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

NOTICE OF CONTRACT NO. 071B6600011
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		PRIMARY CONTACT	EMAIL
Socrata, Inc		Natalie LaBarbera	natalie.labarbera@socrata.com
83 S King Street		**PHONE**	**VENDOR TAX ID #** **(LAST FOUR DIGITS ONLY)**
Seattle, WA 98104		651-730-0188	2903

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	SBO	Mike Moody	517-335-1942	MoodyM1@michigan.gov
CONTRACT ADMINISTRATOR	DTMB - Procurement	Christine Mitchell	517-284-7020	Mitchellc4@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION:			
Transparency Website for State Budget Office (SBO)			
INITIAL TERM	**EFFECTIVE DATE**	**INITIAL EXPIRATION DATE**	**AVAILABLE OPTIONS**
One Year	**10/15/2015**	**10/14/2016**	**4, 1 Year**
PAYMENT TERMS	**F.O.B.**	**SHIPPED TO**	
Net 45	**Destination**	**NA**	

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

MINIMUM DELIVERY REQUIREMENTS:
NA

MISCELLANEOUS INFORMATION:
This Contract is awarded from Request for Proposal (RFP) #007115B0006114 to establish a Transparency Website Software as a Service (SaaS) application for State financial data. Replacing the existing State Budget Office (SBO) site with a new site to achieve an improved PIRG rating. Implementation to be completed by beginning December, 2015. Authority: Agency request and DTMB Procurement approval.

ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:	$50,000.00 ($103,964.00 with one year of each optional item included)

For the Contractor:

_____   _____

Dan Wassel CFO,   **Date**

Contract Administrator

Socrata, Inc.

For the State:

_____   _____

Sharon Walenga-Maynard, Sourcing Director   **Date**

DTMB Procurement

State of Michigan

STATE OF MICHIGAN
CONTRACT TERMS
Software as a Service (SaaS)

This Software as a Service Contract (this "**Contract**") is agreed to between the State of Michigan (the "**State**") and Socrata, Inc. ("**Contractor**"), a Seattle Washington Company. This Contract is effective on 10/15/2015 ("**Effective Date**"), and unless earlier terminated, will expire on 10/14/2016 (the "**Term**").

This Contract may be renewed for up to four (4) additional one (1) year period(s). Renewal must be by written notice from the State and will automatically extend the Term of this Contract.

1. Definitions.

"**Action**" has the meaning set forth in **Section Error! Reference source not found.**.

"**Allegedly Infringing Features**" has the meaning set forth in **Section Error! Reference source not found.**.

"**Authorized Users**" means all Persons authorized by the State to access and use the Services through the State's account under this Contract, subject to the maximum number of users specified in the applicable Statement of Work.

"**Availability Requirement**" has the meaning set forth in **Section Error! Reference source not found.**.

"**Business Day**" means a day other than a Saturday, Sunday or State or Federal Holiday.

"**Change Notice**" has the meaning set forth in **Section Error! Reference source not found.**.

"**Confidential Information**" has the meaning set forth in **Section** Error! Reference source not found..

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

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

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

"**Contractor Personnel**" means all employees and agents of Contractor, all Subcontractors and all employees and agents of any Subcontractor, involved in the performance of Services.

"**Contractor Security Officer**" has the meaning set forth in **Section Error! Reference source not found.**.

"**Contractor Service Manager**" has the meaning set forth in **Section Error! Reference source not found.**.

"**Contractor Systems**" has the meaning set forth in **Section Error! Reference source not found.**.

"**Critical Service Error**" has the meaning set forth in **Section Error! Reference source not found.**.

"**Documentation**" means all generally available documentation relating to the Services, including all user manuals, operating manuals and other instructions, specifications, documents and materials, in any form or media, 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.

"**Fees**" has the meaning set forth in **Section Error! Reference source not found.**.

"**Force Majeure Event**" has the meaning set forth in **Section Error! Reference source not found.**.

"**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, 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 Services or Contractor Systems 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 Services**" has the meaning set forth in **Section Error! Reference source not found.**.

"**Intellectual Property Rights**" means any and all rights comprising or relating to: (a) patents, patent disclosures and inventions (whether patentable or not); (b) trademarks, service marks, trade dress, trade names, logos, corporate names and domain names, together with all of the goodwill associated therewith; (c) authorship rights, copyrights and copyrightable works (including computer programs) 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.

"**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.

"**Program Manager**" has the meaning set forth in **Section Error! Reference source not found.**.

"**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, consultants, legal advisors and, with respect to Contractor, Contractor's Subcontractors.

"**RFP**" means the State's request for proposal designed to solicit responses for Services under this Contract.

"**Scheduled Downtime**" has the meaning set forth in **Section 5.2**.

"**Service Availability Credits**" has the meaning set forth in **Section** Error! Reference source not found.**.**

"**Service Error**" means any failure of any Hosted Service to be available or otherwise perform in accordance with this Contract and the Specifications.

"**Service Level Failure**" means a failure to perform the Support Services fully in compliance with the Support Service Level Requirements.

"**Service Period**" means a calendar month.

"**Service Software**" means Contractor's Socrata software application or applications and any third-party or other software, and all new versions, updates, revisions, improvements and modifications of the foregoing, that Contractor provides remote access to and use of as part of the Services.

"**Services**" has the meaning set forth in **Section Error! Reference source not found.**.

"**Specifications**" means the specifications for the Services set forth in the applicable Statement of Work and, to the extent consistent with and not limiting of the foregoing, the Documentation.

"**State**" has the meaning set forth in the preamble.

"**State Data**" means any and all information, data, materials, works, expressions or other content that are uploaded, submitted, posted, transferred, transmitted or otherwise provided or made available by or on behalf of the State or any Authorized User for Processing by or through the Hosted Services.

"**State Marks**" has the meaning set forth in **Section 9.6**.

"**State Modification**" has the meaning set forth in **Section Error! Reference source not found.**.

"**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 the applicable order form detailing the Services to be provided by Contractor.

"**Subcontractor**" means any entity that performs any Services under this Contract and otherwise has the meaning set forth in **Section Error! Reference source not found.**.

"**Support Request**" has the meaning set forth in **Section Error! Reference source not found.**.

"**Support Service Level Requirements**" has the meaning set forth in **Section Error! Reference source not found.**.

"**Support Services**" has the meaning set forth in **Section Error! Reference source not found.**.

"**Term**" has the meaning set forth in the preamble.

"**Transition Period**" has the meaning set forth in **Section** Error! Reference source not found.**.**

"**Transition Responsibilities**" has the meaning set forth in **Section** Error! Reference source not found.**.**

"**User Data**" means any and all information reflecting the access or use of the Hosted Services by or on behalf of the State or any Authorized User, including any end user profile, visit, session, impression, click-through or click-stream data and any statistical or other analysis, information or data based on or derived from any of the foregoing.

2. Services.

2.1   Services. Throughout the Term and at all times in connection with its actual or required performance under this Contract, Contractor will, in accordance with all terms and conditions set forth in this Contract and each applicable Statement of Work, provide to the State and its Authorized Users the following services ("**Services**"):

(a)   the hosting, management and operation of the Service Software and other services for remote electronic access and use by the State and its Authorized Users ("**Hosted Services**") as described in one or more written, sequentially numbered, statements of work referencing this Contract, including all Specifications set forth in such statements of work.

(b)   service maintenance and the Support Services as set forth in **Section Error! Reference source not found.** and in the applicable Statement of Work; and

(c)   such other services as may be specified in the applicable Statement of Work.

2.2   Statements of Work. Statements of Work will be effective only when signed by the Contract Administrator 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 Contract, 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 itself, and will not permit any Person to, subcontract any Services, in whole or in part, without the State's prior written consent, which consent may be given or withheld in the State's sole discretion. Without limiting the foregoing:

(a)   Contractor must ensure each Contractor subcontractor (including any subcontractor of a Contractor subcontractor, each, a "**Subcontractor**") complies with all relevant terms of this Contract, including all provisions relating to State Data or other Confidential Information of the State;

(b)   the State's consent to any such Subcontractor does not relieve Contractor of its representations, warranties or obligations under this Contract;

(c)   Contractor will remain responsible and liable for any and all: (i) performance required hereunder, including the proper supervision, coordination and performance of the Services; and (ii) acts and omissions of each Subcontractor (including, such Subcontractor's employees and agents, who, to the extent they are involved in providing any Services, are deemed Contractor Personnel) to the same extent as if such acts or omissions were by Contractor;

(d)   any noncompliance by any Subcontractor or its employees or agents with the provisions of this Contract or any Statement of Work will constitute a breach by Contractor;

(e)   prior to the provision of Services by any Subcontractor, Contractor must obtain from each such proposed Subcontractor:

(i)   the identity of such Subcontractor and the location of all its data centers, if any, that will be used in Processing any State Data, which information Contractor shall promptly disclose to the State in writing; and

(ii)   a written confidentiality, restricted use, work-for-hire and intellectual property rights assignment Contract in form and substance acceptable to the State, giving the State rights at least equal to those set forth in **Section Error! Reference source not found.** (State Data), **Section Error! Reference source not found.** (Confidentiality), **Section Error! Reference source not found.** (Security) and **Section Error! Reference source not found.** (Redundancy, Data Backup and Disaster Recovery) and containing the Subcontractor's acknowledgment of, and agreement to, the provisions of **Section Error! Reference source not found.** (Contractor Personnel), a fully-executed copy of which agreement Contractor will promptly provide to the State upon the State's request.

