federal, state, local or foreign government or political subdivision thereof, or any arbitrator, court or tribunal of competent jurisdiction.

“Loss” means all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys’ fees and the costs of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

“Losses” has a correlative meaning.

“Person” means an individual, corporation, partnership, joint venture, limited liability company, governmental authority, unincorporated organization, trust, association or other entity.

“Process” means to perform any operation or set of operations on any data, information, material, work, expression or other content, including to (a) collect, receive, input, upload, download, record, reproduce, store, organize, combine, log, catalog, cross-reference, manage, maintain, copy, adapt, alter, translate or make other improvements or derivative works, (b) process, retrieve, output, consult, use, disseminate, transmit, submit, post, transfer, disclose or otherwise provide or make available, or (c) block, erase or destroy. **“Processing”** and **“Processed”** have correlative meanings.

“Reject” has the meaning set forth in **Section 4.2(b)**.

“Rejection” has the meaning set forth in **Section 4.2(b)**.

“Renewal Term” has the meaning set forth in **Section 7.2**.

“Representatives” means a party’s employees, officers, directors, consultants, and legal advisors.

“Scheduled Downtime” has the meaning set forth in **Section 5.1**.

“Service Availability Credits” has the meaning set forth in **Section 5.2(a)**.

“Service Error” means any failure of the Service Software to be Available not including Scheduled Downtime or otherwise perform in accordance with this Agreement.

“Service Level Failure” means a failure to perform the Support Services fully in compliance with **Section 6**.

“Statement of Work” has the meaning set forth in **Section 2.1(a)**.

“Service Period” is defined as a calendar month.

“Service Software” means Contractor’s proprietary web-based Re-TRAC Connect™ software application or applications and any third-party or other software, including the EcoPoint Directory, all Source Code, underlying organization, components, object code, executable code, directories, databases, and configurations, including all existing and new Enhancements, new versions, updates, revisions, improvements and modifications of the foregoing, and any related Documentation thereto.

“Services” has the meaning set forth in **Section 2.1**.



“Source Code” means the human readable source code of the Service Software to which it relates, in the programming language in which the Service Software was written, together with all related scripts, source code listings, instructions (including compile instructions), flow charts and technical documentation, including a description of the procedure for generating object code, all of a level sufficient to enable a programmer reasonably fluent in such programming language to understand, build, operate, support, maintain and develop modifications, upgrades, updates, adaptations, Enhancements, new versions and other derivative works and improvements of, and to develop computer programs compatible with, the Service Software.

“State” has the meaning set forth in the preamble.

“State Data” has the meaning set forth in **Section 9.1**.

“State Modification” has the meaning set forth in **Section 13.2(a)**.

“State Service Manager” has the meaning set forth in **Section 2.8**.

“State Systems” means the information technology infrastructure, including the computers, software, databases, electronic systems (including database management systems) and networks, of the State or any of its designees (for greater certainty, the State Systems does not include the Service Software).

“Support Services” has the meaning set forth in **Section 6**.

“Term” has the meaning set forth in **Section 7.2**.

“Transition Period” has the meaning set forth in **Section 7.5**.

“Transition Responsibilities” has the meaning set forth in **Section 7.5**.

1. Grant of Software License and Acceptance of Grant

1.1 Grant of Software License. The Contractor hereby grants to the State a non-exclusive and non-transferable license, exercisable by and through its Authorized Users, to access and use the Service Software through the internet during the Initial Term and such Renewal Terms, if any, subject to and in accordance with the terms and conditions set forth in this Agreement (the **“Software License”**).

1.2 Acceptance of Grant. The State hereby accepts the Software License granted to it, and undertakes to use the Service Software strictly in accordance with the terms and conditions set forth in this Agreement.

1.3 Uses of the Software License:

Authorized Uses: The State hereby undertakes that the Software License shall be used:

- (a) only as expressly authorized by this Agreement;
- (b) solely for the State’s own business purposes.

Prohibited Uses: The State hereby undertakes that it shall not:

- (a) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer or otherwise make the Service Software available to any third party, except as expressly permitted by this Agreement or in any Statement of Work; or



(b) use or authorize the use of the Service Software in any manner or for any purpose that is unlawful under applicable Law.

1.4 Hosted Services. The Grant of Software License includes the hosting, management and operation of the Service Software for remote electronic access and use by the State and its Authorized Users ("**Hosted Services**"). Contractor will provide the Hosted Services as part of the Base License Fee. For clarity, Hosted Services are distinct from Professional Services and Technical Support Services, which are both defined in **Section 2**.

2. Services.

2.1 Services. Throughout the Term and at all times in connection with its actual or required performance under this Agreement, Contractor will, in accordance with all terms and conditions set forth in this Agreement and each applicable Statement of Work, provide to the State and its Authorized Users the following services ("**Services**"):

(a) Professional Services as described in one or more written, sequentially numbered, Statements of Work referencing this Agreement, including all requirements set forth in such Statements of Work which are incorporated in and made a part of this Agreement (each, a "**Statement of Work**"); and

(b) Technical Support Services as set forth in **Section 6** and in the Statement of Work.

2.2 Statements of Work. Statements of Work will be effective only when signed by the State and Contractor. Any modifications or changes to the Services under any executed Statement of Work will be effective only if and when memorialized in a mutually agreed written change notice ("**Change Notice**") signed by both Parties, provided, however, that for any Services provided on a limited basis (for example, on a per user, server, CPU or named-user basis), the State may, at any time, increase or decrease the number of its licenses hereunder subject to a corresponding forward-going adjustment of the Fees to reflect these changes in accordance with the pricing set forth in the applicable Statement of Work.

2.3 Compliance With Laws. Contractor must comply with all applicable Laws as they concern this Agreement, including by securing and maintaining all required and appropriate visas, work permits, business licenses and other documentation and clearances necessary for performance of the Services.

2.4 Subcontracting. Contractor will not subcontract any Professional Services or Technical Support Services. This paragraph will not be construed as limiting Contractor's ability to select office locations, data storage facilities, internet service providers or other similar inputs to Contractor's business processes.

2.5 Contractor Personnel. Contractor will:

(a) subject to the prior written approval of the State, appoint: (i) a Contractor employee to serve as a primary contact with respect to the Services who will have the authority to act on behalf of Contractor in matters pertaining to the receipt and processing of client services requests (the "**Contractor Solutions Manager**"); and (ii) a Contractor employee to respond to the State's inquiries regarding the security of the Contractor Systems who has sufficient knowledge of the security of the Contractor Systems and the authority



to act on behalf of Contractor in matters pertaining thereto (“**Contractor Security Officer**”); and (iii) other Key Personnel, who will be suitably skilled, experienced and qualified to perform the Services;

(b) provide names and contact information for Contractor’s Key Personnel on **Schedule A** to this Agreement;

(c) to the extent practicable, maintain the same Contractor Solutions Manager, Contractor Security Officer and other Key Personnel throughout the Term and such additional period, if any, as Contractor is required to perform the Services, except for changes in such personnel due to: (i) the State’s request pursuant to **Section 2.5(d)**; or (ii) the death, disability, resignation or termination of such personnel or other circumstances outside Contractor’s reasonable control; or (iii) the reasonable discretion of the Contractor.

(d) upon the reasonable written request of the State, promptly replace any Key Personnel of Contractor.

2.6 Management and Payment of Contractor Personnel. Contractor is solely responsible for the payment of Contractor Personnel, including all fees, expenses and compensation to, by or on behalf of any Contractor Personnel and, if applicable, the withholding of income taxes and payment and withholding of social security and other payroll taxes, unemployment insurance, workers’ compensation insurance payments and disability benefits. Contractor will ensure that no Person who has been convicted of a felony or any misdemeanor involving, in any way, theft, fraud, or bribery provides any Services or has access to any State Data or other Confidential Information of the State. If requested by the State, and at Contractor’s sole cost and expense, Contractor will conduct background checks on such Contractor Key Personnel, which background checks must comprise, at a minimum, a review of credit history, references and criminal record, in accordance with applicable Law.

2.7 Time of the Essence. Contractor acknowledges and agrees that time is of the essence with respect to its obligations under this Agreement and that prompt and timely performance of all such obligations, including all requirements of this Agreement and each Statement of Work, is strictly required.

2.8 State Service Manager. The State will appoint and, in its reasonable discretion, replace, a State employee to serve as the primary contact with respect to the Services who will have the authority to act on behalf of the State (the “**State Service Manager**”). The State initially appoints Steven Noble as the State Service Manager. In the event the State places the State Service Manager, the State will provide written notification to Contractor.

3. Intellectual Property Rights

3.1 Contractor acknowledges that as between the parties, the State has the exclusive right, title and interest in (i) all trade-marks, copyrights and other intellectual property rights owned by or licensed to the State (for greater certainty, this excludes the Service Software); and (ii) all State Data provided or made available to Emerge Knowledge or its Representatives by the State, including all trade-marks, copyrights and other intellectual property rights therein or associated therewith (collectively, the “State Intellectual Property”). Contractor shall not in any manner represent that it has any ownership in the State Intellectual Property. For greater certainty, the State Intellectual Property specifically excludes the Service Software and the State’s ownership shall be restricted to its rights in the State Data. The State hereby



acknowledges and agrees that the Service Software, including all modifications, Enhancements and improvements thereto, is not the State Intellectual Property.

3.2 Notwithstanding anything contained herein, the State expressly acknowledges and agrees that for all purposes title to and ownership of the Service Software, including any report templates generated by the Service Software and the methodology that produces such reports, and the data fields in such reports, together with all modifications, Enhancements and improvements to the Service Software and any copyrights, patent rights, trade-marks, trade secrets or other intellectual property rights of any nature whatsoever therein (collectively, the “Contractor Intellectual Property”) are and shall remain the confidential and proprietary property of Emerge Knowledge Design Inc. (also referred to as the Contractor in this Agreement) and the State forever disclaims any rights thereto. The State shall not cause or permit the reverse engineering, disassembly, decompilation of all or any portion of the Contractor Intellectual Property, and shall not create derivative works based on the Contractor Intellectual Property. The State shall not remove any title, trade-mark, copyright or restricted rights notice which Emerge Knowledge Design Inc. may have attached to the Service Software. Contractor owns and shall own all modifications, Enhancements and improvements to the Contractor Intellectual Property regardless of whether such modifications, Enhancements or improvements are made by the Contractor, the State, or a third party. All rights to the Emerge Knowledge Design Inc. Intellectual Property not expressly granted are hereby reserved by Emerge Knowledge Design Inc.

3.3 The provisions of this **Section 3** shall survive and remain in full force and effect following the expiry or termination of this Agreement.

4. Service Preparation, Testing and Acceptance.

4.1 Service Preparation. Promptly upon the parties’ execution of a Statement of Work, Contractor will take all steps necessary to make the Services procured thereunder ready and available for the State’s use in accordance with the Statement of Work and this Agreement, including any applicable milestone date or dates set forth in such Statement of Work.

4.2 Testing and Acceptance.

(a) When Contractor notifies the State in writing that the relevant Statement of Work’s implemented requirements are ready for use in a test environment, the State will have thirty (30) days (or such other period as may be agreed upon by the Parties in writing) from receipt of the notice to test the implemented requirements to determine whether they comply in all material respects with this Agreement.

(b) Upon completion of the State’s testing, the State will notify Contractor of its acceptance (“**Accept**” or “**Acceptance**”) or, if it has identified any noncompliance with the Agreement, rejection (“**Reject**” or “**Rejection**”) of the implemented requirements. If the State Rejects the implemented requirements, the State will provide a written list of items that must be corrected. On receipt of the State’s notice, Contractor will promptly commence, at no additional cost or charge to the State, all reasonable efforts to complete, as quickly as possible and in any event within thirty (30) days (or such other period as may be agreed upon by the Parties in writing) from receipt of the State’s notice, such necessary corrections or repairs to the implemented requirements to bring them into full compliance with the Agreement within the existing functionality of the Service Software.



