



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **10**
to
Contract Number **071B9200296**

CONTRACTOR	DEWPOINT, INC.
	1921 E. Miller Road, Suite B
	Lansing, MI 48911
	Joseph Findlater
	(517) 881-4973
	Joe.findlater@dewpoint.com
	*****0595

STATE	Program Manager	Kim Koppesch-Woods	DTMB
		517-241-3314	
	Koppesch-woodsk@michigan.gov		
	Contract Administrator	Terry Mead	DTMB
		(517) 284-7035	
		meadt@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: DIT/DCH MIHIN Technical Design/PCO				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
August 5, 2009	August 4, 2014	2 - 1 Year	August 5, 2016	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	116 days	November 30, 2016
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$18,278,037.63		\$ 0.00	\$18,278,037.63	

DESCRIPTION: Effective August 5, 2016, this Contract is hereby extended. The new expiration date is 11/30/2016. Contractor contact has been updated as well. See vendor approval letter for Contract extension attached. All other terms, conditions, specifications and pricing remain the same. Per (DTMB) Contractor (request/proposal) and agency agreement, and DTMB Procurement approval.



Corporate Headquarters
300 S. Washington Square, Suite 200
Lansing, Michigan 48933
P 517.316.2860
www.dewpoint.com

people who deliver

July 29, 2016

Ms. Kimberly Koppsch-Woods
Business Relationship Manager
Michigan Department of Technology, Management & Budget
Lansing, MI 48933

Dear Ms. Koppsch-Woods,
The State of Michigan has requested Dewpoint to extend the DIT/DCH MIHIN TECHNICAL DESIGN/PCO contract (071B9200296) until November 30, 2016.

The purpose of this memo is to confirm Dewpoint's acceptance with this extension. All terms and conditions noted in the original contract remain the same.

Please contact me at 517-881-4973 with any questions.

Sincerely,

Joseph Findlater
Dewpoint
Vice President

DTMB Procurement Policy Guide Chapter 5 - Section 5.7.6 Existing State Contract (Useful life) Contract 071B9200296 with Dewpoint

Purpose

To provide a zero dollar Contract extension so that the State has the time it needs to properly roll out the pilot requisition to enrolled vendors in the Computer Aid Inc. (CAI) IT Staff Augmentation Program. Due to the internal audit that was performed recently it was determined that the State would do a pilot program with CAI to provide IT staff augmentation for Project Control Office resources. As we have been working through piloting this new program we have encountered some delays in our attempt to gather and provide the detailed project information, staffing plans, job descriptions and timelines necessary to complete the requisition and get it broadcast to the vendor community through CAI.

Contract Description

This Contract supports a two phase effort to design and manage the implementation of a “backbone” or infrastructure for statewide Enterprise, formally known as Health Information Exchange (HIE). HIE makes it possible for health care providers to better manage patient care through the secure use and sharing of health information. HIE activities include enhancements for the Data Hub Program, Master Person Provider Index, Michigan Identity, Credentialing and Access Management, and Fraud Control. The project is organized into two phases. The first phase involves working with the HIE Solution Team to design the backbone infrastructure. This shall involve the technical design, a Request for Information (RFI) process and the creation and issuing of a Request for Proposal (RFP) for an implementation solution and contractor. The Contractor’s team shall also assist the State with the review and selection of the implementation contractor. In the second and final phase, the Contractor shall expand its team to provide a Project Control Office (PCO) for the implementation project.

Concern

This Agency Services Contract is currently set to expire on August 5, 2016 and has no option years available. HIE makes it possible for health care providers to better manage patient care through secure use and sharing of health information. In the event this Contract is not extended, there will be a gap in the State’s HIE vendor coverage. If DTMB stops work on the HIE activities, the State is at risk of not receiving Federal financial approvals for additional funding.

Proposed Remedy

MDHHS is requesting to extend the Contract from 8/6/2016 to 11/30/2016, or 116 days. This will allow the State and CAI the time required to broadcast the requisition out to the enrolled vendors, provide the vendors with adequate time to respond properly, and give the State the time they need to do a quality review of the vendors proposed.