2.5   <u>Contractor Personnel</u>. 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 Support Requests and the Support Services (the "**Contractor Service 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.

(c)   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.

2.7   Time of the Essence. Contractor acknowledges and agrees that time is of the essence with respect to its obligations under this Contract and that prompt and timely performance of all such obligations, including all timetables and other requirements of this Contract and each Statement of Work, is strictly required.

2.8   State Program 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 in matters pertaining to the Support Services, including the submission and processing of Support Requests (the "**State Program Manager**").

3. License Grant and Restrictions.

3.1   License Grant. Contractor hereby grants to the State a nonexclusive right to use and access the Services up to the capacity purchased. Contractor hereby grants to the State, a limited, nonexclusive, non-sublicensable, non-transferable term license to access and use the Services and the Service Software made available by Contractor, if any, for use by the State with the Services, including the right to load, store and display State Data (defined below) on the Services.

3.2   License Restrictions. The State will not use or authorize the use of the Services in any manner or for any purpose that is unlawful under applicable Law State may not: operate or use the Services on behalf of other entities or persons (e.g., operate as a service bureau) other than as may be approved by Contractor; modify or otherwise make any derivative uses of the Services, or any portion thereof; or reverse engineer the Services.

3.3   Except for the rights expressly granted to the State, Contractor retains all of its intellectual property rights in the Services and underlying software, and no rights, title or interest to the underlying software are transferred to the State.

3.4   Excess Use. If the State's use of the Hosted Services exceeds the volume of use permitted by the license then in effect under **Section Error! Reference source not found.** and the applicable Statement of Work (including as to the number of uses, users, machines or locations), the State will pay Contractor the Fees attributable to the excess use in accordance with **Section Error! Reference source not found.**. Such Fees will be Contractor's sole and exclusive remedy for such excess use.

4. Service Preparation.

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 Contract, including any applicable milestone date or dates set forth in such Statement of Work.

5. Service Levels.

5.1   Contractor will maintain a system uptime of 99% (determined monthly), seven (7) days a week, twenty-four (24) hours per day, not including any unavailability that: (i) results from regularly Scheduled Downtime as set forth in **Section 5.2**; (ii) results from failure of State's hardware or software; (iii) results from the failure of a communication service or other outside service or equipment not within the control of Contractor; or (iv) is beyond the reasonable control of Company (the "**Availability Requirement**").

5.2   Scheduled Downtime. Contractor must notify the State at least twenty-four (24) hours in advance of all scheduled outages of the Hosted Services in whole or in part ("**Scheduled Downtime**"). All such scheduled outages will occur no more frequently than once per week.

5.3   Remedies for Service Availability Failures.
If the actual availability of the Hosted Services 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 Hosted Services provided during the Service Period ("**Service Availability Credits**"):

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

Any Service Availability Credits due under this **Section** Error! Reference source not found. will be applied in accordance with **Section Error! Reference source not found.**.

If the actual availability of the Hosted Services 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 this Contract 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 support services (collectively, "**Support Services**") in accordance with the provisions of this **Section Error! Reference source not found.**. The Support Services are included in the Services, and Contractor may not assess any additional Fees, costs or charges for such Support Services.

6.1   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 the hours of 9 a.m. to 9 p.m. Eastern Time on Business Days;

(c)   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

(d)   Respond to and Resolve Support Requests as specified in this **Section Error! Reference source not found.**.

6.2 <u>Service Monitoring and Management</u>. Contractor will continuously monitor and manage the Hosted Services 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 or in the applicable Statement of Work):

(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 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 Support Request Classification set forth in **Section Error! Reference source not found.**, 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 <u>Service Maintenance</u>. Contractor will continuously maintain the Hosted Services 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, 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; and

(b) all such services and repairs as are required to maintain the Hosted Services or are ancillary, necessary or otherwise related to the State's or its Authorized Users' access to or use of the Hosted Services, so that the Hosted Services operate properly in accordance with this Contract and the Specifications.

6.4 <u>Support Service Level Requirements</u>. 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 Error! Reference source not found.** ("**Support Service Level Requirements**"), this Contract and the applicable Statement of Work.

(a) 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 Program Manager will notify Contractor of Support Requests by e-mail, telephone or such other means as the parties may hereafter agree to in writing.

(b)

Severity Level	Nature of Impact	Initial Response Target	Follow-up Response Target
1: Critical	A widespread unavailability of a Socrata data site or mission-critical service. (e.g. State's Socrata website cannot be accessed, State's Socrata site cannot accept dataset uploads due to issues with Socrata application)	30 minutes	Hourly
2: Medium	An incident resulting in moderate impact on operations, such as a noticeable performance degradation in a Socrata-powered datasite or temporary unavailability of a non-mission critical service/feature (e.g. State's site performance is slow to respond to user commands due to issues with the Socrata application, or images fail to render on a site but the basic functionality and API is still operational)	4 hours	Daily
3: Minor/Low Impact	An incident that disrupts a Socrata-powered datasite or service that can be circumvented with minimal impact to operations. (e.g. sort or filter functionality is temporarily disrupted on a Socrata visualization, but the data is still available**).**	12 hours	Twice weekly until close, or a set date for follow-up
4: Service Requests	Service requests that do not impact service.	24 hours	Weekly until close, or a set date for follow-up

6.5 Critical Service Errors and Termination Right. 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, then, in addition to all other remedies available to the State, the State may terminate this Contract 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.

7. Termination, Expiration and Transition.

7.1 Termination for Cause. In addition to any right of termination set forth elsewhere in this Contract:

(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, State Data, or the State's facilities or personnel; (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** Error! Reference source not found., the State will issue a termination notice and Contractor will have 30 days to cure the breach giving rise to the termination notice.

(c)   The State will only pay for amounts due to Contractor for Services accepted by the State on or before the date of termination, subject to the State's right to set off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract. The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, court costs, transition costs, and any costs the State incurs to procure the Services from other sources.

7.2   Termination for Convenience. 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. For any termination other than budget shortfalls the State will give Contractor 30 day written notice and the State will pay Contractor any outstanding amounts owed the Contractor for the contracted Services to the extent the funds are available.

7.3   Transition Responsibilities. 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, and to facilitate the orderly transfer of the Services 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; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Services to the State or the State's designee; (c) 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; and (d) 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 and the State will pay the contracted fees during the Transition period.

7.4   Effect of Termination. Upon and after the termination or expiration of this Contract 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** Error! Reference source not found..

(b)   All licenses granted to Contractor in State Data will immediately and automatically also terminate. Contractor must promptly destroy all State Data under its control and not required by Contractor for its Transition Responsibilities, if any.

(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; (ii) permanently erase the State's Confidential Information from its computer systems; 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)   Notwithstanding any provisions of this Contract or any Statement of Work to the contrary, upon the State's termination of this Contract or any Statement of Work for cause pursuant to **Section** Error! Reference source not found., the State will have the right and option to continue to access and use the Services under each applicable Statement of Work, in whole and in part, for a period not to exceed one hundred and eighty (180) days from the effective date of such termination pursuant to the terms and conditions of this Contract and each applicable Statement of Work and at a reduced rate of fifty (50%) off the applicable Fees set forth in each such Statement of Work.

7.5   Survival. The rights, obligations and conditions set forth in this **Section Error! Reference source not found.** and **Section 1** (Definitions), **Section Error! Reference source not found.** (Effect of Termination; Data Retention), **Section Error! Reference source not found.** (State Data), **Section Error! Reference source not found.** (Confidentiality), **Section Error! Reference source not found.** (Security), **Section Error! Reference source not found.** (Indemnification), **Section Error! Reference source not found.** (Limitations of Liability), **Section Error! Reference source not found.** (Representations and Warranties), **Section Error! Reference source not found.** (Insurance) and **Section Error! Reference source not found.** (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 Contract, survives any such termination or expiration hereof.

8. Fees and Expenses.

8.1   Fees. Subject to the terms and conditions of this Contract and the applicable Statement of Work, including the provisions of this **Section Error! Reference source not found.**, the State shall pay the fees set forth in the applicable Statement of Work, subject to such increases and adjustments as may be permitted pursuant to **Section Error! Reference source not found.** ("**Fees**").

8.2   Fees During Renewal Terms. Contractor's Fees are fixed during the Initial Term. Contractor may increase Fees for any Renewal Term by providing written notice to the State at least sixty (60) calendar days prior to the commencement of such Renewal Term. An increase of Fees in effect for the twelve (12) month period prior to any Renewal Term may not exceed the lesser of:

(a)   three percent (3%) of the Fees effective during the immediately preceding twelve (12) month period of the Initial Term or Renewal Term; or

(b)   the amount equal to eighty percent (80%) of the percentage by which the then most-recently published Consumer Price Index (CPI) exceeds the CPI published in the same month of the preceding calendar year, it being understood and agreed that, if the CPI is no longer published, Contractor and the State will negotiate, in good faith to select a new index that best reflects and accounts for cost changes relevant to Contractor's business.