(c) If any corrective measures are required under **Section 4.2(b)**, upon its completion of all such measures, Contractor will notify the State in writing and the process set forth in **Section 4.2(a)** and **Section 4.2(b)** will be repeated; provided that if the State determines that the implemented requirements, as revised, still do not comply in all material respects with the Agreement, the State may, in its sole discretion:

- (i) require the Contractor to repeat the correction, repair and modification process set forth in **Section 4.2(b)** at no additional cost or charge to the State; or
- (ii) terminate any and all of the relevant Statement of Work, this Agreement and any other Statements of Work hereunder.

(d) The parties will repeat the foregoing procedure until the State Accepts the implemented requirements or elects to terminate the relevant Statement of Work as provided in **Section 4.2(c)(ii)** above. Once the State accepts the requirements, the Contractor will launch the accepted implemented requirements in the Service Software into the production mode.

5. Service Availability and Service Availability Credits.

5.1 Service Availability and Scheduled Downtime.

(a) Availability Requirement. “Availability” or “Available” means State’s Authorized Users are able to access the Service Software in production mode and use all material features and functions of the Service Software effectively and efficiently.

(b) “Unavailable” or “Unavailability” means State’s Authorized Users are unable to access the Service Software in production mode or use all the Service Software’s features and functions effectively and efficiently, or the Software does not otherwise meet the service levels in this Agreement, subject to the following:

Contractor shall use reasonable efforts to ensure that the Service Software licensed hereunder, and hosted by Contractor, is operational twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days a year other than for maintenance periods for which Contractor will provide reasonable advance notice, provided that no such scheduled maintenance will occur during Contractor Business Hours. Software patches and/or updates are generally scheduled and launched on one of the last three Contractor Business Days of every month (“**Scheduled Downtime**”). Contractor will provide a two-hour notice to State Authorized Users via an on-screen timer in the Service Software. The Service Software may be inaccessible to a State Authorized User during Scheduled Downtime. Scheduled Downtime will occur for thirty minutes or less per session outside of Contractor Business Hours, and not more than three times in one month (1.5 hours or less in one month). Scheduled Downtime will not be considered times when the Service Software is Unavailable.

In addition to Scheduled Downtime, the following will not be considered times when the Service Software is Unavailable:

- (i) Outages resulting from the State Systems including its internet service provider;
- (ii) The State’s negligence or breach of its material obligations under this Agreement; and
- (iii) Excusable delays, including a Force Majeure Event (see **Section 17.1**), as provided for and handled in accordance with the Agreement.



(c) Specific Target Availability. The Target Availability Level is 99.9% in any calendar month not including scheduled maintenance downtime, whereas the Target Availability Level of the Software is 99.79% in any calendar month including Scheduled Downtime.

5.2 Remedies for Service Availability Failures.

(a) If the actual Availability of the Service Software is less than the Target Availability Level including Scheduled Downtime for any Service Period, such failure will constitute a Service Error for which Contractor will issue to the State the following credits on the Service Software Base License Fee payable during the Service Period ("**Service Availability Credits**"):

Actual Availability	Credit of Fees
≥99.79%	None
<99.79% but ≥99.0%	15%
<99.0% but ≥95.0%	35%
<95.0%	100%

(b) Any Service Availability Credits due under this **Section 5.2** will be applied in accordance with **Section 8.10**.

(c) If the actual Availability of the Service Software is less than the Target Availability Level (including Scheduled Downtime) requirement in any two (2) of four (4) consecutive Service Periods, then, in addition to all other remedies available to the State, the State may terminate this Agreement and/or the applicable Statement of Work on written notice to Contractor with no liability, obligation or penalty to the State by reason of such termination.

6. Support and Maintenance Services. Contractor will provide Service Software maintenance and Technical Support Services (collectively, "**Support Services**") in accordance with the provisions of this **Section 6**. The Support Services are included in the Services, and Contractor may not assess any Fees, costs or charges for such Support Services that are in addition to the Technical Support Fees set out **Schedule D Statement of Work in Section 1.601 COMPENSATION AND PAYMENT**.

6.1 Support Service Responsibilities. Contractor will:

(a) correct all Service Errors in accordance with **Section 6.4**, including by providing defect repair, programming corrections and remedial programming;

(b) make available to State Authorized Users a toll-free telephone number for State Authorized Users of the State Agency (not including the State's reporting entities) to call for the purpose of receiving technical support for user self-diagnostics to use the Service Software. The Hotline operates during Contractor Business Hours on each Contractor Business Day. Provide online access to technical support for assistance to use the Service Software via an online form in the Service Software and other user support information and forums, to the full extent Contractor makes such resources available to its other customers. Contractor will respond to State Authorized Users' support requests submitted with the Service Software within two (2) Contractor Business Days.



6.2 Service Monitoring and Management. Contractor will continuously monitor and manage the Service Software to optimize Availability that meets or exceeds the Target Availability Level including Scheduled Downtime Requirement. Such monitoring and management includes:

- (a) proactively monitoring on a twenty-four (24) hour by seven (7) day basis the Service Software;
- (b) if such monitoring identifies, or Contractor otherwise becomes aware of, any circumstance that is reasonably likely to threaten the Availability of the Service Software, taking all necessary and reasonable remedial measures to promptly eliminate such threat and ensure full Availability; and
- (c) if Contractor receives knowledge that the Service Software or any function or component is not Available (including by written notice from the State pursuant to the procedures set forth herein or in the applicable Statement of Work):
 - (i) confirming (or disconfirming) the outage by a direct check;
 - (ii) if Contractor's check in accordance with clause (i) above confirms a Service Software outage in whole or in part: (A) notifying the State in writing pursuant to the procedures set forth herein or in the applicable Statement of Work that an outage has occurred, providing such details as may be available, including a Contractor trouble ticket number, if appropriate, and time of outage; and (B) working all problems causing and caused by the outage until they are resolved as Critical Service Errors in accordance with the Classification set forth in **Section 6.4**, or, if determined to be an internet provider problem, open a trouble ticket with the internet provider; and
 - (iii) notifying the State that Contractor has fully corrected the outage and any related problems, along with any pertinent findings or action taken to close the trouble ticket.

6.3 Service Maintenance. Contractor will continuously maintain the Service Software to optimize Availability that meets or exceeds the Target Availability Level including Scheduled Downtime Requirement. Such maintenance services include providing to the State and its Authorized Users:

- (a) all updates, bug fixes, enhancements, new releases, new versions and other improvements to the Hosted Services, including the Service Software, that Contractor provides at no additional charge to its other similarly situated customers.
- (b) all such services and repairs as are required to maintain the Hosted Services to ensure the Hosted Services operate properly in accordance with this Agreement.

6.4 Service Error Classification and Response. Contractor will correct all Service Errors in accordance with this Agreement and the applicable Statement of Work.

(a) Contractor shall classify and respond to incidents by the underlying problem's effect on the State. Contractor may classify an underlying problem as critical, urgent, or routine. The guidelines for determining the severity of a problem and the appropriate classification of and response to it are described below. The State Service Manager will notify Contractor of incidents, or Service Errors, by e-mail, telephone or such other means as the parties may hereafter agree to in writing.



- i. Contractor will designate a problem as “**critical**” if the Service Software is functionally inoperable (“**Critical Service Error**”). This classification assumes there is no existing patch for the problem. Contractor will respond to critical problems by ensuring that appropriate managerial personnel are made aware of the problem and that they actively track and expedite a resolution. Contractor will assign support or development personnel at the appropriate level to the problem, and those personnel will prepare a work plan for the problem’s expeditious resolution. The work plan will assume that Contractor’s appropriate staff will work until the problem is resolved properly. At the request of the State, Contractor’s personnel will maintain daily contact with the State Service Manager to keep the State aware of efforts being made to solve the problem. If appropriate, Contractor will also provide the State’s technical staff with direct access to Contractor’s support personnel and product development personnel.
- ii. Contractor will classify a problem as “**urgent**” if the underlying problem significantly degrades the performance of the Service Software or a major function or component of it or materially restricts the State’s use of the Service Software in a production mode. A problem also will be considered urgent if a commonly used feature generates application errors, causes the Service Software to freeze, or otherwise routinely does not work as intended. Classification of a problem as urgent rather than critical assumes that the State can still conduct business with the Service Software. As with the critical classification, the urgent classification assumes there is no existing patch or acceptable workaround procedure for the problem. Contractor will respond to urgent problems by having its product development and support personnel work collaboratively to develop a fix or a workaround. If requested, Contractor’s support personnel will maintain regular contact with the State Service Manager to keep the State’s technical staff aware of progress toward a resolution of the problem. Contractor’s support staff will include the problem in regular status reports to the Contractor management team. Contractor’s personnel must provide the fix or workaround procedure as soon as it is available.
- iii. Contractor will classify an incident as “**routine**” if the underlying problem is a question of configuration of the Service Software. It also may be classified as routine when the problem does not materially restrict the State’s use of the Service Software in its production environment, such as when a feature or combination of features generates minor or rare errors. Also, if any problem that otherwise should be classified as critical or urgent can be solved either by a known workaround or an existing patch that does not materially interfere with the State’s use of the Service Software, the problem may be treated as routine. Contractor will respond to routine problems by providing the State with a fix or workaround on a priority basis if the problem is one for which an existing patch or workaround already exists. For newly identified problems falling into this classification, Contractor’s support personnel must generate a problem report, and the appropriate development or support personnel then must prioritize the problem in relation to other outstanding product issues. The assigned priority then will govern the problem solving or developmental work needed to address the problem and the schedule for delivering a solution. For routine support requests that involve end usage issues rather than bugs or other technical problems, Contractor’s support personnel will provide the State’s Authorized Users with telephone assistance. (Requests for configuration for new functionality outside the scope of Agreement will be escalated to the Contractor Solutions Manager and will be managed through Change Notice process.)



- iv. Contractor will apply the above classifications in good faith to each support request, and Contractor will give due consideration to any request by the State Service Manager to reclassify a problem.

7. Term and Termination.

7.1 Initial Term. The initial term of this Agreement commences as of the Effective Date and will continue in effect for one (1) year from such date unless and until terminated as provided under this Agreement (the “**Initial Term**”).

7.2 Renewal. Unless this Agreement is terminated earlier pursuant to its provisions, the State may renew this Agreement for additional successive one (1) year terms (each a “**Renewal Term**”), up to a maximum of three (3) additional successive one (1) year terms, by providing written notice to Contractor of its intent to renew at least sixty (60) days prior to the expiration of the then pending term (the Initial Term together with any Renewal Terms, collectively, the “**Term**”).

7.3 Termination for Cause by State. In addition to any right of termination set forth elsewhere in this Agreement:

(a) The State may terminate this Agreement for cause, in whole or in part, if Contractor, as determined by the State: (i) endangers the value, integrity, or security of State Systems, State Data, or the State’s facility or personnel; (ii) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (iii) engages in any conduct that may expose the State to liability; or (iv) breaches any of its material duties or obligations under this Agreement. Any reference to specific breaches being material breaches within this Agreement will not be construed to mean that other breaches are not material.

(b) If the State terminates this Agreement under this **Section 7.3**, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of this Agreement, the termination will be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in **Section 7.4**.

(c) The State will only pay for amounts due to Contractor for Software Licenses and Services accepted by the State on or before the date of termination.

7.4 Termination for Convenience by State. The State may immediately terminate this Agreement in whole or in part, without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance immediately, or (b) continue to perform in accordance with **Section 7.5**. If the State terminates this Agreement for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities to the extent the funds are available.