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

CHANGE NOTICE NO. 9
 to
CONTRACT NO. 071B9200296
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Dewpoint, Inc. 1921 E Miller Road, Suite B Lansing, MI 48911	Michelle Massey	michelle.massey@dewpoint.com
	PHONE	VENDOR FEIN # (LAST FOUR DIGITS ONLY)
	517-316-2869	0595

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER				
CONTRACT ADMINISTRATOR	DTMB	Whitnie Zuker	517-284-7030	zuckerw@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: DIT/DCH MIHIN TECHNICAL DESIGN/PCO			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2009	August 5, 2014	2, one year	August 5, 2015
PAYMENT TERMS	F.O.B.	SHIPPED TO	
N/A	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			X Yes No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 year	August 5, 2016
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	
\$18,278,037.63		\$0.00	\$18,278,037.63	

DESCRIPTION:
 Effective August 5, 2015, this contract exercises the final option year for ongoing contractual Project Control Office (PCO) service support for the Michigan Department of Health and Human Services (MDHHS) Data Hub Program per the attached Statement of Work for the time period of 8/6/2015 – 8/5/2016. This amendment does not constitute an additional cost to the contract as the attached revised cost table reduces the amount allocated for future initiatives. Therefore, there is sufficient dollars available to support this change. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement, DTMB Procurement approval.

From: Joe Findlater <Joe.Findlater@dewpoint.com>
Sent: Monday, July 20, 2015 6:04 PM
To: Jones, Ferrante (DTMB)
Cc: Zhu, Leanna (DCH); Martin, Shirley (DCH); Mires, Melissa (DCH); Nordyke, Susan (DTMB); Pung, Linda (DTMB); O'Brien, Brendan (DTMB); Koppsch-Woods, Kimberly (DTMB); Lyon, Connie (DTMB); Spaniolo, Natalie (DTMB); Karlik, John (DTMB); Pemble, William (DTMB)
Subject: Re: Dewpoint Contract 071B9200296 Option Year Renewal - C20150313-134455

Ferrante,
This is good from a Dewpoint perspective.

Thanks,
Joe

Sent from my iPhone

On Jul 20, 2015, at 3:01 PM, Jones, Ferrante (DTMB) <JonesF4@michigan.gov> wrote:
Hello All,

Please see that the requested amount for option year 2 of the Dewpoint contract 071B9200296 has been reduced to zero dollars (\$0). After further review of the previous year's spend on the contract, we concluded that the initial amount requested (\$7,775,476) for option year 2 was excessive. Therefore, we have reduced the amount needed for future initiatives to \$667,509 and the cost for the committed resources remain at \$4,102,744. With the funds that are remaining on the contract from the \$2,918,464.00 future initiatives allocated funds and the dollars that will go back on the contract after closing previous year's POs and the current year's POs, there will be more than enough funds left on the contract to cover the new option year 2 costs of \$4,770,253.00.

Therefore, instead of rerouting the ITRAC, I am seeking your email approval to reduce the option year 2 costs request to \$0 and to revise the current cost tables in the contract to reflect the following allocation:

Total Committed Resources - \$4,102,744
Future Initiatives (Optional Additional Resources - hours or staff) - \$667,509
Total = \$4,770,253.00

It would be great to have your response by COB today so we can alert the executive office to approve the ITRAC. Joe - if agreed, I will need an update agreement from Dewpoint approving the new costs tables outlined in the attached SOW.

We have to meet the 07/21/15 Ad board, therefore we have to get this request to DTMB Procurement ASAP!

Please let me know if you have any additional questions.

Thanks!
Ferrante Jones

IT Services/Commodities Coordinator
Department of Technology, Management and Budget
Customer Service support - MDHHS
State of Michigan
300 E. Michigan Avenue ? Lansing, MI ? 48933
Phone: 517-335-1277 ? Fax: 517-373-3720
Email: JonesF4@michigan.gov
<image002.png>

<SOW Dewpoint Data Hub Option yr2 Renewal v3_20150710FINAL.doc>

August 3, 2015

Mr. David Hatch
Department of Technology, Management and Budget
State of Michigan

Dear Mr. Hatch:

Dewpoint is pleased the State has elected to execute a one year extension on DIT/DCH MIHIN TECHNICAL DESIGN/PCO contract (071B0200296). The agreement terms will be the same as documented in the initial contract. The cost tables reflecting the final year of the contract are documented below.