No increase in Fees is effective unless made in compliance with the provisions of this **Section Error! Reference source not found.**.

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 Contract 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 Contract.

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 such other information as the State requires, on a per-individual basis; 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. Invoices are due and payable by the State, in accordance with the State's standard payment procedures as specified in 1984 Public Act no. 279, MCL 17.51, *et seq.*, within forty-five (45) calendar days after receipt, provided the State determines that the invoice was properly rendered.

8.7   Contract State Audits of Contractor.

   (a)   During the Term, and for seven (7) 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 Error! Reference source not found.**. 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 business hours for inspection and audit by the State or its authorized representative, provided that the State: (a) provides Contractor with at least fifteen (10) 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.

   (b)   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 Contract, and will not imply the State's acceptance of any Services or the waiver of any warranties or requirements of this Contract, 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 Contract, if Contractor is in material default of its performance or other obligations under this Contract 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 Contract, elect to withhold from the payments due to Contractor under this Contract 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   Service Availability Credits. Contractor acknowledges and agrees that each of the Service Availability Credits and assessed pursuant to **Section Error! Reference source not found.**: (a) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the corresponding Service Error or 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 Contract 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 Contract and the Specifications.

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 Contract.

8.12   Support Not to be Withheld or Delayed. Contractor may not withhold or delay any Hosted Services or Support Services or fail to perform any other Services or obligations hereunder by reason of: (a) the State's good faith withholding of any payment or amount in accordance with this **Section Error! Reference source not found.**; or (b) any dispute whatsoever between the parties, including any payment or other dispute arising under or concerning this Contract or any other agreement between the parties.

9.   State Data.

9.1   State Data. The State may not upload any content: (i) that is unlawful, libelous, defamatory, obscene, pornographic, indecent, lewd, suggestive, harassing, threatening, invasive of privacy or publicity rights, abusive, inflammatory, fraudulent or otherwise objection; (ii) that would constitute, encourage or provide instructions for a criminal offense, violate the rights of any party, or that would otherwise create liability or violate any local, state, national or international law; or (iii) that may infringe any patent, trademark, trade secret, copyright or other intellectual or proprietary right of any party.

9.2   No Liability for Data. Contractor takes no responsibility and assumes no liability for any State Data or end user data posted, stored or uploaded on the Services by the State or any third party, or for any loss or damage thereto, nor is Contractor liable for any mistakes, defamation, slander, libel, omissions, falsehoods, obscenity, pornography or profanity that the State and its end users may encounter. The State's reliance on any content that it obtains through use of the Services is at the State's own risk.

9.3   Removal of Content; Violations. Although Contractor has no obligation to screen, edit or monitor any of the State Data or other non-Contractor provided content posted on the Services, CONTRACTOR RESERVES THE RIGHT, AND HAS ABSOLUTE DISCRETION, TO REMOVE, SCREEN OR EDIT ANY CONTENT POSTED OR STORED ON THE SERVICES OR UPLOADED TO THE SERVICES IN VIOLATION OF THIS CONTRACT OR TO REQUIRE STATE TO DO THE SAME, AND STATE IS SOLELY RESPONSIBLE FOR CREATING BACKUP COPIES OF AND REPLACING ANY STATE DATA POSTED OR STORED ON THE SERVICES AT STATE'S SOLE COST AND EXPENSE.

9.4   State Data. The State owns all State Data and State Marks (defined below), including any intellectual property rights therein. The State may remove the State Data from the Services at any time. Upon removal, State Data will not be available for further download or use. The State acknowledges that users who have previously downloaded or otherwise used any State Data prior to the date the State Data was made unavailable will be able to use the previously obtained State Data after such termination. Such continued use will not be a breach of this license by Contractor.

9.5   Licenses from State. During the term of this Contract, the State grants Contractor and its affiliates a non-exclusive, royalty-free and fully sub-licenseable right to use, reproduce, modify, adapt, publish, translate, create derivative works from, distribute, analyze, perform and display State Data on or in connection with the Services or to provide services to users. Provided however, that Contractor will assume liability resulting from modifications, adaptations, derivative works the Contractor may make from the State Data.

9.6   State Marks. The State grants Contractor and its affiliates and sub-licensees the right to display and use the State's name, trademark and/or logos provided by the State (the "**State Marks**") in connection with the State Data and the Services. All goodwill associated with Contractor's use of the State Marks will inure to the benefit of State.

10. Confidentiality.
10.1   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; 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 Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to the Contractor's subcontractor is permissible where: (a) the subcontractor is a Permitted Subcontractor; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Permitted Subcontractor's responsibilities; and (c) Contractor obligates the Permitted Subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any of the Contractor's Representatives may be required to execute a separate agreement to be bound by the provisions of this **Section** Error! Reference source not found..

10.3 <u>Cooperation to Prevent Disclosure of Confidential Information</u>. 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 Contract. Each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

10.4 <u>Remedies for Breach of Obligation of Confidentiality</u>. 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.

10.5 <u>Surrender of Confidential Information upon Termination</u>. Upon termination or expiration of this Contract 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; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. If Contractor or the State determine that the return of any non-State Data Confidential Information is not feasible, such party must destroy the non-State Data Confidential Information and certify the same in writing within five (5) calendar days from the date of termination to the other party

11. Security.

11.1 <u>Protection of the State's Confidential Information</u>. 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 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, commingling 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 best industry practice and standards.

(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 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 or such other customer's users of the Services; (B) the State's Confidential Information from being commingled with or contaminated by the data of other customers or their users of the Services; 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 <u>Unauthorized Access</u>. 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 Contract, and in no case exceed the scope of the State's authorization pursuant to this **Section** Error! Reference source not found.. 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.

11.3 <u>Contractor Systems</u>. 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 or for Contractor to access State Systems or otherwise in connection with the Services ("**Contractor Systems**") and shall prevent unauthorized access to State Systems through the Contractor Systems.

11.4 <u>Security Audits</u>. During the Term, Contractor will:

(a)   maintain complete and 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** Error! Reference source not found.;

(b)   upon the State's request, and at the sole cost of the State, 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 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 Contract. The State may, but is not obligated to, perform such security audits, which shall, at the State's option and request and sole 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 upon request. Any such audit reports will be recognized as Contractor's Confidential Information.

11.5 <u>Nonexclusive Remedy for Security Breach</u>. Any failure of the Services to meet the requirements of this Contract 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 this Contract for which the State, at its option, may terminate this 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.

12. Redundancy and Data Backup. Contractor must, in accordance with the provisions of this **Section** Error! Reference source not found., maintain or cause to be maintained disaster avoidance procedures designed to safeguard the availability of the Hosted Services, 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** Error! Reference source not found. do not limit Contractor's obligations under this **Section Error! Reference source not found.**.

12.1 Redundant Hosting and Connectivity. Contractor will simultaneously operate a mirror system at a location in the United States that is geographically remote from the primary system on which the Service Software and Hosted Services are hosted. Except for its location, the mirror system must: (a) be identical in all respects to the primary system; (b) have hardware and software, network connectivity, power supplies, backup generators and other similar equipment and services that operate independently of the primary system; (c) have fully current backups of all the State Data stored on the primary system; and (d) have the ability to provide the Hosted Services in accordance with this Contract and the Specifications during the performance of routine and remedial maintenance 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 five (5) hours of any failure of the Hosted Services to be available.

12.2 Data Backup. Contractor will conduct, or cause to be conducted, daily back-ups of State Data.

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) 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 Contract, provided that, to the extent that any Action or Losses described in this **Section Error! Reference source not found.** 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 Error! Reference source not found.** through **Section Error! Reference source not found.** and **Section Error! Reference source not found.**.

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 specifications and (ii) the Hosted Services, as altered or modified in accordance with the State's specifications, 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 Hosted Services by the State or an Authorized User pursuant to this Contract 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 Specifications, Documentation, or other materials indicating Contractor's specification, authorization or approval of the use of the Hosted Services 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 Error! Reference source not found.**, 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 Services to the full extent contemplated by this Contract and the Specifications; or

(ii)   modify or replace all components, features and operations of the Services that infringe or are alleged to infringe ("**Allegedly Infringing Features**") to make the Services non-infringing while providing equally or more suitable features and functionality, which modified and replacement services shall constitute Services and be subject to the terms and conditions of this Contract.

(c)   If neither of the remedies set forth in **Section Error! Reference source not found.** 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.; and

(d)   The remedies set forth in this **Section Error! Reference source not found.** 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 pursuant to **Section Error! Reference source not found.** and **Section Error! Reference source not found.**.

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** Error! Reference source not found., 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) <u>Disclaimer of Damages</u>. Neither party will 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.