7.5 Transition Responsibilities. Upon termination or expiration of this Agreement for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days; the “**Transition Period**”), provide all reasonable transition assistance requested by the State, to allow for the



expired or terminated portion of the Agreement to continue without interruption or adverse effect, and to facilitate the orderly transfer of State Data to the State or its designees. Such transition assistance may include but is not limited to: (a) continuing to perform the Services at the established Statement of Work rates (for greater certainty, the Contractor will perform professional services as requested however the State's Re-TRAC Connect™ Software License terminates upon termination of this Agreement and the State would not have access to the Service Software during the Transition Period); (b) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all State Data subject to the terms of this Agreement; and (c) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, the "**Transition Responsibilities**"). The Term of this Agreement is automatically extended through the end of the Transition Period.

7.6 Effect of Termination. Upon and after the termination or expiration of this Agreement or one or more Statements of Work for any or no reason:

(a) Contractor will be obligated to perform all Transition Responsibilities specified in **Section 7.5**.

(b) All licenses granted to Contractor in State Data will immediately and automatically also terminate. The State may export all State Data not required by Contractor for its Transition Responsibilities, if any, using the standard mechanism available to all customers to export customer data.

(c) Contractor will (i) return to the State all documents and tangible materials (and any copies) containing, reflecting, incorporating, or based on the State's Confidential Information (for greater certainty, this does not include the Service Software or historical data backups of the Service Software); (ii) permanently erase the State's Confidential Information from the Service Software (not including historical data backups) and (iii) certify in writing to the State that it has complied with the requirements of this **Section**, in each case to the extent such materials are not required by Contractor for Transition Responsibilities, if any.

(d) Without limiting any other rights or remedies available to Contractor under this Agreement at law or in equity, Contractor may terminate this Agreement upon notice to the State if Contractor has not received any payment when due under this Agreement and the State has not made such payment within ninety (90) business days after receiving such notice from Contractor.

(e) In the event of notice of termination of this Agreement by Contractor due to the State's breach of this Agreement, and without limiting any other rights or remedies available to Contractor under this Agreement, at law or in equity, Contractor shall be entitled to receive from the State all undisputed amounts due or payable under this Agreement through the date of termination and Transition Period (if any).

(f) Upon termination of this Agreement, the State's the Service Software License will terminate immediately.

7.7 Survival. The rights, obligations and conditions set forth in this **Section 7.7** and the **Definitions** list above, **Section 3** (Intellectual Property Rights), **Section 7.5** (Transition Responsibilities), **Section 7.6** (Effect of Termination), **Section 9** (State Data), **Section 10** (Confidentiality), **Section 11** (Security), **Section 13.1** (Indemnification), **Section 14** (Limitations of Liability), **Section 15** (Representations and Warranties), **Section 16** (Insurance), **Section 18** (General Provisions), and any right, obligation or



condition that, by its express terms or nature and context is intended to survive the termination or expiration of this Agreement, survives any such termination or expiration hereof.

8. Fees and Expenses.

8.1 Fees. Subject to the terms and conditions of this Agreement and applicable Statements of Work, including the provisions of this **Section 8**, the State shall pay the fees set forth in the applicable Statements of Work, subject to such increases and adjustments as may be permitted pursuant to **Section 8.2 ("Fees")**.

8.2 Fees During Renewal Terms. Contractor's Fees are fixed during the Initial Term and the first two Renewal Terms. Contractor may increase Fees for the third Renewal Term, if any, to a level equal to Contractor's standard commercial fees then in effect by providing written notice to the State at least sixty (60) calendar days prior to the commencement of such Renewal Term. No increase in Fees is effective unless made in compliance with the provisions of this **Section 8.2**.

8.3 Responsibility for Costs. Contractor is responsible for all costs and expenses incurred in or incidental to the performance of Services, including all costs of any materials supplied by Contractor, all fees, fines, licenses, bonds, or taxes required of or imposed against Contractor, and all other of Contractor's costs of doing business.

8.4 Taxes. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services purchased under this Agreement are for the State's exclusive use. Notwithstanding the foregoing, all Fees are inclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Agreement.

8.5 Invoices. Contractor will invoice the State for all Fees in electronic format, via such delivery means and to such address as are specified by the State in writing from time to time. If more than one Statement of Work is in effect, Contractor shall provide separate invoices for each Statement of Work. Each separate invoice must: (a) clearly identify the Statement of Work to which it relates, in such manner as is required by the State; (b) list each Fee item and Service Credit separately; (c) include sufficient detail for each line item to enable the State to verify the calculation thereof; (d) for Fees determined on a time and materials basis, report details of time taken to perform Services; and (e) include such other information as may be required by the State as set forth in the applicable Statement of Work.

8.6 Payment Terms.

(a) The State will pay all properly invoiced amounts payable and due hereunder within forty-five (45) days after the State's receipt of Contractor's proper invoice therefor, except that the State may withhold from any payment any charge or amount disputed in good faith by the State pending resolution of such dispute.

(b) All payments hereunder must be in US dollars and made by check. Payments shall be made to the address or account specified in the Statement of Work or such other address or account as is specified by Contractor in writing from time to time, provided that Contractor gives the State at least thirty (30) days' prior



notice of any account, address or other change in payment instructions. The State will not be liable for any late or misdirected payment caused by Contractor's failure to provide timely notice of any such change.

8.7 State Audits of Contractor. During the Term and for three (3) years after, Contractor must maintain complete and accurate books and records regarding its business operations relevant to the calculation of Fees and any other information relevant to Contractor's compliance with this **Section 8**. During the Term and for three (3) years after, upon the State's request, Contractor must make such books and records and appropriate personnel, including all financial information, available during normal Contractor business hours for inspection on Contractor premises and audit by the State or its authorized representative, provided that the State: (a) provides Contractor with at least fifteen (15) days prior notice of any audit, and (b) conducts or causes to be conducted such audit in a manner designed to minimize disruption of Contractor's normal business operations.

The State may take copies and abstracts of materials audited. The State will pay the cost of such audits unless an audit reveals an overbilling or over-reporting of five percent (5%) or more, in which case Contractor shall reimburse the State for the reasonable cost of the audit. Contractor must immediately upon written notice from the State pay the State the amount of any overpayment revealed by the audit, together with any reimbursement payable pursuant to the preceding sentence.

8.8 Payment Does Not Imply Acceptance. The making of any payment or payments by the State, or the receipt thereof by Contractor, will in no way affect the responsibility of Contractor to perform the Services in accordance with this Agreement, and will not imply the State's Acceptance of any Services or the waiver of any warranties or requirements of this Agreement, including any right to Service Credits.

8.9 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 fifteen (15) 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 during the period beginning with the sixteenth (16th) 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.

8.10 Application of Service Availability Credits. Contractor acknowledges and agrees that each of the Service Availability Credits assessed pursuant to **Section 5**: (a) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the corresponding Service Level Failure, which would be impossible or very difficult to accurately estimate; and (b) may, at the State's option, be credited or set off against any Fees or other charges payable to Contractor under this Agreement or be payable to the State upon demand. No Service Availability Credits for any Service Period may exceed the total amount of Fees that would be payable for that Service Period if the Services were fully provided in accordance with this Agreement.



8.11 Right of Set-off. 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.

8.12 Support Not to be Withheld or Delayed. Contractor may not withhold, delay or fail to perform any Services or obligations hereunder by reason of: (a) the State's good faith withholding of any payment or amount in accordance with this **Section 8**; or (b) any dispute whatsoever between the parties, including any payment or other dispute arising under or concerning this Agreement or any other agreement between the parties.

9. State Data.

9.1 All data and information that the State enters into the Service Software, all data that End Users agree to share with the State in the Service Software, and all data and other information provided to Contractor by the State is the exclusive property of the State ("State Data"). This definition is to be construed as broadly as possible; however, for clarity, State Data does not include the Service Software. The Contractor may not use any State Data for any marketing purposes without the written approval of the State Service Manager for each instance that is materially different from a previously approved use.

10. Confidentiality.

10.1 Confidential Information. The term "Confidential Information" means 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; and, (c) should reasonably be recognized as confidential information of the disclosing party. 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).

10.2 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 and agents of their obligations to keep all Confidential Information confidential.

10.3 Cooperation to Prevent Disclosure of Confidential Information. Each party must 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 must 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. Each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

10.4 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.

10.5 Surrender of Confidential Information upon Termination. Upon termination or expiration of this Agreement or a Statement of Work, in whole or in part, each party must, 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 (excepting, for greater clarity, that the Contractor will not return or provide State Confidential Information saved on daily backups of the Service Software to the State); provided, however, that the State may export State Data following the timeframe and procedure described further in this Agreement.

11. Security.

11.1 Protection of the State's Confidential Information. Throughout the Term and at all times in connection with its actual or required performance of the Services hereunder, Contractor will:

(a) 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's Confidential Information that comply with the requirements of the State's data security policies as set forth in **Schedule B** (Data Security Requirements) and, to the extent such practices and standards are consistent with and not less protective than the foregoing requirements, are at least equal to applicable best industry practices and standards;

(b) provide technical and organizational safeguards against accidental, unlawful or unauthorized access to or use, destruction, loss, alteration, disclosure, transfer or Processing of such information that ensure a level of security appropriate to the risks presented by the Processing of the State's Confidential Information and the nature of such Confidential Information, consistent with the standards described herein including:

(c) take all reasonable measures to:

- (i) secure and defend all locations, equipment, systems and other materials and facilities employed in connection with the Services against "hackers" and others who may seek, without authorization, to deploy, disrupt, damage, modify, access or otherwise use Contractor Systems or the information found therein;



- (ii) prevent (A) the State and its Authorized Users from having access to the data of other customers' Confidential Information; (B) the State's Confidential Information from being contaminated by the data of or disclosed to other customers or their users of the Service Software; and (C) unauthorized access to any the State's Confidential Information

(d) continuously monitor its systems for potential areas where security could be breached.

11.2 Unauthorized Access. Contractor may not access, and shall not permit any access to, State Systems, in whole or in part, whether through Contractor's Systems 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 this Agreement, and in no case exceed the scope of the State's authorization pursuant to this **Section 11.2**. 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 **Schedule B** as the same may be supplemented or amended by the State and provided to Contractor from time to time.

11.3 Contractor Systems. Contractor will be solely responsible for the information technology infrastructure, including all computers, software, databases, electronic systems (including database management systems) and networks used by Contractor ("**Contractor Systems**").

11.4 Security Audits. During the Term, Contractor will:

(a) maintain accurate records relating to its data protection practices and the security of any of the State's Confidential Information, including any backup, disaster recovery or other policies, practices or procedures relating to the State's Confidential Information and any other information relevant to its compliance with this **Section 11**;

(b) upon the State's request, make all appropriate personnel and relevant materials excepting for Contractor Confidential Information available during normal Contract Business Hours for inspection on Contractor premises 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 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 this Agreement. The State may, but is not obligated to, perform such security audits, which shall, at the State's option, request and cost, include penetration and security tests, of any and all Contractor Systems and their housing facilities and operating environments; and

(c) if Contractor engages a third party auditor to perform a Statement on Standards for Attestation Engagements No. 16 (SSAE 16) audit of Contractor's operations, information security program or disaster recovery/business continuity plan, Contractor will provide a copy of the audit report to the State within thirty (30) days after Contractor's receipt of such report. Any such audit reports will be recognized as Contractor's Confidential Information.



11.5 Nonexclusive Remedy for Security Breach. Any failure of the Service Software to meet the requirements of this Agreement with respect to the security of State Confidential Information, including any related backup, disaster recovery or other policies, practices or procedures, is a material breach of this Agreement for which the State, at its option, may terminate this Agreement 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.

12. Redundancy, Data Backup and Disaster Recovery. Contractor must, in accordance with the provisions of this **Section 12**, maintain or cause to be maintained disaster avoidance procedures designed to safeguard the State Data and State Confidential Information, Contractor's Processing capability and the availability of the Service Software, in each case throughout the Term and at all times in connection with its actual or required performance of the Services hereunder. The force majeure provisions of **Section 17.1** do not limit Contractor's obligations under this **Section 12**.

12.1 Redundant Hosting and Connectivity. Contractor will simultaneously operate a mirror system at a location that is geographically remote from the primary system on which the Service Software is hosted. Except for its location, the mirror system must: (a) have hardware and software, network connectivity, power supplies, backup generators and other similar equipment and services that operate independently of the primary system; (b) have fully current backups of all the State Data stored on the primary system as described in Schedule C: Data Backup Requirements; and (c) have the ability to provide the Service Software in accordance with this Agreement during the performance of routine and remedial maintenance, not including Scheduled Downtime, or any outage or failure of the primary system fails. Contractor will operate, monitor and maintain such mirror system so that it may be activated within seventy-two (72) hours of being alerted to any failure of the Service Software to be Available.

12.2 Data Backup. Contractor will conduct daily back-ups of State Data and store such back-ups as specified in **Schedule B** and **Schedule C**.

13. Indemnification.

13.1 General Indemnification. Contractor must defend, indemnify and hold harmless the State, and the State's agencies, departments, officers, directors, employees, agents, and contractors from and against all Losses arising out of or resulting from any third party claim, suit, action or proceeding (each, an "**Action**") that does or is alleged to arise out of or result from:

(a) the Contractor's breach of any representation, warranty, covenant or obligation of Contractor under this Agreement (including, in the case of Contractor, any action or failure to act by any Contractor Personnel that, if taken or not taken by Contractor, would constitute such a breach by Contractor); or

(b) any negligence or more culpable act or omission (including recklessness or willful misconduct) in connection with the performance or nonperformance of any Services or other activity actually or required to be performed by or on behalf of, Contractor (including, in the case of Contractor, any Contractor Personnel) under this Agreement, provided that, to the extent that any Action or Losses described in this **Section 13.1** arises out of, results from, or alleges a claim that any of the Services does or threatens to infringe, misappropriate or otherwise violate any Intellectual Property Rights or other rights of any third party, Contractor's obligations with



respect to such Action and Losses, if any, shall be subject to the terms and conditions of **Section 13.2(a)** through **Section 13.2(b)** and **Section 13.3**.

13.2 Infringement Indemnification By Contractor. Contractor must indemnify, defend and hold the State, and the State's agencies, departments, officers, directors, employees, agents, and contractors harmless from and against all Losses arising out of or resulting from any Action that does or is alleged to arise out of or result from a claim that any of the Services, or the State's or any Authorized User's use thereof, actually does or threatens to infringe, misappropriate or otherwise violate any Intellectual Property Right or other right of a third party, provided however, that Contractor shall have no liability or obligation for any Action or Loss to the extent that such Action or Loss arises out of or results from any:

(a) alteration or modification of the Hosted Services or Service Software by or on behalf of the State or any Authorized User without Contractor's authorization (each, a "**State Modification**"), provided that no infringement, misappropriation or other violation of third party rights would have occurred without such State Modification and provided further that any alteration or modification made by or for Contractor at the State's request shall not be excluded from Contractor's indemnification obligations hereunder unless (i) such alteration or modification has been made pursuant to the State's written requirements and (ii) the Service Software, as altered or modified in accordance with the State's requirements, would not have violated such third party rights but for the manner in which the alteration or modification was implemented by or for Contractor; and

(b) use of the Service Software by the State or an Authorized User pursuant to this Agreement in combination with any software or service not provided, authorized or approved by or on behalf of Contractor, if (i) no violation of third party rights would have occurred without such combination and (ii) such software or service is not commercially available and not standard in Contractor's or the State's industry and there are no requirements, Documentation, or other materials indicating Contractor's specification, authorization or approval of the use of the Service Software in combination therewith.

13.3 Mitigation.

(a) If Contractor receives or otherwise learns of any threat, warning or notice alleging that all, or any component or feature, of the Services violates a third party's rights, Contractor must promptly notify the State of such fact in writing, and take all commercially reasonable actions necessary to ensure the State's continued right to access and use such Services and otherwise protect the State from any Losses in connection therewith, including investigating such allegation and obtaining a credible opinion of counsel that it is without merit.

(b) Subject to the exclusions set forth in clauses (a) and (b) of **Section 13.2**, if any of the Services or any component or feature thereof is ruled to infringe or otherwise violate the rights of any third party by any court of competent jurisdiction, or if any use of any Services or any component thereof is threatened to be enjoined, or is likely to be enjoined or otherwise the subject of an infringement or misappropriation claim, Contractor must, at Contractor's sole cost and expense:

- (i) procure for the State the right to continue to access and use the Service Software to the full extent contemplated by this Agreement; or



- (ii) modify or replace all components, features and operations of the Service Software that infringe or are alleged to infringe (“**Allegedly Infringing Features**”) to make the Service Software non-infringing while providing equally or more suitable features and functionality, which modified and replacement services shall constitute Service Software and be subject to the terms and conditions of this Agreement.

(c) If neither of the remedies set forth in **Section 13.3(b)** is reasonably available with respect to the Allegedly Infringing Features then Contractor may direct the State to cease any use of any materials that have been enjoined or finally adjudicated as infringing, provided that Contractor will refund to the State any prepaid Fees for Services that have not been provided.

(d) The remedies set forth in this **Section 13.3** are in addition to, and not in lieu of, all other remedies that may be available to the State under this Agreement or otherwise, including the State’s right to be indemnified pursuant to **Section 13.1** and **Section 13.2**.

13.4 Indemnification Procedure. The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations. The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; (iii) employ its own counsel; and to (iv) retain control of the defense, at its own expense, if the State deems necessary. Contractor will not, without the State’s prior written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. Any litigation activity on behalf of the State or any of its subdivisions, under this **Section 13**, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

14. Limitations of Liability.

(a) The State’s Disclaimer of Damages. THE STATE WILL NOT BE LIABLE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS AGREEMENT FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS AND LOST BUSINESS OPPORTUNITIES.

(b) The State’s Limitation of Liability. IN NO EVENT WILL THE STATE’S AGGREGATE LIABILITY TO CONTRACTOR UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS AGREEMENT, EXCEED THE MAXIMUM AMOUNT OF FEES SPECIFIED IN THE STATEMENT OF WORK.

(c) The Contractor’s Limitation of Liability. IN NO EVENT SHALL THE CONTRACTOR’S DIRECTORS, OFFICERS, EMPLOYEES, OR AGENTS BE LIABLE FOR ANY CLAIM FOR: (I) PUNITIVE, EXEMPLARY, OR AGGRAVATED DAMAGES; (II) DAMAGES FOR LOSS OF PROFITS OR REVENUE, FAILURE TO REALIZE EXPECTED SAVINGS; OR (III) INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES. IN NO EVENT WILL THE CONTRACTOR’S MAXIMUM TOTAL LIABILITY FOR ANY CLAIM



WHATSOEVER INCLUDING, WITHOUT LIMITATION, CLAIMS FOR BREACH OF CONTRACT, TORT (INCLUDING, WITHOUT LIMITATION, NEGLIGENCE) OR OTHERWISE, BE AN AWARD FOR DIRECT, PROVABLE DAMAGES EXCEEDING THE AMOUNT OF FEES PAID TO THE CONTRACTOR UNDER THIS AGREEMENT IN THE MOST RECENT ANNUAL TERM. NO ACTION, REGARDLESS OF FORM, ARISING OUT OF THIS AGREEMENT MAY BE BROUGHT MORE THAN TWELVE (12) MONTHS AFTER THE FACTS GIVING RISE TO THE CAUSE OF ACTION HAVE OCCURRED, REGARDLESS OF WHETHER THOSE FACTS BY THAT TIME WERE UNKNOWN BY THE STATE.

15. Contractor Representations and Warranties.

15.1 Authority and Bid Response. Contractor represents and warrants to the State that:

- (a) it is duly organized, validly existing, and in good standing as a corporation or other entity as represented under this Agreement under the laws and regulations of its jurisdiction of incorporation, organization, or chartering;
- (b) it has the full right, power, and authority to enter into this Agreement, to grant the rights and licenses granted under this Agreement, and to perform its contractual obligations;
- (c) the execution of this Agreement by its Representative has been duly authorized by all necessary organizational action;
- (d) when executed and delivered by Contractor, this Agreement will constitute the legal, valid, and binding obligation of Contractor, enforceable against Contractor in accordance with its terms;
- (e) all written information furnished to the State by or for Contractor in connection with this Agreement is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading; and
- (f) Contractor is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.

15.2 Software and Service Warranties. Contractor represents and warrants to the State that:

- (a) Contractor has, and throughout the Initial Term and any additional Renewal Terms periods during which Contractor does or is required to perform the Services will have, the unconditional and irrevocable right, power and authority, including all permits and licenses required, to provide the Services and grant and perform all rights and licenses granted or required to be granted by it under this Agreement;
- (b) neither Contractor's grant of the rights or licenses hereunder nor its performance of any Services or other obligations under this Agreement does or at any time will: (i) conflict with or violate any applicable Law, including any Law relating to data privacy, data security or personal information; (ii) require the consent, approval or authorization of any governmental or regulatory authority or other third party; or (iii) require the provision of any payment or other consideration by the State or any Authorized User to any third party, and



Contractor shall promptly notify the State in writing if it becomes aware of any change in any applicable Law that would preclude Contractor's performance of its material obligations hereunder;

(c) as accessed and used by the State or any Authorized User in accordance with this Agreement, the Service Software, Documentation and all other Services and materials provided by Contractor under this Agreement will not infringe, misappropriate or otherwise violate any Intellectual Property Right or other right of any third party;

(d) there is no settled, pending or, to Contractor's knowledge as of the Effective Date, threatened Action, and it has not received any written, oral or other notice of any Action (including in the form of any offer to obtain a license): (i) alleging that any access to or use of the Services or Service Software does or would infringe, misappropriate or otherwise violate any Intellectual Property Right of any third party; (ii) challenging Contractor's ownership of, or right to use or license, any software or other materials used or required to be used in connection with the performance or receipt of the Services, or alleging any adverse right, title or interest with respect thereto; or (iii) that, if decided unfavorably to Contractor, would reasonably be expected to have an actual or potential adverse effect on its ability to perform the Services or its other obligations under this Agreement, and it has no knowledge after reasonable investigation of any factual, legal or other reasonable basis for any such litigation, claim or proceeding;

(e) the Service Software and Services will in all material respects conform to and perform in accordance with all requirements of this Agreement, including the Availability and Availability Requirement provisions set forth in **Section 5**;

(f) the Contractor Systems and Services are and will remain free of Harmful Code;

(g) Contractor will perform all Services in a timely, professional and workmanlike manner with a level of care, skill, practice and judgment consistent with generally recognized industry standards and practices for similar services, using personnel with the requisite skill, experience and qualifications, and will devote adequate resources to meet Contractor's obligations (including the Availability Requirement and Support Service Responsibilities) under this Agreement;

(h) During the term of this Contract, 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 Services, will apply solely to Contractor'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 State Systems or networks; and,

(i) Contractor acknowledges that the State 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 Services, and that notwithstanding anything to the contrary contained in any third-party software license agreement or end user license agreement, the State will not indemnify any third party software provider for any reason whatsoever.

15.3 DISCLAIMER. EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY GIVES ANY REPRESENTATIONS, WARRANTIES, OR CONDITIONS OF ANY KIND,



WHETHER EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE INCLUDING WITHOUT LIMITATION REPRESENTATIONS, WARRANTIES, CONDITIONS AS TO UNINTERRUPTED OR ERROR FREE SERVICE UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY SUBJECT MATTER HEREOF.