(b) <u>The Parties' Limitation of Liability</u>. In no event will either party'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 amount of fees paid by the State in the 12 months preceding the action giving rise to the claim

(c) The limitations and exclusions to Contractor's liability set forth in **Sections 14(a)** and **14(b)** shall not apply to Contractor's indemnification obligations under **Section** Error! Reference source not found..

15. Contractor Representations and Warranties.

15.1 <u>Authority and Bid Response</u>. 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;

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

(f)   all written information furnished to the State by or for Contractor in connection with this Contract, including Contractor's bid response to the RFP, 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

(g)   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 <u>Software and Service Warranties</u>. Contractor represents and warrants to the State that:

(a)   Contractor 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;

(b)   neither Contractor's grant of the rights or licenses hereunder nor its performance of any Services or other obligations under this Contract 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 Contract and the Specifications, the Hosted Services, Documentation and all other Services and materials provided by Contractor under this Contract 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 Contract, 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 the Specifications and all requirements of this Contract, including the Availability Requirement provisions set forth in **Section Error! Reference source not found.**;

(f)   all Specifications are, and will be continually updated and maintained so that they continue to be, current, complete and accurate and so that they do and will continue to fully describe the Hosted Services in all material respects such that at no time during the Term or any additional periods during which Contractor does or is required to perform the Services will the Hosted Services have any material undocumented feature;

(g)   the Contractor Systems and Services are and will remain free of Harmful Code;

(h)   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 Level Requirements) under this Contract;

(i)   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

(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.

15.3 Disclaimer. except for the express warranties in this contract, Contractor hereby disclaims all warranties, whether express, implied, statutory or otherwise under or in connection with this contract or any subject matter hereof.

16. Insurance.

16.1 Insurance Requirements. Contractor must maintain the insurances identified below and is responsible for all deductibles. All required insurance must: (a) protect the State from claims that may arise out of, are alleged to arise out of, or result from Contractor's or a subcontractor's performance; (b) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by an company with an A.M. Best rating of "A" or better and a financial size of VII or better.

Insurance Type	Additional Requirements
Commercial General Liability Insurance	
Minimal Limits: $1,000,000 Each Occurrence Limit $1,000,000 Personal & Advertising Injury Limit $2,000,000 General Aggregate Limit $2,000,000 Products/Completed Operations Deductible Maximum: $50,000 Each Occurrence	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 04; (2) include a waiver of subrogation; and (3) for a claims-made policy, provide 3 years of tail coverage.
Umbrella or Excess Liability Insurance	
Minimal Limits: $4,000,000 General Aggregate	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds, and (2) include a waiver of subrogation.

Motor Vehicle Insurance	
Minimal Limits: $1,000,000 Per Occurrence	

Workers' Compensation Insurance	
Minimal Limits: Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.

Employers Liability Insurance	
Minimal Limits: $100,000 Each Accident $100,000 Each Employee by Disease $500,000 Aggregate Disease.	

Privacy and Security Liability (Cyber Liability) Insurance	
Minimal Limits: $1,000,000 Each Occurrence $1,000,000 Annual Aggregate	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.

Professional Liability (Errors and Omissions) Insurance	
Minimal Limits: $3,000,000 Each Occurrence $3,000,000 Annual Aggregate Deductible Maximum: $50,000 Per Loss	

Property Insurance	
Property Insurance covering any loss or damage to the State-owned office space used by Contractor for any reason under this Contract, and the State-owned equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The State must be endorsed on the policy as a loss payee as its interests appear.	

If Contractor's policy contains limits higher than the minimum limits, the State is entitled to coverage to the extent of the higher limits. The minimum limits are not intended, and may not be construed to limit any liability or indemnity of Contractor to any indemnified party or other persons.

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

16.2 Non-waiver. This **Section Error! Reference source not found.** 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 Contract (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 Error! Reference source not found.**, neither party will be liable or responsible to the other party, or be deemed to have defaulted under or breached this 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 this 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 (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.

17.2 State Performance; Termination. In the event of a Force Majeure Event affecting Contractor's performance under this Contract, the State may suspend its performance hereunder until such time as Contractor resumes performance. The State may terminate this 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 this Contract pursuant to the preceding sentence, any date specifically designated for Contractor's performance under this Contract 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 Contract:
     (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 Error! Reference source not found.** (Service Availability and Service Availability Credits), **Section** Error! Reference source not found. (Critical Service Errors and Termination Right), **Section Error! Reference source not found.** (State Data), **Section Error! Reference source not found.** (Confidentiality), **Section Error! Reference source not found.** (Security), **Section Error! Reference source not found.** (Redundancy and Data Backup) or **Section Error! Reference source not found.** (Indemnification), or any Availability Requirement, Support Service Level Requirement, Service Availability Credit obligations under this Contract or an applicable Statement of Work.

18. Reserved.

19. General Provisions.

19.1 <u>Further Assurances</u>. 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.

19.2 <u>Relationship of the Parties</u>. 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 or bind the other party in any manner whatsoever.

19.3 <u>Media Releases</u>. 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.

19.4 <u>Notices</u>. 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):

> **If to Contractor:**
> Socrata, Inc.
> 83 S. King St., Suite 107
> Seattle, WA 98104
> E-mail: contracts@socrata.com
> Attention: Dan Wassel
> Title: CFO
>
> **If to the State:**
> Christine Mitchell
> Buyer Specialist
> DTMB Procurement
> Mitchellc4@michigan.gov

Notices sent in accordance with this **Section Error! Reference source not found.** 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.

19.5 <u>Headings</u>. The headings in this Contract are for reference only and do not affect the interpretation of this Contract.

19.6 <u>Entire Contract</u>. This Contract, including all Statements of Work and other Schedules and Exhibits, 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, both written and oral, with respect to such subject matter. In the event of any conflict between the terms of this Contract and those of any Schedule, Exhibit or other document, the following order of precedence governs: (a)

first, this Contract, excluding its Exhibits and Schedules; and (b) second, the Exhibits and Schedules to this Contract as of the Effective Date. No terms on Contractors website, browse-wrap, shrink-wrap, click-wrap or other non-negotiated terms and conditions provided with any of the services, or documentation hereunder 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.

19.7 <u>Assignment</u>. Contractor may not assign or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under this Contract, in each case whether voluntarily, involuntarily, by operation of law or otherwise, without the State's prior written consent, such consent not to be unreasonably withheld. The State has the right to terminate this Contract in its entirety or any Services or Statements of Work hereunder, pursuant to **Section Error! Reference source not found.**, 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 Contract for which the State's prior written consent is required. Any purported assignment, delegation, or transfer in violation of this **Section** Error! Reference source not found. is void.

19.8 <u>No Third-party Beneficiaries</u>. This Contract 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 Contract.

19.9 <u>Amendment and Modification; Waiver</u>. This Contract may only be amended, modified or supplemented by an agreement in writing signed by each party's Contract Administrator. 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 Contract, no failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Contract 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.

19.10<u>Severability</u>. If any term or provision of this Contract is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Contract 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 Contract 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.

19.11<u>Governing Law</u>. 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 agents in Michigan to receive service of process

19.12 <u>Equitable Relief</u>. 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 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 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 Error! Reference source not found.**.

19.13 <u>Counterparts</u>. 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 PDF copy is attached) is deemed to have the same legal effect as delivery of an original signed copy of this Contract.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed as of the Effective Date by their duly authorized representatives.

Schedule A – Statement of Work (SOW)

1.000   Project Identification

1.001 PROJECT REQUEST

This Contract is established to replace the existing State of Michigan transparency website with a new transparency website that is fully compliant with the U.S. Public Interest Research Group (PIRG) grading criteria. The expected outcome is to obtain and maintain an A+ grade in the annual PIRG ranking of state transparency websites beginning with the 2016 rankings. The Contract includes business requirements; design, development, implementation services; and hosting services. The Contractor must also provide, maintain, and enhance all hosted software.

This is a one-year Contract, with four one-year options.

1.002 BACKGROUND

The Michigan Administrative Information Network (MAIN) is the State's enterprise wide accounting application. MAIN was implemented in the 1990s and is a COBOL/DB2/CICS mainframe application with some java-based web application components.

The Management Information Database (MIDB) is the State's financial data warehouse. MIDB is an Oracle database. Data is extracted from MAIN and loaded to MIDB at both a summary and detailed transaction level.

Michigan's existing transparency website (http://michigan.gov/mitransparency) is internally hosted and maintained. The data source for the existing website is MIDB. For 2015, PIRG awarded Michigan a score of 87 (B+). PIRG's 2015 report on state transparency websites, which includes PIRG's grading criteria and how Michigan was scored, can be found at:

http://www.pirgim.org/sites/pirg/files/reports/Following%20the%20Money%202015%20vMI.pdf

A project (Project SIGMA) is currently underway to replace MAIN with an ERP system. When SIGMA is fully implemented, MAIN will be replaced by CGI Advantage, which includes a delivered transparency portal. Project SIGMA also includes the implementation of CGI InfoAdvantage, which will serve as the data warehouse for CGI Advantage summary and transaction data. SIGMA is expected to be fully implemented by October 1, 2017.

1.100   Scope of Work and Deliverables

1.101 IN SCOPE

The Contract consists of the following scope:
- Business Requirements
- Website Design
- Website Development
- Implementation including:
    - Data Conversion
    - Data Migration
    - Configuration
    - Testing
- Operations Services
- Maintenance and Support
- Knowledge Transfer/Transition

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

1.102 OUT OF SCOPE

The following are out of scope for this Contract:
- Hardware
- Software
- Training
- Documentation

The SIGMA transparency website is also out of scope for this project.

1.103 ENVIRONMENT

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

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and products provided as a result of this RFP must comply with all applicable State IT policies and standards. Contractor is required to review all applicable links provided below and state compliance in their response.

Enterprise IT Policies, Standards and Procedures:
http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html

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

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

Enterprise IT Security Policy and Procedures:
http://www.michigan.gov/documents/dmb/1210.32_Information_Processing_Report_39
0411_7.pdf http://www.michigan.gov/documents/dmb/1325_193160_7.pdf
http://www.michigan.gov/documents/dmb/1335_193161_7.pdf
http://www.michigan.gov/documents/dmb/1340_193162_7.pdf

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

Look and Feel Standard

All software items provided by the Contractor must be ADA complaint and adhere to the Look and Feel Standards www.michigan.gov/somlookandfeelstandards.

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

1.104 WORK AND DELIVERABLES

The website must be fully implemented as soon as possible, **but no later than December 1, 2015**. These deliverables are not all inclusive.

A.   Business Requirements
The Contractor must develop business requirements and map them to the PIRG grading criteria. At a minimum, the business requirements will include:

- A robust web-based visualization service that includes all features, data, links, and other information available on the existing transparency website plus the additional features, data, links, and other information needed to achieve an A+ grade from PIRG.
- The ability to access the website from any computer or tablet via all major internet browsers and operating systems.
- The ability to share data on Facebook, Twitter, and e-mail.
- The ability to combine data from multiple financial systems into an integrated presentation.
- The ability to display data as charts, graphs, or spreadsheets.
- The ability to drill down to successive layers of supporting detail, including transaction detail.
- The ability to sort, search, or filter data based on predefined parameters.
- The ability to download data, including bulk downloads.
- Five fiscal years of historical data.
- Accessibility to the website via a link on Michigan.gov.
- A password protected site for State staff to review updates and changes before they are made publicly accessible.

Contractor Commitment:

All functionality requirements listed above will be provided through **Socrata Open Expenditures** and the **Socrata Open Data Portal** out of the box. The proposed Socrata solution that maps to the PIRG is outlined in detail in the below matrix. Contractor will validate requirements and implementation plan as part of a *phase 0* step with the State of Michigan.

Category	COTS Solution
Checkbook Level Data	**Socrata Open Expenditures** will deliver this out of the box.

Search by Recipient	**Socrata Open Expenditures** will deliver this out of the box.
Search by Keyword	**Socrata Open Expenditures** will deliver this out of the box.
Search by Agency	**Socrata Open Expenditures** will deliver this out of the box.
Bulk Downloadable	**Socrata Open Expenditures** will deliver this out of the box.
Quasi Public Agencies	**Socrata Open Expenditures** will deliver this out of the box.
Excluded Information	**Socrata Open Expenditures** will deliver this out of the box.
Checkbook Level Subsidy data	**Socrata Open Expenditures** will deliver this out of box.
Checkbook Level Subsidy data	**Socrata Open Expenditures** delivers this out of the box.
Projected Public Benefits	**Socrata Open Data Portal** delivers this out of the box. <u>Iowa Checkbook Projected Public Benefits</u>? Socrata Plan is to identify source of this data in Michigan compliant to this description : The public benefits, such as the number of jobs, intended to be produced by specific private recipients of economic development subsidies (in the form of tax credits, grants, or other types of programs) are included. Recipients must be named in order to receive credit (i.e. referring to a company with a numerical code, project number or some other identifier that is not the company name is insufficient)
Actual Public Benefits	**Socrata Open Data Portal** delivers this out of the box. <u>Iowa Checkbook Actual Public Benefits</u>? Identify source of the five programs within the state of Michigan and then include the data compliant to this description: The public benefits, such as the number of jobs, actually produced by the specific private recipients of economic development subsidies (in the form of tax credits, grants, or other types of programs) are included. Recipients must be named in order to receive credit (i.e. referring to a company with a numerical code, project number or some other identifier that is not the company name is insufficient).
Tax Expenditure Reports	**Socrata Open Data Portal** delivers this out of the box.
Recouped Funds	**Socrata Open Data Portal** delivers this out of the Box. To receive 3 extra points here the Socrata plan is to: Identify the source of five programs within the state of Michigan and then include the data compliant to this description: Subsidies recouped are reported for programs with clawback provisions.64 Recipients must be named in order to receive credit (i.e. referring to a company with a numerical code, project number or some other identifier that is not the company name is insufficient).

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Roles and Responsibilities of the Contractor and the State

Phase	Description	State Role	Contractor Role
Phase 1: Introductory Discovery Session	Understand current business rules, workflow end to end, business objectives, etc.	Phone/in-person meeting with Socrata and the state	Phone/in-person meeting with Socrata and the state
Phase 2: Data Model Inventory	Map out the data model that the state system has in place today and field names that will be part of the external environment	Phone/in-person meeting with Socrata and the state	Phone/in-person meeting with Socrata and the state
Phase 3: Data Extraction	One time data pull from database	State to send to Socrata	
Phase 4: Data Transformation and Upload	Uploading Data to the **Socrata Open Data Portal** and **Socrata Open Expenditures**	State to validate data once uploaded	Socrata to upload the data
Phase 5: Automation and update frequency analysis	Socrata and the State will work together to identify business workflow for automating the data that best maps to current process.	Phone/in-person meeting with Socrata and the state	Phone/in-person meeting with Socrata and the state
Phase 6: Design and Michigan Configuration	Customer to accept testing and styling that is consistent with standards of other Michigan.gov websites.	Michigan provides look and feel guidelines already	Socrata to implement Michigan style guides.
Phase 7: Go Live			Socrata turns sight on. Socrata can provide a Public Launch partnership.

B.   Hardware
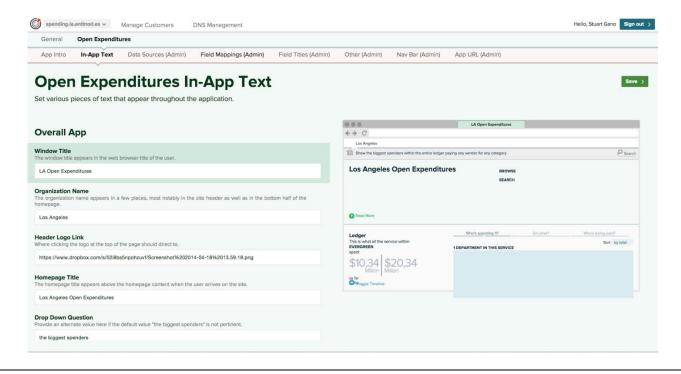
Out of scope.

C. Software

Out of scope.

D.   Website Design

The Contractor must develop a website design document that maps the features of the website design to the business requirements. The Contractor must also provide specifications and layouts for required data extracts from MIDB.

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Contractor Commitment:

Socrata Open Expenditures and the **Socrata Open Data Portal** will deliver the functionality required to get an A+ on the PIRG rating out of the box provided the State provides the PIRG recommended datasets, by using these two COTS applications and configuring the design to map to the look and feel guidelines of the State of Michigan.

The internal panel of the application allows for further configuration well beyond the implementation. So if the state is ever interested in updating the content, Socrata or a business user can update the application online as shown in the below screenshot.

E. Website Development
The Contractor must develop a prototype of the website that is consistent with the website design.

Contractor Commitment:

Contractor will provide a fully provisioned **Socrata Open Data Portal** and **Socrata Open Expenditures** site within one week of Contract signature. These sites will be the development sites that Socrata and the State will move over into production. The application will be fully functional immediately and is configured to the look and feel standards of the State of Michigan.

This particular website development is estimated to take no longer than one week given the State of Michigan currently provides look and feel standards (Michigan Look and Feel Standards).

As part of the implementation process Socrata and the State of Michigan will establish a set of design requirements from the state of Michigan and construct a prototype environment that can be migrated over to the production environment as the go live date approaches. Every Socrata implementation goes through this staging environment step for User Acceptance Testing (UAT) before moving to production.

F. Implementation

The Contractor must complete all required data conversions, data migrations, configuration, and testing.

Contractor Commitment:

> Socrata asks for the dataset to be as close to the data schema provided with the RFP response as possible; and will then finish the data conversions, migrations, configurations, and testing in order to put the data into **Socrata Open Expenditures** and **Socrata Open Data Portal.**

G. Training

Out of scope.

H. Documentation

Out of scope.