16. Insurance.

16.1 Required Coverage. At all times during the Term, Contractor will procure and maintain, at its sole cost and expense, all insurance coverage required by applicable Law, and in any event insurance coverage in the following types and amounts:

(a) Commercial General Liability with limits no less than One Million Canadian Dollars (\$1,000,000 CAD) per occurrence and Two Million Canadian Dollars (\$2,000,000 CAD) in the aggregate, including bodily injury and property damage and products and completed operations and advertising liability, which policy will include contractual liability coverage insuring the activities of Contractor under this Agreement;

(b) Cyber Liability Insurance, including first party and third party coverage, with limits no less than One Million Canadian Dollars (\$1,000,000 CAD) per occurrence and One Million Canadian Dollars (\$1,000,000 CAD) in the aggregate for all claims each policy year, including coverage for information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability;

(c) Worker's Compensation if required by law with limits no less than the amount required by applicable Law and employers liability insurance with limits no less than Five Hundred Thousand Dollars (\$500,000 CAD) for each accident, including occupational disease coverage (for monopolistic jurisdictions, employers liability coverage must be endorsed on the commercial general liability policy or procured through a standalone policy);

(d) Commercial Automobile Liability with limits no less than One Million Canadian Dollars (\$1,000,000 CAD), each occurrence combined single limit of liability for bodily injury, death and property damage, including owned and non-owned and hired automobile coverages, as applicable; and

(e) Errors and Omissions/Professional Liability with limits no less than One Million Canadian Dollars (\$1,000,000 CAD) per occurrence and One Million Canadian Dollars (\$1,000,000 CAD) in the aggregate for all claims each policy year.

16.2 Policy Terms. All insurance policies required pursuant to this **Section 16** must:

(a) be issued by insurance companies with a A.M. Best's Rating of no less than "A" and a financial size of VII or better;

(b) provide that such insurance carriers give the State at least thirty (30) days' prior written notice of any cancellation or non-renewal of, or material change in, the coverage, scope or amount of such policy and, prior to any such cancellation, non-renewal or material change in coverage, Contractor will have new insurance policies in place that meet the requirements of this **Section 16**;

(c) waive any right of subrogation of the insurers against the State specific to employers liability;



(d) provide that such insurance be primary insurance and any similar insurance in the name of and/or for the benefit of the State will be excess and non-contributory; and

(e) name the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate, as pertains to the Commercial General Liability policy.

16.3 Coverage. To the extent any insurance coverage required under this **Section 16** is purchased on a “claims-made” basis, such insurance must cover all prior acts of Contractor during the Term and any additional periods during which Contractor does or is required to perform the Services, and such insurance must be continuously maintained until at least one (1) year beyond the expiration or termination of the Term, or Contractor will purchase “tail” coverage, effective upon termination of any such policy or upon termination or expiration of the Term, to provide coverage for at least one (1) year from the occurrence of either such event.

16.4 Certificates of Insurance. Upon the written request of the State, Contractor will provide the State with copies of the certificates of insurance and policy endorsements for all insurance coverage required by this **Section 16**, and will not do anything to invalidate such insurance. Certificates of Insurance evidencing all coverages described in this **Section 16** must be furnished to the State upon written request. Contractor must give thirty (30) days’ prior written notice to the State of any cancellation, non-renewal or material change in coverage, scope, or amount of any insurance policy required by or affecting the State’s rights or remedies under this Agreement.

16.5 Non-waiver. This **Section 16** is not intended to and is not be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Agreement (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

17. Force Majeure.

17.1 Force Majeure Events. Subject to **Section 17.2**, neither party will be liable or responsible to the other party, or be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term hereof, when and to the extent such failure or delay is caused by: acts of God, flood, fire or explosion, the unforeseen breakdown of the world wide web or any third-party telecommunications carrier, war, terrorism, invasion, riot or other civil unrest, embargoes or blockades in effect on or after the date of this Agreement, national or regional emergency, or any passage of law or governmental order, rule, regulation or direction, or any action taken by a governmental or public authority, including imposing an embargo, export or import restriction, quota or other restriction or prohibition (each of the foregoing, a “**Force Majeure Event**”), in each case provided that: (a) such event is outside the reasonable control of the affected party; (b) the affected party gives prompt written notice to the other party, stating the period of time the occurrence is expected to continue; (c) the affected party uses diligent efforts to end the failure or delay and minimize the effects of such Force Majeure Event. The party suffering the Force Majeure Event shall forthwith give notice in writing to the other party of such fact. Upon receipt, the party receiving such notice the parties shall communicate to establish plans and procedures to overcome or mitigate the effects of the Force Majeure Event, and the party suffering the Force Majeure Event shall use all reasonable efforts to minimize any adverse effects on the other party.



17.2 State Performance; Termination. In the event of a Force Majeure Event affecting Contractor's performance under this Agreement, the State may suspend its performance hereunder until such time as Contractor resumes performance. The State may terminate this Agreement by written notice to Contractor if a Force Majeure Event affecting Contractor's performance hereunder continues substantially uninterrupted for a period of five (5) Business Days or more. Unless the State terminates this Agreement pursuant to the preceding sentence, any date specifically designated for Contractor's performance under this Agreement will automatically be extended for a period up to the duration of the Force Majeure Event.

17.3 Exclusions; Non-suspended Obligations. Notwithstanding the foregoing or any other provisions of this Agreement:

(a) in no event will any of the following be considered a Force Majeure Event:

- (i) shutdowns, disruptions or malfunctions of the Contractor Systems or any of Contractor's telecommunication or internet services other than as a result of general and widespread internet or telecommunications failures that are not limited to the Contractor Systems; or
- (ii) the delay or failure of any Contractor Personnel to perform any obligation of Contractor hereunder unless such delay or failure to perform is itself by reason of a Force Majeure Event; and

(b) no Force Majeure Event modifies or excuses Contractor's obligations under **Section 5.2(a)** (Service Availability Credits), **Section 9** (State Data), **Section 10** (Confidentiality), **Section 11** (Security), **Section 12** (Data Backup and Disaster Recovery) or **Section 13** (Indemnification).

18. General Provisions.

18.1 Further Assurances. Each party will, upon the reasonable request of the other party, execute such documents and perform such acts as may be necessary to give full effect to the terms of this Agreement.

18.2 Relationship of the Parties. The relationship between the parties is that of independent contracting parties. Nothing contained in this Agreement is to be construed as creating any agency, partnership, joint venture or other form of joint enterprise or co-ownership, employment or fiduciary relationship between the parties, or otherwise as participants in a joint or common undertaking, and neither party has authority to contract for or bind the other party in any manner whatsoever.

18.3 Media Releases. News releases (including promotional literature and commercial advertisements) pertaining to this Agreement or project to which it relates must not be made without the prior written approval of the State, and then only in accordance with the explicit written instructions of the State.

18.4 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder, other than routine communications having no legal effect, must be in writing and addressed to the parties as follows (or as otherwise specified by a party in a notice given in accordance with this **Section 18.4**):



If to State:

Address: 525 West Allegan Street
Lansing, Michigan 48909
E-mail: barronj1@michigan.gov
Attention: Jarrod Barron
Title: Buyer

If to Contractor:

Address: 401-250 McDermot Ave.
Winnipeg, Manitoba
Canada, R3B 0S5
E-mail: rick@emergknowledge.com
Attention: Rick Penner
Title: President

Notices sent in accordance with this **Section 18.4** will be deemed effectively given: (a) when received, if delivered by hand (with written confirmation of receipt); (b) when received, if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail (with confirmation of transmission), if sent during normal business hours of the recipient, and on the next business day, if sent after normal business hours of the recipient; or (d) on the fifth (5th) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid.

18.5 Headings. The headings in this Agreement are for reference only and do not affect the interpretation of this Agreement.

Entire Agreement. This Agreement, including all Statements of Work and other Schedules, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any conflict between the terms of this Agreement and those of any Schedule or other document, the following order of precedence governs: (a) first, this Agreement, excluding its Schedules; and (b) second, the Schedules to this Agreement as of the Effective Date. NO BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS REQUIRED BY THE CONTRACTOR, OR DOCUMENTATION HEREUNDER, WILL CONSTITUTE A PART OR AMENDMENT OF THIS AGREEMENT OR IS BINDING ON THE STATE OR ANY AUTHORIZED USER FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE AND THE AUTHORIZED USER, EVEN IF ACCESS TO OR USE OF SUCH SERVICE OR DOCUMENTATION REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS. THE STATE AGREES, HOWEVER, THAT LINKS TO EXTERNAL INTERNET WEB SITES ARE PROVIDED IN THE SERVICE SOFTWARE AND ARE PROVIDED MERELY AS A CONVENIENCE AND DO NOT IMPLY ENDORSEMENT OF THE LINKED OR REFERENCED SITES OR THEIR CONTENT BY CONTRACTOR. THE STATE'S USE, OR USE BY ANY AUTHORIZED USER, OF SUCH EXTERNAL LINKED SITES SHALL BE SUBJECT TO THE TERMS AND CONDITIONS THAT APPLY TO THOSE EXTERNAL SITES, AND CONTRACTOR IS NOT RESPONSIBLE FOR THE ACCURACY, RELIABILITY,



OR CURRENCY OF THE INFORMATION OR SERVICES PROVIDED ON THE LINKED SITES OR BY EXTERNAL SOURCES.

18.6 Assignment. Contractor may not assign or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under this Agreement, in each case whether voluntarily, involuntarily, by operation of law or otherwise, without the State's prior written consent. The State has the right to terminate this Agreement in its entirety or any Services or Statements of Work hereunder, pursuant to **Section 7.4**, if Contractor delegates or otherwise transfers any of its obligations or performance hereunder, whether voluntarily, involuntarily, by operation of law or otherwise, and no such delegation or other transfer will relieve Contractor of any of such obligations or performance. For purposes of the preceding sentence, and without limiting its generality, any merger, consolidation or reorganization involving Contractor (regardless of whether Contractor is a surviving or disappearing entity) will be deemed to be a transfer of rights, obligations, or performance under this Agreement for which the State's prior written consent is required. Any purported assignment, delegation, or transfer in violation of this **Section 18.6** is void.

18.7 No Third-party Beneficiaries. This Agreement is for the sole benefit of the parties and nothing herein, express or implied, is intended to or will confer on any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

18.8 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party. No waiver by any party of any of the provisions hereof is effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Agreement, no failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement will operate or be construed as a waiver thereof; nor will any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

18.9 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto will negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

18.10 Governing Law. This Agreement is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Agreement are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Agreement must be resolved in the Michigan Court of Claims. Complaints against the State must be initiated in Ingham County, Michigan. Contractor waives any objections, such as lack of personal jurisdiction or forum non conveniens. Contractor must appoint agents in Michigan to receive service of process.

18.11 Equitable Relief. Each party to this Agreement acknowledges and agrees that (a) a breach or threatened breach by such party of any of its obligations under this Agreement would give rise to



irreparable harm to the other party for which monetary damages would not be an adequate remedy and (b) in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto is, in addition to any and all other rights and remedies that may be available to such party at law, at equity or otherwise in respect of such breach, entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction, without any requirement to post a bond or other security, and without any requirement to prove actual damages or that monetary damages will not afford an adequate remedy. Each party to this Agreement agrees that such party will not oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this **Section 18.11**.

18.12Schedules. All Schedules referenced herein and attached hereto are hereby incorporated by reference. The following Schedules are attached hereto and incorporated herein:

Schedule A	Key Personnel
Schedule B	Data Security Requirements
Schedule C	Data Backup Requirements
Schedule D	Statement of Work

18.13Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together are deemed to be one and the same agreement and will become effective and binding upon the parties as of the Effective Date at such time as all the signatories hereto have signed a counterpart of this Agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission (to which a signed PDF copy is attached) is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date by their duly authorized representatives.

Contractor

State

By: _____

By: _____

Name: Rick Penner

Name: Sharon Walenga-Maynard

Title: President

Title: Sourcing Director

Date: _____

Date: _____



SCHEDULE A
KEY PERSONNEL

The following Contractor key personnel may perform professional services and technical support as part of this contract:

Jennifer Peters, Operations Manager (jen@emergeknowledge.com)

Brian Lowe, Contractor Security Officer (brian@emergeknowledge.com)

Dan Butcher, Senior Solutions Manager (dan@emergeknowledge.com)

Jerett Bogue, Solutions Manager (jerett@emergeknowledge.com)

Hudson Gevaert, Senior Systems Analyst (contact only via jen@emergeknowledge.com)

Frankie McGregor, Computer Programmer (contact only via jen@emergeknowledge.com)

Cathie Baranda, Quality Assurance Analyst and Technical Support Representative (support@re-trac.com)



SCHEDULE B

DATA SECURITY REQUIREMENTS

The information security strategy and procedures outlined below shall be followed to protect State information entered in the Service Software.