I. Operation Services

The Contractor must provide hosting services, systems management, disaster recovery, security administration services, and storage services. Operations services will meet the following standards:

- The Contractor must maintain the documentation of the system's operating procedures.
- The Contractor must agree to annual DTMB background checks for each vendor employee involved with the development and operations of the application.
- State contacts must be notified two weeks in advance for scheduled as well as planned outages. If an unexpected outage occurs, the State contacts must be notified immediately after the outage is reported.
- The Contractor must agree to the State's (or a designated third party) on-site visit of vendor facility/hosting center if requested.
- The Contractor must restrict access to their facilities to authorized personnel.
- The Contractor must protect Hardware at their facilities from unauthorized access.
- The Contractor will make the hosted services available at least 99.95% within a Calendar month with the exception of scheduled maintenance activities. The Contractor will provide the state with periodic system availability reports.
- The vendor must agree to assist in audits if requested. The vendor must also agree to address the audit findings in a manner satisfactory and acceptable for the State.

Contractor Commitment:

> **The Contractor will provide hosting services, systems management, disaster recovery, security administration services, and storage services. Operations services will meet the following standards:**
>
> As a SaaS offering the Contractor will handle all of the below requirements and the state will not be required to do anything in this regard.
>
> **The Contractor must maintain the documentation of the system's operating procedures.**
>
> Socrata has extensive documentation about the systems operating procedures and system architecture that can be made available upon request.
>
> **The Contractor must agree to annual DTMB background checks for each vendor employee involved with the development and operations of the application.**

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Socrata agrees to annual DTMB background check for employees involved in the development and operations of the application

State contacts must be notified two weeks in advance for scheduled as well as planned outages. If an unexpected outage occurs, the State contacts must be notified immediately after the outage is reported.

Socrata schedules time windows once per month where we reserve the option to bring the Socrata platform down for maintenance & upgrades:

- On the third Saturday of January, February, April, May, July, August, October, and November, Socrata-powered data sites may be unavailable from 8:00 PM to 9:00 PM Eastern time
- On the third Saturday of March, June, September and December Socrata-powered data sites may be unavailable from 8:00 PM to Midnight Eastern time

Site maintenance reminders will be posted publicly on each Socrata-powered datasite at least 48 hours before the beginning of the maintenance window. An alternative status page will be displayed during scheduled maintenance windows.

The Contractor must agree to the State's (or a designated third party) on-site visit of vendor facility/hosting center if requested.

Socrata agrees to the State's request of an on-site visit of Socrata's datacenter.

The Contractor must restrict access to their facilities to authorized personnel.

Socrata stores all of its data in a Tier 1 datacenter with:

- 24/7/365 staff on-site at datacenter, including on-premise security guard
- 2-factor biometric access to datacenter floor (RFID badge + palm scanners)
- Portals and person-traps allowing only one individual at a time through security checkpoint
- Socrata's hardware resides in a private, locked cage. Access to cage requires key checked out from security staff, with positive ID verification against a Socrata-maintained access-control list.

The Contractor must protect Hardware at their facilities from unauthorized access.

Socrata stores all of its data in a Tier 1 datacenter with:

- 24/7/365 staff on-site at datacenter, including on-premise security guards
- 2-factor biometric access to datacenter floor (RFID badge + palm scanners)
- Portals and person-traps allowing only one individual at a time through security checkpoints
- Socrata's hardware resides in a private, locked cage. Access to cage requires key checked out from security staff, with positive ID verification against a Socrata-maintained access-control list.

The Contractor will make the hosted services available at least 99.95% within a Calendar month with the exception of scheduled maintenance activities. The Contractor will provide the state with periodic system availability reports.

Socrata maintains an enterprise-class infrastructure with availability and uptime SLAs well over 99.9%.

In addition, support.socrata.com is our support site, which is kept up to date on the availability of the system.

The vendor must agree to assist in audits if requested. The vendor must also agree to address the audit findings in a manner satisfactory and acceptable for the State.

Socrata agrees to assist in State audits if requested. Additionally, Socrata engaged IOActive to evaluate the security threats and risks associated with their external web application, and to perform a vulnerability assessment and penetration test. As a result, IOActive consultants performed an extensive security assessment of the identified application. "The IOActive consultants found the assessed application to be in good security standing overall—it contained little in terms of critical vulnerabilities and the one high-risk item found that enabled session hijacking was remediated quickly by Socrata staff."

J. Maintenance and Support
Contractor Commitment:

The Contractor will be responsible for maintenance and support of all required hardware and software. Maintenance and support services will meet the following standards**:**

The Contractor is responsible for tracking, managing, and communicating system problems to the State.

Socrata actively monitors, tracks, and communicates all system problems and delivers that to Socrata customers and will continue to do so for the State of Michigan.

The Contractor will develop and maintain a Service Level Agreement (SLA). Periodic reviews of the service level agreement requirements must occur and both parties must approve any changes. The SLA will include, at a minimum:
- **System uptime**
  - o Socrata maintains an enterprise-class infrastructure with availability and uptime SLAs well over 99.9%
- **System response times**
  - o Site maintenance reminders will be posted publicly on each Socrata-powered datasite at least 48 hours before the beginning of the maintenance window. An alternative status page will be displayed during scheduled maintenance windows
- **Incident response times**
  - o Included with every cloud instance is access to our Basic Customer Support Package that provides email, phone and web support 7 days a week during regular business hours (8:00am to 5:00pm PT) with set SLAs based on severity levels. 24x7 support is also available with a Premium Support Package.

Severity Level	Nature of Impact	Response Target
1 (Critical)	A widespread unavailability of a Socrata data site or mission critical service.	30 Minutes
2 (Medium)	An incident resulting in moderate impact on operations, such as a noticeable performance degradation in a Socrata-powered datasite or temporary unavailability of a non-mission critical service/feature	4 hours
3 (Minor/Low)	An incident that disrupts a Socrata-powered datasite or service that can be circumvented with minimal impact to operations	12 hours
4 (Service Requests)	Requests that do not impact datasite or service	24 hours

- **Escalation process for Critical issues**
  - o At Socrata, we strive to meet our SLAs and provide prompt, courteous support to help solve our customer's problems. In the event that you are not getting what you need, please follow this escalation path:
    - ▪ Email to support@socrata.com.

- ▪ Email or call to your account manager.
- ▪ Email or call senior manager, customer success (Kara Goetz | kara.goetz@socrata.com)

The Contractor will perform load balancing, performance tuning, and configuration adjustments to optimize existing Hardware/environment.
Socrata runs on the LTS (Long Term Stable) series of Ubuntu Server, with systems deployed on 10.04, 12.04, and 14.04. All systems, applications, and databases are managed via Opscode Chef, with Chef configurations and recipes stored in a private Git repository.

Traffic into the Socrata environment must first traverse Cisco ASA firewalls performing stateful inspection, and then terminates on dedicated hosts running NGINX proxy, which handles SSL/TLS session offload. From there the traffic goes to load balancers running HAProxy, and distributed across front-end systems running Apache and Rails. From this tier, traffic is either directed to the core application or caching server as necessary, which then interacts with other system components and databases.

For planned, and/or scheduled outages, Contractor must send a reminder 24 hours prior, in addition to the notice required per Section I, Operation Services, to confirm the 2-week advance notice execution of the scheduled or planned outage.

Contractor schedules time windows once per month where they reserve the option to bring the Socrata platform down for maintenance & upgrades:
- On the third Saturday of January, February, April, May, July, August, October, and November, Socrata-powered data sites may be unavailable from 8:00 PM to 9:00 PM Eastern time

- On the third Saturday of March, June, September and December Socrata-powered data sites may be unavailable from 8:00 PM to Midnight Eastern time
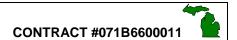
K. Knowledge Transfer/Transition
If the State decides to terminate the contract, the Contractor shall provide the documentation, services, and assistance needed to facilitate an effective and timely transition to the State and/or a successor Contractor. The Contractor must also return the State's data and be responsible for the subsequent secure disposal of the State's data.

Contractor Commitment:

Socrata agrees to provide the documentation, services and assistance need to facilitate this transfer. Additionally, Socrata supports open data standards in three main ways towards this end.

1. **Data Catalog Interoperability** - Enables universal federation of different open data catalogs using a standard catalog schema, based on the W3C Data Catalog Vocabulary (DCAT).
2. **Data Portability Based on Standard Data Format**s - Standardizes outputs including JSON, XML, and CSV, as well as RDF and other Linked Data standards. The goal is to evolve towards standard schemas that developers can use for popular data sets, based on real-world examples and collaboration between data publishers.

Application Portability Based on Open Data API Standards - Standardizes the Application Programming Interfaces (APIs) used to programmatically access open data, using established paradigms and protocols such as REST, HTTP, and Structured Query Language (SQL)

L. Other Services (Agency to add any additional services to be required)
None.

II. Requirements

A. Technical/General System Requirements
The Contractor is responsible for complying with State technical/general requirements. At a minimum, the Contractor must:

Contractor Commitment:

Provide an annual Technology plan within six months from the contract award date that identifies all planned hardware and system software upgrades. Key elements to the Technology Plan include executive summary, hardware strategy (including server strategy, storage strategy, tape strategy, connectivity strategy, router environment, disaster recovery and network security strategy), and software strategy (including O/S, DBMS, and independent software vendor product considerations).

Socrata agrees to provide a Technology plan within six months of contract award date.

The Technology Plan must also include either current or proposed System diagram(s). The State will review and approve the Technology plan on an annual basis.

Submit a completed DTMB-0170 Security Assessment within 6 months from the contract award date. (Note: See the attached zip file, titled DTMB-170 Documents, for instructions and templates.)

Socrata agrees to submit a DTMB - 0170 Security Assessment within 6 months from award date. Additionally, Socrata is currently ranked as FISMA - Moderate and is actively pursuing FedRamp Certification.

Support encryption of all data in the system both during transmission and at rest, using at minimum 128-bit encryption.

Data stored in the Socrata cloud is always encrypted while in transit – interactively via web browser or programmatically via API. The Socrata platform has been successfully audited and certified numerous times for various rigorous information security programs, including FISMA. Our cloud operation has been independently audited by Mitre, I/O Active and other security firms on behalf of Centers for Disease Control and Prevention, Medicare, the World Bank, the US Federal Government, the City of Seattle and other organizations.

Agree to implement necessary security controls to ensure the Confidentiality, Integrity, and availability of State's data and the system at all times.

Socrata agrees.

Perform full volume back-ups immediately after the receipt of refreshed data from the State.

All data uploaded to the Socrata cloud is stored at least four (4) times in fault tolerant, redundant architecture – two copies in a primary data center in Seattle, WA and two copies in a secondary data center in Chicago, IL. Replication of data from primary to secondary data centers happens automatically. In the event of a disaster impacting Socrata's primary data center, Socrata personnel would transparently fail over or recover data without customer intervention.

All copies of State data, including back-ups must remain within the continental U.S.

1

All data uploaded to the Socrata cloud is stored at least four (4) times in fault tolerant, redundant architecture – two copies in a primary data center in Seattle, WA and two copies in a secondary data center in Chicago, IL. Replication of data from primary to secondary data centers happens automatically. In the event of a disaster impacting Socrata's primary data center, Socrata personnel would transparently fail over or recover data without customer intervention.

B. Functional Requirements
See Schedule A, Attachment 1.

1.200   Roles and Responsibilities

1.201 Contractor Staff, Roles, And Responsibilities

A. Contractor Staff
The Contractor must provide sufficient qualified staffing to satisfy the deliverables of this Statement of Work.

Contractor must provide a list of all subcontractors, including firm name, address, contact person, and a complete description of the work to be contracted. Include descriptive information concerning subcontractor's organization and abilities.

The Contractor will identify a Single Point of Contact (SPOC). The duties of the SPOC shall include, but not be limited to:
* supporting the management of the Contract,
* facilitating dispute resolution, and
* advising the State of performance under the terms and conditions of the Contract.

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

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

 Socrata's SPOC for this project will be Elizabeth Allen. She is the Socrata Customer Success Manager assigned to the State of Michigan as well as Iowa, Texas and some key local governments in the Midwest. Elizabeth Allen served in this same capacity for Iowa during 2014 and its PIRG rating of 95.

Her contact information is provided here

Elizabeth Allen
Cell: 651.395.0092
Elizabeth.allen@socrata.com

Elizabeth will manage a group of Socrata team members that will include: two project managers (one for the application and one for the Socrata Data Portal, data visualization analyst, graphic designer, web developer, data integration specialist, marketing and PR team, customer support specialist.

All of these key Socrata personnel with Elizabeth being the SPOC will deliver against all of the below requirements to deliver a smooth transition to the new system.

The specific named individuals will be assigned based on bandwidth and availability after contract initiation.

1

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

- *Project Manager*

During implementation, the Contractor will provide a project manager to interact with the designated personnel from the State to insure a smooth transition to the new system. The project manager/technical lead will coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. The Contractor's project manager/technical lead 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

Contractor Commitment:

Proposed Resource Name:	**Meredith Slota**
Proposed Classification:	*Senior Project Manager*
Key Personnel:	Yes x *or* No ☐
If resource is associated with a subcontractor provide name of company:	N/A
Percentage of time resource will be allocated to project:	50 %

Proposed Resource Name:	*Hiko Naito*
Proposed Classification:	*Technical Project Manager*
If resource is associated with a subcontractor provide name and address of company:	Socrata
Percentage of time resource will be allocated to project:	100 percent allocation

1.202   State Staff, Roles, And Responsibilities

The State project team will consist of a MDTMB and Agency project manager:

State Project Manager- (MDTMB and Agency)
MDTMB 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 timesheets and invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Arrange, schedule and facilitate State staff attendance at all project meetings.

Name	Agency/Division	Title
David Gabler	MDTMB	Project Manager
Mike Moody	State Budget Office	Project Manager

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

Name	Agency/Division	Title
Terry Mead	MDTMB	Contract Administrator

1.203   Other Roles And Responsibilities

None.

1.300   Project Plan

1.301   Project Plan Management

Orientation Meeting
Within 7 business days from execution of the Contract, the Contractor will be required to participate in an orientation meeting to discuss the content and procedures of the Contract. The meeting will be conducted by conference call.

Performance Review Meetings
The State will require the Contractor to participate in periodic meetings to review the Contractor's progress and performance under the Contract. The meetings will be conducted by teleconference, on a schedule determined by the State Project Manager.

Project Control
1. The Contractor will carry out this project under the direction and control of MDTMB and the State Budget Office.
2. Within 7 business days of the execution of the Contract, the Contractor will submit to the State project manager(s) for final approval of the project plan. This project plan must be in agreement with Schedule A, Section 1.104 Work and Deliverables, and must include the following:
   - The Contractor's project organizational structure.
   - The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
   - The project work breakdown structure (WBS) showing sub-projects, activities and tasks, and resources required and allocated to each.
   - The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the WBS.
3. The Contractor will manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at   http://www.michigan.gov/suite
   a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:
      - Staffing tables with names of personnel assigned to Contract tasks.
      - Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next 30 calendar days, updated semi-monthly).
      - Updates must include actual time spent on each task and a revised   estimate to complete.
      - Graphs showing critical events, dependencies and decision points during the course of the Contract.
   b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

Contractor Commitment:

Socrata agrees to provide a final project plan for the state to sign off on. Socrata has read through the SUITE methodology and is able to manage this project in accordance with that process.   Contractor will use basecamp for project management and basecamp is able to output staffing tables, project plans, and deliverables in accordance with Michigan's requirements.

This project management tool assigns Socrata PMs and State Employees structured action items to deliver projects on time.

Basecamp is the tool that Socrata uses because it provides free file transfers. Great reporting tools and real time insights into the status of any one of the projects that our implementation team is working on.

1.302 Reports

The Contractor shall provide monthly status reports that include:

- Updates to the project plan
- Summary of activity during the report period
- Accomplishments during the report period
- Deliverable status

1

- Schedule status
- Action item status
- Issues
- Change control
- Repair status
- Planned Maintenance activity

Reporting formats must be submitted to the State's Project Manager for approval within 7 business days after the execution of the contract resulting from this RFP. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the contract.

Contractor Commitment:

Socrata agrees to provide monthly status reports that include the above information.

1.400   Project Management

1.401 Issue Management

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

The Contractor shall maintain an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the State's Project Manager on an agreed upon schedule, with email notifications and updates. The issue log must be updated and must contain the following minimum elements:

- Description of issue
- Issue identification date
- Responsibility for resolving issue.
- Priority for issue resolution (to be mutually agreed upon by the State and the Contractor)
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description

Issues shall be escalated for resolution from level 1 through level 3, as defined below:

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

Contractor Commitment:

Socrata implements a similar style of approach for every engagement. This Issue Log is called a "punch list." The list is maintained by both the state and Socrata and is updated on a weekly basis with the categories listed above. This is distributed and maintained through the Basecamp project as part of the standard Socrata Issue Management methodology.

1.402 Risk Management

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

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

1

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

Contractor Commitment:

Socrata will use Basecamp as the main tool to track risks within the project and mitigate those risks throughout the course of the implementation to ensure a timely and in scope project is delivered.

The State will be the one to prioritize those risks and deliver that to Socrata. Socrata will assume responsibility of all risks that become assigned to them.

1.403   Change Management

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

If a proposed contract change is approved by the Agency, the Program/Project Manager will submit a request for change to the Department of Technology, Management and Budget, Procurement Buyer/Contract Administrator, 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 while the migration is underway.

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

Contractor Commitment:

Socrata has change management procedures in place to handle things like "out-of-scope" requests or changing business needs while the migration and implementation are underway. By using COTS (consumer off the shelf) software delivered in a SaaS (Software as a Service) model it is very simple for Socrata to handle changes to the project that the state might have.

There are no infrastructure or hardware changes that will come back on the state due to updates from the contract. These theoretical changes will not affect performance or availability of the final output from the Transparency project to achieve the A+ from PIRG

1.500   Acceptance

1.501 Criteria

Deliverable/Milestone 1 – Design Document
Description: The Contractor must develop a website design document that maps the features of the website design to the business requirements. The Contractor will also provide specifications and layouts for required data extracts from MIDB to be encrypted and "pushed" to the secure site for publication through the application.