Technology & Security Overview

Contractor shall maintain security at multiple levels throughout its organization, web infrastructure, and application programs.

- At the organizational level, Contractor shall have an active risk management strategy whereby the IT team actively monitors a wide range of information sources on technology and security vulnerabilities and current mitigation strategies. This information must be used to analyze and update the Contractor's infrastructure.
- Contractor shall assess security risks and relevant mitigation strategies at all stages of its software development and deployment process and at all levels of its information technology and business operations.
- Contractor shall have in place policies, processes, and procedures to ensure the security of its application, data, and technology infrastructure, including:
 - Physical security (of infrastructure)
 - Application security
 - Data security
 - Operational security
 - Network security

Security Roles & Responsibilities

Contractor shall have the responsibility for provisioning access as well as functional responsibilities for the administration of logical access and security, including password policy (relying on user ID's and passwords to authenticate appropriate level of access for the user/employee) and access removal (if an employee is terminated).

Application Security

Access controls shall be implemented in the following manner:

- User ID and password are local to the application. User ID must be encrypted in storage
- Authentication is based on user identification (user supplied email address) and password.
- Passwords have a minimum number of characters while allowing a broad range of characters to let the user to construct a strong password.
- Users can change their email address (and thus the username used to access the application).
- Users can change their password, but must enter their old password in order to make the change.

To ensure the integrity of the information of each user session, the Contractor's web-based applications utilize the following technologies and techniques:

- Secure Sockets Layer (SSL) and Transport Layer Security (TLS) encrypts all communications between the server and the web browser.
- Passwords are stored in the database encrypted using a salted SHA hash; plain text forms of the password are not stored.



The Contractor's development process follows secure software development best practices. Below is a list of technologies and techniques that must be used in the Contractor's software development:

- SQL injection attack auditing and testing
- Cross site scripting auditing and testing
- Data storage in a back-end database with strict access controls

To facilitate the investigation of irregular events within the application, the Contractor must log all HTTP requests and retains these 30 days. In addition, significant events (including but not necessarily limited to the following) are logged in the application:

- User logins, logouts, and authentication failures
- Create, update, and delete actions on transactional data
- Users opting into programs
- Report generation

These logs must be retained and able to be viewed by the Contractor users with administrative level access.

Data Security

Database access and integrity must be maintained in the following manner:

- A username and password is required to connect to the database
- Database access ports are firewalled from the internet at large
- Servers have mirrored discs which allow us to continue operations in the event of a disc failure
- There is a backup system in place that allows for recovery of the application and database

Operations Security

The Contractor must undertake the following practices to maintain operating system (OS) security:

- All root passwords are different
- All user accounts have passwords; many system accounts do not have login privileges
- We have the minimum number of accounts on the system required to run it efficiently
- We configure services such as the web server and database server to meet security standards
- Access to the servers from the internet is prohibited for the primary administrative account
- Servers that do not need to be exposed to the internet are kept behind the firewall
- Contractor servers connected to the internet, including all System servers, are kept up-to-date with the latest operating system and vendor patches

To ensure continued operation of the servers, the Contractor must do the following:

- Have redundant hard drives in a RAID configuration
 - Have redundant power supplies
 - Have redundant internet connections
 - Utilize monitoring software that sends alerts to the I/T team in the event of a hardware problem
 - Utilize uptime monitoring software that sends alerts to the I/T team
- Have production servers located at a server center

Network & Server Security

Server security must be maintained using industry standard techniques including software firewalls and event logging. Tools used to detect and eliminate potentially malicious activity include must exist and include:

- A server firewall that blocks all incoming traffic except for the services that need to be exposed in order to meet the contract requirements
- The server center monitors traffic and possible attacks
- Monitoring software to identify, mitigate, and report on well-known attacks



SCHEDULE C

DATA BACKUP REQUIREMENTS

Backup and Recovery

Contractor shall, each Contractor Business Day, perform a full data backup of all State Data entered into the Service Software and shall store such backups at a secure facility.

The Contractor shall have a comprehensive approach to backing up data, including:

- Systems are running 'snapshot' software designed to capture critical application information (code base, configuration and log files, and database) in order to recover any system in case of server failure. The snapshot scripts run each Contractor Business Day.
- Snapshots are copied every Contractor Business Day to an encrypted external disc that is stored offsite.
- An archive of snapshots is maintained. Snapshots can be retrieved for use such as forensic analysis, auditing, and troubleshooting by Contractor.

Recovery

The Contractor recovery strategy shall include contingencies for the following scenarios.

Partial or complete loss of production system hardware: In the event of a hardware failure, service can be restored by restoring backup data to a sister server (used for system testing) and configuring it as the production system. Service restoration can be done within one Contractor Business Day of becoming aware of the loss of the server.

Loss of State data caused by the Contractor: If Contractor causes the loss of State data, data shall be restored from the most recent daily snapshot taken prior to the loss. The Contractor commits to informing DEQ of such critical issues within one Contractor Business Day, and will endeavor to restore the lost data within four Contractor Business Days following such notification.

Loss of State data caused by DEQ: In the event of a loss of State data caused by DEQ staff, the Contractor will make reasonable commercial efforts using available professional services hours to restore the data from the best available backup within a time frame mutually agreed to by the Contractor and DEQ.



SCHEDULE D STATEMENT OF WORK (SOW)

1.100 Scope of Work and Deliverables

1.101 In Scope

This contract includes the following scope:

- A. Re-TRAC Connect™ Software Licenses
 - A.1. Leader Account Term Software License
 - A.2. EcoPoint Directory Term Software License
- B. Leader Account
 - B.1. Initiation and Planning
 - B.2. Configuration & Testing
 - B.3. Web-Based Training
 - B.4. Post-Implementation Project Review Meetings
 - B.5. Technical Support
- C. EcoPoint Directory Account
 - C.1. Requirements Gathering, Configuration & Testing
 - C.2. Web-Based Training
 - C.3. Ongoing Professional Services
 - C.4. Technical Support
- D. Future Additional Services

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

1.102 Out Of Scope

This contract excludes the following from scope:

- Hardware procurement
- New software design and development/coding
- Data conversion
- Data verification/validation (all data reported to State must be reviewed and verified by State for accuracy)
- Data migration
- On-site training
- Promotion of training session to reporting entities (to clarify, the State is responsible for promoting training session for reporting entities)
- Direct communication with reporting entities for any purpose other than to respond to a technical support request related to Re-TRAC Connect™ and/or provide training as described in this contract
- State software and/or hardware maintenance
- Maintenance support for any software other than Re-TRAC Connect™

1.103 Environment

The Service Software must run on and be compatible with the State Agency Specific Technical Environment.

Agency Specific Technical Environment:

- Windows 7 Enterprise 64-bit
- Internet Explorer 10

1.104 Work And Deliverables



I. Services and Deliverables To Be Provided

Contractor will provide:

1. Re-TRAC Leader Account (year one):
 - a. One (1) Year Term Software License,
 - b. 136 Hours of Professional Services, and
 - c. 41 Technical Support Hours.
2. Re-TRAC EcoPoint Directory Account containing the following bundled items:
 - a. One (1) Year Term Software License,
 - b. 54 Hours of Professional Services, and
 - c. 2.5 Technical Support Hours.

The State may renew these subscriptions annually. For each annual renewal term following the first year, Contractor will provide:

1. Re-TRAC Leader Account:
 - a. One (1) Year Term Software License,
 - b. 48 Hours of Professional Services, and
 - c. 41 Technical Support Hours.
2. Re-TRAC EcoPoint Directory Account containing the following bundled items:
 - a. One (1) Year Term Software License,
 - b. 26 Hours of Professional Services, and
 - c. 2.5 Technical Support Hours.

The responsibilities, deliverables, and preliminary Dedicated Hours allocations for each phase of this project are outlined in the Services & Deliverables table below.

SERVICES & DELIVERABLES	DEDICATED HOURS	TARGET DATE
A. <u>Re-TRAC Connect Software Licenses</u>		
A.1. Leader Account Term Software License Contractor will provide to the State a Re-TRAC Connect Leader Account Term Software License pursuant to the provisions of the Contract.	N/A	9/11/2014
A.2. EcoPoint Directory Account Term Software License Contractor will provide to the State a Re-TRAC Connect EcoPoint Directory Account Term Software License pursuant to the provisions of the Contract.	N/A	9/11/2014
B. <u>Leader Account (during Initial Term)</u>		
B.1. Initiation and Planning Kick-off Meeting Contractor shall be responsible for leading and facilitating the project Kick-off Meeting in accordance with SOW Section 1.301 . This meeting is intended to clarify key roles and target dates. During this meeting, a review of the project scope, project plan and other relevant information critical to the project's	4	Kick-Off Meeting to be held on or before 09/23/2014



<p>success shall occur. In addition, the Service Software features & functionality may be reviewed if requested by a member of the project team.</p> <ul style="list-style-type: none"> • Team introductions including point of contact • Review project goals and objectives • Review target dates and key milestones • Review Re-TRAC Connect features & functionality • Establish reoccurring meetings schedule per SOW Section 1.301 		
<p>B.1. Deliverable(s)</p> <ul style="list-style-type: none"> • Project Kick-off Meeting and Presentation • SaaS software orientation 		
<p>B.2. Configuration & Testing</p>		
<p>a. Draft Survey Specification</p> <ul style="list-style-type: none"> • Survey and system reporting needs requirements gathering • Assessment & analysis of data collection • Preliminary assessment & analysis of reporting needs • Draft survey configuration <p>Contractor shall provide one (1) survey to the State. This survey shall be similar in form and content to the Vermont Quarterly Disposal, Recycling and Composting Facility Reports Survey (Vermont Survey). During this phase, the Contractor will work with the State to identify the modifications to the Vermont Survey, if any, the State will require to meet its specific data collection needs. The Contractor will then configure the Vermont Survey as the parties agree (Configured Survey).</p> <p>In the event the State determines it needs additional Surveys, the parties will create such surveys pursuant to the terms of SOW Section 1.601.C. Additional Professional Services and Technical Support.</p>	45	10/31/14 to present draft Configured Survey
<p>b. Survey Review & Finalization</p> <ul style="list-style-type: none"> • Present draft Configured Survey • State review of survey • Incorporate applicable client revisions • Present final Configured Survey • Survey acceptance (sign off) by State <p>Upon receiving the draft Configured Survey, the State will review same and advise the Contractor in writing of any necessary revisions within five (5) days. The Contractor will then have ten (10) days to make the requested revisions and present the final configured Survey to the State. Service Preparation, Testing and Acceptance will occur pursuant to the provisions of the Contract.</p>	20	12/15/2014.
<p>c. Survey Testing</p> <ul style="list-style-type: none"> • Survey quality assurance • Launch on production system <p>Contractor will support testing to ensure the final configured survey performs as specified by the State. Service Preparation, Testing and Acceptance will occur pursuant to the provisions of the Contract.</p>	8	12/31/14 launch of final Configured Survey



d. Report Specification <ul style="list-style-type: none"> Assessment and analysis of reporting needs Configure applicable standard analytical reports Draft specialized analytical report (1) Prepare report(s) specification Report specification acceptance (sign off) by client 	25	10/31/2014
e. Report Finalization <ul style="list-style-type: none"> Solutions Manager configures report(s) Customer reviews report(s) Report acceptance (sign-off) by client Launch on production system <p>Upon receiving the draft Configured Reports, the State will review same and advise the Contractor in writing of any necessary revisions within 72 hours. The Contractor will then have five (5) days to make the requested revisions and present the final Configured Reports to the State. Contractor will support testing to ensure the as-built Reports perform as specified by the State. Service Preparation, Testing and Acceptance will occur pursuant to the provisions of Section 4 of the Contract.</p>	20	02/01/15 for configured reports.
B.2. Deliverable(s) <ul style="list-style-type: none"> B2a: Draft Configured Survey B2b: Final Configured Survey B2c: Launch Configured Survey B2d: Draft Configured Report(s) B2e: Launched Configured System Report(s) B.2. Acceptance Criteria <ul style="list-style-type: none"> One (1) Final Configured Survey similar in form and content to the Vermont Survey as modified per the gathered requirements. System reporting functionality conforming to the gathered requirements. High-level acceptance criteria for Document Deliverables are listed in SOW Section 1.501. High-level acceptance criteria for the Services are listed in Section 4 of the Contract. 		
B.3. Web-Based Training <p>Contractor will provide one web-based training session for DEQ staff responsible for administration of the recycling program and/or the Leader Account as soon as practicable after the System is configured. Contractor will provide web-based one web-based training session to the reporting entities.</p>	6	TBD based on agreement with State Service Manager
B.3. Deliverable(s) <ul style="list-style-type: none"> One web-based, dedicated training session for end users One web-based, dedicated training session for Administrators B.3. Acceptance Criteria <ul style="list-style-type: none"> Delivery of training with documentation of dates and times 		



<ul style="list-style-type: none"> • High-level acceptance criteria for Document Deliverables are listed in SOW Section 1.501. • High-level acceptance criteria for the Services are listed in Section 4 of the Contract. 		
<p>B.4. Post-Implementation Project Review Meetings</p> <p>After Implementation, Contractor shall be responsible for leading and facilitating four (4) monthly Project Review meetings (up to one hour per meeting). Such meetings will occur on a regular meeting date each month for up to 4 months as agreed upon with the State Service Manager.</p>	8	Meetings to occur on dates TBD
<p>B.4. Deliverable(s)</p> <ul style="list-style-type: none"> • Monthly Project Review Meetings • Reoccurring project status reports <p>B.4. Acceptance Criteria</p> <ul style="list-style-type: none"> • High-level acceptance criteria for Document Deliverables are listed in SOW Section 1.501. • High-level acceptance criteria for the Services are listed in Section 4 of the Contract. 		
<p>B.5. Technical Support</p> <p>Contractor will provide Leader Account technical support to Program Managers and end users (reporting entities) during the term in accordance with Section 6 of the Contract and this SOW. Contractor will not bill the State for any technical support hours provided beyond the 41 hours purchased as part of the subscription.</p> <p>During each year of the Term, Contractor will make available to the State a telephone number ("Hotline") for State to call and an online form within the Service Software for State to use for the purpose of receiving technical support for assistance to use the Software. The Hotline operates during Contractor Business Hours on each Contractor Business Day. The Hotline or email can also be used to notify Contractor of problems associated with the Service Software and related documentation. Technical Support includes online Frequently Asked Questions (FAQs) and may also web-based general technical support for user's self-diagnostics.</p> <p>During each year of the Term, the State's reporting entities ("End Users") will receive technical support for assistance to use the Service Software via an online form in the Service Software. Technical Support includes online Frequently Asked Questions (FAQs) and may also include web-based general technical support for user's self-diagnostics.</p>	41	Available during Leader Account license term.
<p>B.5. Deliverable(s)</p> <ul style="list-style-type: none"> • Technical Support <p>B.5. Acceptance Criteria</p> <ul style="list-style-type: none"> • Technical Support in conformance with specifications detailed within Section 6 of the Contract and SOW Section 1.104.I.B.5. Technical 		



<p>Support above.</p> <ul style="list-style-type: none"> High-level acceptance criteria for the Services are listed in Section 4 of the Contract. 		
<p>C. <u>EcoPoint Directory Account (Initial Term)</u></p>		
<p>C.1. Configuration & Testing</p> <p>Contractor shall during the Initial Term configure the Re-TRAC Connect™ EcoPoint Directory, a web-based publicly available re-use and recycling directory, to support DEQ’s public education efforts (“Directory”). Contractor will assist the State in identifying the types of non-State organizations the State needs included in the Directory. Contractor will configure the Directory for the identified organization types.</p> <p>The Directory will:</p> <ul style="list-style-type: none"> Integrate with a mapping service to enable the public to easily find local facilities and learn about upcoming events. Allow non-State organizations such as local governments, facilities, haulers, etc. to input and publicly share data about their organizations including reuse, recycling, and disposal opportunities. Non-State data includes: organization name and address; title, name, and telephone number of an employee as a contact person for the organization, organization website, list of accepted materials, and hours of operation. Allow the general public to search the Ecopoint Directory and obtain for each non-State organization: organization or event contact information, lists of materials accepted at specific locations or events (if applicable), hours of operation, and directions to specific locations or events. Include the following functional features: <ul style="list-style-type: none"> Join Directory functionality: Non-State organizations may “join” the system as a user and have their information included in the Directory. Directory Management functionality: 1) Directory Managers review and approve data submitted by users to the State’s directory 2) Directory Managers have access to directory usage reports. Message Center functionality: Directory Managers can send messages to users who agree to join and share data with the State. Users have the ability to opt-out of receiving messaging excepting for critical notifications from Re-TRAC Connect™. Allow the following User types: <ul style="list-style-type: none"> “Directory Managers” (full system access) – Each staff member who is designated as a Directory Manager by your organization will be given their own account, which shall include Credentials required in order to access the Service Software. Directory Managers will be able to review all Data submitted to your organization by users who agree to share data with your organization. Five (5) accounts are included. Directory Managers: <ul style="list-style-type: none"> Distribute image (to be used as a button) and code, provided by Contractor, for use on unlimited number of Customer selected websites to link to and access the directory which is embedded on the template web page specified and designed by Contractor. 	<p>43</p>	<p>12/15/14</p>



<p>(Note: This task is usually performed by a web developer or someone with basic knowledge of HTML, and will require access to the server that is hosting each website. The State is responsible for this optional activity should the State choose to promote the directory on multiple websites.)</p> <ul style="list-style-type: none"> ii. Provide State logo to be presented on template web page. Some restrictions may apply to description length (number of characters). iii. Select a subset of organization types from Re-TRAC Connect to be included in the directory. <p>b. "Users" – These are Re-TRAC Connect end users such as local governments, facilities, haulers, etc. that choose to input and share data with your organization. Users will have the option to join your organization's directory. Users will not be able to access the data submitted by other users or the aggregated information submitted to your account. Users:</p> <ul style="list-style-type: none"> i. Search directory by material and/or by location and radius ranging from fifteen (15) to five hundred (500) miles. Search results will include only the data submitted, and approved by, the Directory Managers. ii. Search results are provided using a mapping service. Accuracy of mapping information is dependent upon the mapping service as provided to Contractor, and accuracy of directory listings are dependent upon data entered by users (Contractor does not verify the accuracy of the directory listings provided by users). 		
<p>C.1. Deliverable(s)</p> <ul style="list-style-type: none"> • Facilitated session(s) to confirm and finalize the State's Directory configuration specification • Configured EcoPoint Directory • Launched EcoPoint Directory <p>C.1. Acceptance Criteria</p> <ul style="list-style-type: none"> • High-level acceptance criteria for Document Deliverables are listed in SOW Section 1.501. • High-level acceptance criteria for the Services are listed in Section 4 of the Contract. • EcoPoint Directory functionality conforming to the configuration requirements. 		
<p>C.2. Web-Based Training</p> <p>Contractor shall provide two web-based training sessions for DEQ staff responsible for administration of the recycling program and/or the EcoPoint Directory Account, as designated by the DEQ Project Manager, in accordance with the timing determined in agreement with the State Service Manager.</p>	8	12/15/14
<p>C.2. Deliverable(s)</p> <ul style="list-style-type: none"> • One web-based, dedicated Administrator/End-User training session for DEQ staff responsible for administration of the recycling program and/or the EcoPoint Directory Account as designated by the State. <p>C.2. Acceptance Criteria</p>		



<ul style="list-style-type: none"> • Delivery of training with documentation of dates and times. • High-level acceptance criteria for Document Deliverables are listed in SOW Section 1.501. • High-level acceptance criteria for the Services are listed in Section 4 of the Contract. 		
<p>C.3. Technical Support</p> <p>Contractor will provide EcoPoint Directory Account technical support to Program Managers and end users (reporting entities) during the term in accordance with Section 6 of the Contract and this SOW. Contractor will not bill the State for any technical support hours provided beyond the 2.5 hours included in the subscription.</p> <p>During each year of the Term, Contractor will make available to the State a telephone number (“Hotline”) for the State to call and an online form within the Service Software for the State to use for the purpose of receiving technical support for assistance to use the Service Software. The Hotline operates during Contractor Business Hours on each Contractor Business Day. The Hotline or email can also be used to notify Contractor of problems associated with the Service Software and related documentation. Technical Support includes online Frequently Asked Questions (FAQs) and may also include web-based general technical support for user’s self-diagnostics.</p> <p>During each year of the Term, the State’s reporting entities (“End Users”) will receive technical support for assistance to use the Service Software via an online form in the Service Software. Technical Support includes online Frequently Asked Questions (FAQs) and may also include web-based general technical support for user’s self-diagnostics.</p>	<p>2.5</p>	<p>Available during EcoPoint Directory Account license term.</p>
<p>C.4. Deliverable(s)</p> <ul style="list-style-type: none"> • Technical Support <p>C.4. Acceptance Criteria</p> <ul style="list-style-type: none"> • Technical Support in conformance with specifications detailed within Section 6 of the Contract and SOW Section 1.104.I.B.5. Technical Support above. • High-level acceptance criteria for the Services are listed in Section 4 of the Contract. 		
<p>D. <u>Future Professional Services</u></p>		
<p>The parties hereby establish a mechanism for Future Professional Services, whereby the State may request additional professional services to configure surveys and/or reports for the State’s needs.</p> <p>During the life of the Contract, upon request and at the State’s sole option, the Contractor will provide additional professional services. To obtain Future Professional Services the State will submit a SOW to the Contractor for the additional services requested. For each such SOW received from the State, the Contractor will provide a written proposal and a proposed project schedule.</p>	<p>TBD through future Statements of Work</p>	<p>TBD through future Statements of Work</p>



Contractor will derive its written proposal using first any not yet allocated Professional Services hours included in the flat fee Subscription and then the labor rates described in SOW **Section 1.601.C. Additional Professional Services and Technical Support**.

Upon review and written approval of the written proposal and project schedule by the DTMB Project Manager and Agency Project Manager, the Agency will submit a contract change request to DTMB Procurement in accordance with **Section 1.403 Change Management**. Upon review and written approval by DTMB Procurement, and the State Administrative Board if required, a Contract Change Notice will be executed. A fully executed Contract Change Notice is required prior to issuance of any Purchase Order, and a Purchase Order is required prior to Contractor providing any Future Professional Services.

D. Deliverable(s)

- Written Proposal including project schedule
- Firm-Fixed Price Quote
- Professional Services upon the State's request

D. Acceptance Criteria

- Professional Services meeting requirements conforming to each respective Statement of Work, Written Proposal, and Project Plan.
- High-level acceptance criteria for Document Deliverables are listed in SOW **Section 1.501**.
- High-level acceptance criteria for the Services are listed in **Section 4** of the Contract.

Dedicated Year One (Initial Term) Hours Reallocations

Leader Account. The parties have preliminarily allocated 118 hours to **B.2. Configuration & Testing**, 6 hours to **B.3. Web-Based Training**, and 8 hours to **B.4. Post-Implementation Project Review Meetings** above, 132 aggregate hours. The parties recognize that after the parties gather and elicit the Leader Account survey and reporting requirements, it may be necessary to reallocate the remaining balance of those 132 aggregate hours to ensure Contractor can provide those categories' deliverables in accordance with the gathered requirements. Therefore, at any time after the parties gather and elicit these requirements, the parties may agree to reallocate the remaining B.2., B.3., and B.4. dedicated hours among the B.2., B.3., and B.4. line items provided, however, that the parties may not exceed the 132 aggregate hours allocated to those categories. Such reallocation will require a written agreement between the Contractor and Agency Project Manager but will not require a contract amendment.