1

Acceptance Criteria: Confirmation that the design meets the business requirements.

Sign-off: MDTMB Project Manager and State Budget Office Project Manager

Deliverable/Milestone 2 – Website Prototype
Description: The Contractor must develop a prototype of the website that is consistent with the website design.

Acceptance Criteria: Confirmation that the prototype incorporates all elements of the website design.

Sign-off: MDTMB Project Manager and State Budget Office Project Manager

Deliverable/Milestone 3 – Implementation
Description: The Contractor must complete all required data conversions, data migrations, configuration, and testing within the required time frame.

Acceptance Criteria: Confirmation that all implementation tasks have been successfully completed, the State has approved the system to go-live, and the system is successfully in production.

If the system is not live by December 1, 2015 the State has the option to terminate the Contract.

Sign-off: MDTMB Project Manager and State Budget Office Project Manager.

Deliverables/Milestones 4-15 – Operations Services, Maintenance, and Support – Months 1 - 12
Description: The Contractor will provide hosting services, systems management, disaster recovery, security administration services, and storage services. The Contractor will also be responsible for maintenance and support of all required hardware and software.

Acceptance Criteria: Confirmation that services have been provided in accordance with the standards and service level agreement described in Section 1.104; and only after successful completion of milestone 1-3.

Sign-off: MDTMB Project Manager and State Budget Office Project Manager

Incentive Payment - Deliverable/Milestone 16 – "A+" Grade from PIRG
Description: Achievement of an "A+" grade in the 2016 PIRG ranking of state transparency websites.

Acceptance Criteria: Confirmation that Michigan has received an "A+" grade in the 2016 PIRG ranking of state transparency websites.

Sign-off: State Budget Office Project Manager

1.600 Compensation and Payment

1.601 Compensation And Payment
Method of Payment
The Contractor will be paid on a fixed price, basis for deliverable/milestones 1-3, then on a fixed rate monthly, for the remainder of the term. In addition two incentive payments will be made based on successful achievement of an A or A+ system rating by PIRG. Schedule C - Pricing must be used as the format for submitting pricing information.

| **Contractor Commitment:** |
| Schedule C - Pricing |

The selected Contractor will be required to submit an Administrative Fee (see Section 2.031) on all payments remitted under the Contract. The Bidder should consider Administrative Fee requirements when developing its price proposal.

Extended purchasing program volume requirements are not included, unless stated otherwise.

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

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

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

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

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

Statements of Work and Issuance of Purchase Orders
- Unless otherwise agreed by the parties, each Statement of Work will include:
    1. Background
    2. Project Objective
    3. Scope of Work
    4. Deliverables
    5. Acceptance Criteria
    6. Project Control and Reports
    7. Specific Department Standards
    8. Payment Schedule
    9. Travel and Expenses
    10. Project Contacts
    11. Agency Responsibilities and Assumptions
    12. Location of Where the Work is to be performed
    13. Expected Contractor Work Hours and Conditions

- The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Statements of Work or Purchase Orders (PO) executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this Contract. Contractor shall perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.

Invoicing
Contractor will submit properly itemized invoices to

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

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

The State may pay maintenance and support charges on a monthly basis, in arrears. Payment of maintenance service/support of less than one (1) month's duration shall be prorated at 1/30th of the basic monthly maintenance charges for each calendar day.

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

Schedule B
GENERAL COMPANY INFORMATION

1. Company Contact Information.
Sole contact during the Contract period: Natalie LaBarbera   Account Manager, Socrata   83 S King St Seattle WA 98104
Sole contact authorized to receive and sign Contract and/or amendment(s):   Dan Wassel CFO contracts@socrata.com   83 South King Street Seattle WA 98104
2. Company Background Information.
Legal business name and address: Socrata, Inc   83 S King Street Seattle, WA 98104
Incorporated in: Delaware

Phone number.	206-340-8008
Website address.	www.socrata.com

3. Principal Place of Business.   Seatlle Washington 98104

STATE OF MICHIGAN

Schedule C - PRICING

1. The Contractor must provide a pricing schedule for the proposed Contract Activities using the template below. The pricing schedule should be submitted in a modifiable format (e.g. Microsoft Word or Excel); however, you may also submit an additional pricing schedule in a non-modifiable format (e.g., PDF). Failure to complete the pricing schedule as requested may result in disqualification of your proposal.
2. Price proposals must include all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).
3. The Contractor is encouraged to offer quick payment terms. The number of days must not include processing time for payment to be received by the Contractor's financial institution.
4. **Definition "Percent of Total Fixed Price"** Means:
    a. Firm, fixed price bid by milestone, for Milestones 1-3,
    b. Firm, fixed rate bid per month, for Milestones 4-15, months 1-12 of Operations, and
    c. Percent payments will be calculated based on total of a+b above.

Deliverable/Milestone Description Listed in Schedule A, 1.501, Acceptance Criteria	Deliverable/ Milestone Number	Payment Schedule Percent of Total Fixed Price	# Resources for Deliverable	Proposed Hours for Deliverable	Milestone / Monthly Rate Lump Sum Pricing.
Design Document	1	0%		5	*Included $0*
Website Prototype	2	0%		5	*Included $0*
Implementation	3	0%		50	*Included $0*
Operations Services, Maintenance, and Support – Month 1 -12 to be prorated monthly.	4 - 15	100%			*$4,166.66 /mo.*
"A+" Grade from PIRG – Incentive Payment	16	NA			*$25,000**
Total Fixed Price		**100%**			*$4,166.66 /mo.***

Item # 5: (920 - 05) Optional Year 1 - Enter Rate for Annual Operation Services, Hosting, Maintenance and Support, to be prorated and paid monthly for Option Year 1, in the event it is exercised. Enter here, and add table for option years 1-4 in Schedule C Pricing.

Qty	Unit Cost	UOM	Total Discount Amt	Tax Rate	Tax Amount	Total Cost
1.0	$69,000	Year - 1	27.54%	n/a	n/a	$50,000 /yr.
1.0	$81,000	Year -2	30.86%	n/a	n/a	$56,000 /yr.
1.0	$93,000	Year -3	33.33%	n/a	n/a	$62,000 /yr.
1.0	$107,000	Year -4	36.45%	n/a	n/a	$68,000 /yr.

Manufacturer: Brand: Model:

Make: Packaging:

This product was manufactured within the United States and the cost of domestic components exceeds 50% of all components.

* Michigan's success equals Socrata's Success. The 25k incentive payment earned will be reinvested into Michigan's Transparency Initiatives by offering additional Professional Service hours needed to achieve an A+ Transparency PIRG rating in 2017 and beyond as the requirements for PIRG rating change over time.

** Contract based on 12 months. Additional packages can include multiple Socrata Open Data Portals, Socrata Open Budget, Socrata Open Payroll, Socrata Stories, and other consulting packages.

GSA SKU	Product Name	Description	Cost / mo.
SOC-PS-OSA	Outsourced Solution Administration	Included activities: Uploading data; Assisting in the configuration of ongoing, automated data updates; Creating visualizations; Building goals and reports; Manipulating data to conform to a data schema; One-on-one targeted training sessions via phone or web. 10 hours of OSA services per month for a set term.	$999.00
SOC-APP-CUS	Socrata Budget Book	Budget Book Report Builder Project. https://reports.data.montgomerycountymd.gov/omb	$1,500.00
SOC-APP-OB	Socrata Open Budget	A ready-to-deploy app that lets citizens explore their government's budget, along every step of the process, and at every level of the allocation hierarchy.	$999.00
SOC-APP-PAY	Socrata Open Payroll	A ready-to-deploy app that lets citizens explore a government's payroll along every step of the process, and at every level of the allocation hierarchy.	$999.00

Price Table including SKU Numbers for PO:

![Socrata logo] **Socrata**
The Data Experience Company ™

Quoted By:	Natalie LaBarbera
Quote #:	SOM Budget Office
Quote Date:	10/15/2015
Expiry Date:	10/30/2015

State of Michigan Budget Office Transparency Website

Customer Contact
Christine Mitchell
517-284-7020
Mitchellc4@michigan.gov

Billing Contact
Socrata, Inc.
83 S. King Street, Suite 107
Seattle, WA 98104
Phone: 206-340-8008
Fax: 206-452-2010
accounts_receivable@socrata.com

Socrata Rep Contact
Natalie LaBarbera
Natalie.LaBarbera@socrata.com
612.220.0710

SKU	Description	Quanity	Term length	Extended Price
SOC-OD-B	**Socrata Open Data – Basic** <u>Usage Limits:</u> • 250 data sets • Unlimited Views and Visualizations • Unlimited Open Data APIs • Native Support for Geospatial Data • Sitewide Usage Analytics	1	12 Months	$51,000

SOC-APP-OE	**Socrata Open Expenditures**	1	12 Months	$18,000
SOC-PS-ODP-S	**Socrata Open Data Portal Launch Package**	1	One-time	*included*
SOC-PS-OE	**Socrata Open Expenditures Implementation**	1	One-time	*included*

All primary values quoted in USD

Sub-Total:	$69,000
Bundled Discount:	$19,000
Extended Price	$50,000