EcoPoint Directory Account. The parties have preliminarily allocated 43 hours to **C.1. Requirements Gathering, Configuration & Testing**; 11 hours to **C.2. Web-Based Training** above, 54 aggregate hours. The parties recognize that after the parties gather and elicit the EcoPoint Directory Account organization and data requirements, it may be necessary to reallocate the remaining balance of those 54 aggregate hours to ensure Contractor can provide those categories' deliverables in accordance with the gathered requirements. Therefore, at any time after the parties gather and elicit these requirements, the parties may agree to reallocate the remaining C.1. and C.2. dedicated hours among the C.1. and C.2. line items provided, however, that the parties may not exceed the 54 aggregate hours allocated to those categories. Such reallocation will require a written agreement between the Contractor and Agency Project Manager but will not require a contract amendment.



Rollover Hours

In the event the State finishes an annual Leader Account Term and/or an annual EcoPoint Directory Account Term without using all of the respective account's allocated hours for that or a prior term and the State opts to renew its annual subscription, the State may reallocate such unused hours in such future subscription terms without incurring additional expense.

Hours Allocation for Renewal Terms (if any)

The parties agree to allocate professional services hours during a Renewal Term Kick-Off Meeting.

Leader Account: 48 hours would be available to allocate to configuration annual changes (survey dates, new survey fields), training, and general client service during the annual renewal term based on State needs.

EcoPoint Directory Account: 26 hours would be available to allocate to general client service including training during the annual renewal term based on State needs.

1.200 Roles and Responsibilities

1.201 Contractor Staff, Roles, And Responsibilities

A. Contractor Staff

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

Contractor hereby designates Jennifer Peters, Operations Manager (Email: jen@emergeknowledge.com, Direct phone: 1-204-772-7239 ext 805) as its Single Point of Contact (SPOC). The duties of the SPOC shall include, but not be limited to:

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

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

Any key staff substitution must have the prior approval of the State subject to the provisions in this contract. The State has identified the following as key personnel for this project:

- *Solutions Manager: Jerett Bogue*

The Contractor designates Jerett Bogue as *Solutions Manager* to interact with the designated personnel from the State to insure a smooth transition to the new system. The Solutions Manager will coordinate all of the activities of the Contractor personnel assigned to the project. The Contractor's Solutions Manager responsibilities include, at a minimum:

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



1.202 State Staff, Roles, And Responsibilities

The State project team will consist of Executive Subject Matter Experts (SME's), project support, a DTMB Project Manager and an Agency Project Manager.

Executive Subject Matter Experts

Executive SME's representing the business units involved will provide the vision for the business design and how the application shall advance that vision. Such Executive SME's shall be available on an as-needed basis and will be empowered to:

- Resolve project issues in a timely manner
- Review project plan, status, and issues
- Resolve deviations from project plan
- Provide acceptance sign-off
- Utilize change control procedures
- Ensure timely availability of State resources
- Make key implementation decisions, as identified by the Contractor's project manager, within 48-hours of their expected decision date.

Name	Agency/Division	Title	Phone/e-mail
Rhonda Oyer	DEQ/OWMRP	Chief, Sustainable Materials Management Unit	(517) 284-6591 Oyerr@michigan.gov
Steven Noble	DEQ/OWMRP	Program Coordinator-Electronics Take Back Program	(517) 284-6589 Nobles4@michigan.gov

State Project Manager- (DEQ)

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

The State's Project Manager will provide the following services:

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

Name	Agency/Division	Title
Steven Noble	DEQ	Project Manager

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



Name	Agency/Division	Title
Jarrod Barron	DTMB	Contract Administrator

1.203 Reserved

1.300 Project Plan

1.301 Project Plan Management

Kick-Off Meeting

Within fourteen (14) calendar days of the Effective Date of the Contract, the Contractor will be required to lead and facilitate a Kick-off meeting to discuss the content and procedures of the Contract. The meeting will be held via web conference or teleconference at a date and time mutually acceptable to the State and the Contractor. The State shall bear no cost for the travel of the Contractor for attendance at the meeting (the Contractor will not travel to participate in this meeting)

Reoccurring Meetings

Throughout the course of performing the Work and Deliverables in this SOW, the Contractor shall be responsible for leading and facilitating all meetings as necessary to ensure proper communication and project success. The meetings will be held via web conference or teleconference on a schedule as mutually agreed by the State and the Contractor as the parties determine to be needed from time to time thereafter the Kick-off Meeting. Specific meeting types include, but are not limited to:

- Status meetings
- Configuration meetings
- Review meetings
- Finalization meetings

1.302 Reports

Reoccurring Status Reports

Reporting formats must be submitted to the State's Project Manager for approval within twenty-one (21) calendar days of the Effective Date of the Contract. Once both parties have agreed to the format of the reports, they shall become the standard to follow for the duration of the contract. Throughout the course of performing the Work and Deliverables in this SOW, Contractor will produce monthly project status reports containing the following criteria: Activities undertaken during the reporting period, Difficulties Encountered (if any) and Remedial Actions Taken, Activities Anticipated for the Next Reporting Period (if any), and a Summary of Professional Services Hours worked during the reporting period, during the subscription term year to date, and professional services hours remaining (available) in the subscription term.

1.400 Change Management

1.401 Change Management

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

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



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

The Contractor must employ change management procedures to handle such things as “out-of-scope” requests or changing business needs of the State.

1.500 Acceptance

1.501 Criteria

Document Deliverables

1. Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Article 1.302.
2. Draft documents are not accepted as final deliverables.
3. The documents will be reviewed and accepted in accordance with the requirements of the Contract and Attachments.
4. DTMB will review documents within the timeframes described in this contract.
 - a. Approvals will be written and signed by State Project Manager.
 - b. Issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit documents for approval within the timeframes described in this contract.

Services Deliverables

1. High-level acceptance criteria for the Services are listed in **Section 4** of the Contract.

1.502 Final Acceptance

Final acceptance is expressly conditioned upon completion **on an annual subscription basis** of ALL deliverables/milestones; completion of ALL tasks in the project plan(s) as approved; completion of ALL applicable inspection and/or testing procedures; and the certification by the State that the Contractor has met the defined requirements, including the requirements to be gathered during the performance of this SOW.

1.600 Compensation and Payment

1.601 Compensation And Payment

A. Leader Account Fees

A.1 The Fees for the Initial Term shall be as follows:

Year One	Dedicated Hours Included	Cost
Re-TRAC Connect™ Leader Account Software License base license fee	n/a	\$ 18,904.00
Professional Services	136	\$ 17,112.00
Technical Support	41	\$ 3,690.00
Total Year One Set up and Subscription Fee	\$39,706.00	



A.2. The Fees for up to two (2) consecutive Renewal Terms (if any) shall be as follows:

Year Two (Renewal)	Dedicated Hours Included	Cost
Re-TRAC Connect™ Leader Account Software License base license fee	n/a	\$ 18,904.00
Professional Services	48	\$ 6,034.00
Technical Support	41	\$ 3,690.00
Total Year Two Subscription Fee	\$28,628.00	

Year Three (Renewal)	Dedicated Hours Included	Cost
Re-TRAC Connect™ Leader Account Software License base license fee	n/a	\$ 18,904.00
Professional Services	48	\$ 6,034.00
Technical Support	41	\$ 3,690.00
Total Year Three Subscription Fee	\$28,628.00	

B. EcoPoint Directory Account Fees

B.1 The Fees for the Initial Term shall be as follows:

Year One	Dedicated Hours Included	Cost
Re-TRAC Connect™ Directory Account Software License base license fee	n/a	\$1,000.00
Professional Services*	54	\$6,750.00
Technical Support	2.5	\$225.00
Total Year One Set up and Subscription Fee	\$7,975.00	

*Excludes importing historical data.

B.2 The Fees for up to two (2) consecutive Renewal Terms (if any) shall be as follows:

Year Two (Renewal)	Dedicated Hours Included	Cost
Re-TRAC Connect™ Directory Account Software License base license fee	n/a	\$1,000.00
Professional Services	26	\$3,250.00
Technical Support	2.5	\$225
Total Year Two Subscription Fee	\$4,475.00	

Year Three (Renewal)	Dedicated Hours Included	Cost
Re-TRAC Connect™ Directory Account Software License base license fee	n/a	\$1,000.00
Professional Services	26	\$3,250.00
Technical Support	2.5	\$225
Total Year Three Subscription Fee	\$4,475.00	

C. Additional Professional Services and Technical Support

C.1 Labor Rates. If Customer requires any additional Professional Services beyond the number of hours included in the annual fees paid, Contractor shall provide such Professional Services in 2014 at the rates set out in the table below, and in future years at the Contractor's commercial labor rates for the applicable calendar year.



Labor Category	2014 Hourly
Solutions Manager	\$ 130.00
Senior Solutions Manager	\$
Systems Analyst	\$ 90.00
Senior Systems Analyst	\$ 120.00
Principal Systems Analyst	\$ 170.00
Junior Computer Programmer	\$ 70.00
Computer Programmer	\$ 90.00
Senior Computer Programmer	\$ 110.00
Quality Assurance Analyst	\$ 90.00
Technical Support	\$ 90.00
Web Designer	\$ 110.00

Method of Payment:

The project will be paid on a deliverables basis on the following schedule:

DELIVERABLE PER SOW SECTION 1.104	PAYMENT TIMING
A. Re-TRAC Connect™ Software Licenses	
A.1. Leader Account Term Software License base license fee	Upon Contract Execution
A.2. EcoPoint Directory Term Software License base license fee	Upon Contract Execution
B. Leader Account (Initial Term)	
B.1. Initiation and Planning	Upon B.1. Acceptance
B.2. Configuration & Testing	Upon B.2. Acceptance
B.3. Web-Based Training	Upon B.3. Acceptance
B.4. Post-Implementation Project Review Meetings	Upon B.4. Acceptance
B.5. Technical Support	Upon B.2c. Acceptance
C. EcoPoint Directory Account (Initial Term)	
C.1. Requirements Gathering, Configuration & Testing	Upon C.1. Acceptance
C.2. Web-Based Training	Upon C.2. Acceptance
C.3. Ongoing Professional Services	Upon C.3. Acceptance
C.4. Technical Support	Upon C.1. Acceptance
D. Future Professional Services	TBD through future SOW's
Re-TRAC Connect™ Leader Account Renewal (if any)	Within ten (10) days of the start of the Renewal Term
Re-TRAC Connect™ EcoPoint Directory Account Renewal (if any)	Within ten (10) days of the start of the Renewal Term

Travel:

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

Revised Lower Pricing:

If Contractor reduces its commercial prices for the Re-TRACT Connect™ Leader Account for the State of Michigan or services during the term of this Contract, the State shall have the immediate benefit of such lower prices for new purchases **excepting that the preferred (reduced) GSA pricing offered by the Contractor**



through the U.S. General Services Administration (GSA) will not extend to the State. Contractor shall send notice to the State's DTMB Contract Administrator with the reduced prices (not including GSA pricing) within fifteen (15) Business Days of the reduction taking effect.

Statements of Work and Issuance of Purchase Orders:

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

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

Invoicing:

Contractor will submit properly itemized invoices to:

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

DTMB-Accounts-Payable@michigan.gov

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number;
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Price for each software license, professional services, and technical support services , or Contractor's list price for each item;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

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

1.602 Holdback

The State shall have the right to hold back an amount equal to ten percent (10%) of all amounts invoiced by Contractor for Services/Deliverables within an annual subscription term. The amounts held back shall be released to Contractor after the State has granted Final Acceptance on an annual basis.