If you have any questions or need additional information, please feel free to contact me at 517-881-4973 or joe.findlater@dewpoint.com.

Regards,

A handwritten signature in black ink, appearing to read "J. Findlater". The signature is fluid and cursive, with a large initial "J" and "F".

Joseph Findlater

Vice President / Sales
C: 517-881-4973

Dewpoint – *people who deliver*

2014 Crain's Cool Places To Work In Michigan



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

Project Title: Dewpoint Data Hub/PCO Option Year 2 CCN	Period of Coverage: 08/06/15 – 08/05/16
Requesting Department: Michigan Department of Health and Human Services (MDHHS)	Date: 07/10/15
Agency Project Manager: Tina Scott	Phone: 517-241-5650
DTMB Project Manager: Susan Nordyke	Phone: 517-373-9784

Brief Description of Services to be provided:

Per Contract, 071B9200296, Contract Change Notice (CCN) to exercise the last option year for ongoing contractual service support for the Michigan Department of Health and Human Services (MDHHS) Data Hub Program for the time period of 08/06/15 – 08/05/16.

BACKGROUND:

Through the American Reinvestment and Recovery Act of 2009, the Office of the National Coordinator (ONC) for Health Information Technology (HIT) allocated funds for the Michigan Health Information Network (MiHIN) project to facilitate the creation of a statewide technical infrastructure supporting health information exchange (HIE) services. In February of 2010, Michigan entered into a cooperative agreement for State Health Information Exchange with the ONC.

The ONC State Health Information Exchange Cooperative Agreement Program requires MDHHS to coordinate an integrated approach with Medicaid and state public health programs to enable information exchange and to support the monitoring of provider participation in MDHHS Data Hub as required for Medicaid meaningful use incentives. In order to fulfill this requirement MDHHS is developing a Data Hub (formerly State of Michigan health information exchange (SOM HIE)) that will connect to and leverage the MiHIN Shared Services.

PROJECT OBJECTIVE:

The objective of this SOW is to exercise the last option year for ongoing contractual service support for the Michigan Department of Health and Human Services (MDHHS) Data Hub Program for the time period of 08/06/15 – 08/05/16.

As of 7/1/15, it is projected that the State will have a remaining value of \$4,770,253 from Change Notice #7 to apply for the time period of 08/06/15 – 08/05/16. This Change Notice will utilize those remaining funds to support the minimum number of positions required along with the ability to extend hours to resources indicated and/or add new resources if required by the State during the time period. The total number of individuals continues to be permissible to be increased or decreased throughout the life of this request, based on State needs, available State funding, and mutual agreement between the parties.

SCOPE OF WORK:

The Contractor's team shall continue to provide Project Control Office (PCO) services for the management and implementation of the MDHHS Data Hub Underlying Infrastructure, Messaging Interfaces, Master Person Index (MPI)/Provider Index (PI), Identity and Credentialing Access Management and Electronic Medical Business Record System projects.

The PCO shall establish and implement project management and technical processes, methodologies, and tools to minimize the risk and contain costs for all MDHHS Data Hub projects. The PCO shall support the

State in the planning and completion of the identified tasks and deliverables for all MDHHS Data Hub projects
The PCO shall be responsible for performing schedule, scope and technical control tasks.

The PCO provides project management and technical architecture services to the State and the other contract staff through performance of the following tasks:

1. Develop and manage the project schedule—Maintain the schedules to manage scope and interim deliverables to ensure project remains on time and within scope and budget.
2. Manage resource pool – Using project management tools, align resources to tasks, identify additional resources as needed, identify resource conflicts, and assist in leveling resources across tasks and/or releases. The PCO shall manage the staff resources assigned to the PCO.
3. Maintain Change Control and Issue Resolution processes – Provide structure to manage changes in scope, time, and cost. Document and escalate issues. Facilitate cross-functional team communications for timely issue resolution.
4. Communications – Identify appropriate information requirements and their flow, and ensure individuals at all levels receive appropriate information on scheduling and planning in a timely manner. Establish meeting schedules and agendas. Facilitate status meetings and publish summary meeting notes. Coordinate communications across all stakeholders.
5. Performance Monitoring - Maintain disciplined process for monitoring deliverables and schedule milestones. Create performance measurement baselines for scope, schedule and cost. Update and produce Planning project scorecards (in Phase 2 the scorecards would apply HIE infrastructure implementation). Monitor and publish earned value and other performance metrics. Reports program status and milestones on a timely basis. Facilitate action plans for solving progress-related obstacles.
6. Perform Quality Control – Ensure that all deliverables are complete and follow a formal Work Approval Process (WAP) before securing approval from stakeholders.
7. Risk Analysis – identify project risk factors and the probability and impact of each factor; develop strategies for dealing with the risk factors.
8. Interface with MDHHS, DTMB, and other areas as necessary, including local and enterprise Project Management Offices.

TASKS:

Specific tasks include, but are not limited to:

1. All deliverables included in the State's Project Management Methodology (PMM) and System Engineering Methodology (SEM), including revisions. The following is not limited to:
 - a. Project Concept Document and Project Charter and revisions
 - b. Detailed Project Plan – Plan should include milestones, tasks (work breakdown structure), hours, durations, schedule, and resource allocation. Detailed task level plans and schedules must be created for each release deployment. Note: This is the detailed task plan to be developed with the input of the Project Team
 - c. Work breakdown structure
 - d. Resource Plan
 - e. Risk Management Plan
 - f. Quality Plan
 - g. Communication Plan
 - h. Change Control Management Plan
 - i. Change Control Request Plan
 - j. Project Issues document
 - k. Project Budget Estimates
 - l. IT Project Budget estimates
 - m. Project planning transition checklist
 - n. Develop and support a formal Work Approval Process (WAP)
 - o. Other project items as needed
 - p. Weekly status reports
2. Lead the participation in and materials preparation for Executive Leadership meetings, as requested by the PCO director or DTMB Project Manager.
 - a. Facilitation of and materials preparation for meetings, including:
 - i. Weekly status meetings for managers and team leaders.
 - ii. bi-weekly leadership meeting
 - iii. weekly planning meetings

3. Support the project team and business stakeholders through communications, issue resolution, and documentation.
4. Performance metrics including score cards, earned value analysis, project evaluation, resource usage, defects found and resolved in testing, defects introduced into production, analysis of implementation contractor warranty work, and analysis of application down time.
5. Facilitation of and materials preparation for close-out of each release, including archival of all project data, lessons learned sessions, and close-out of any open action items.
6. Ad hoc reports requested by the State Project Manager(s).

DELIVERABLES:

Deliverables for this project include, but not limited to:

1. All deliverables included in the State's Project Management Methodology (PMM)
2. All deliverables included in the State's System Engineering Methodology (SEM)
3. **Weekly Time Sheets:** Each Friday, a time sheet will be completed and submitted to the PCO Director for him/herself and the resources that work directly for this EMBRS PM. The time sheet will list the week's Services performed and actual hours worked.

ACCEPTANCE CRITERIA:

1. Deliverables will not be considered complete until DTMB Business Relationship Manager has formally accepted them.
2. Documentation must be complete and meet state standards
3. System documentation must meet DTMB standards

PROJECT CONTROL AND REPORTS:

A bi-weekly progress report must be submitted to the Agency and DTMB Project Managers throughout the life of this project. This report may be submitted with the billing invoice. Each bi-weekly progress report must contain the following:

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

SPECIFIC DEPARTMENT STANDARDS:

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

PAYMENT SCHEDULE:

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

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

EXPENSES:

The State will not pay for any travel expenses, including hotel, mileage, meals, parking, etc., unless the State has agreed in advance and in writing to reimburse Contractor for such expenses at the State's current travel reimbursement rates.

PROJECT CONTACTS:

The designated DTMB Project Manager is:

Susan Nordyke
Business Relationship Manager
Michigan Department of Technology Management and Budget (DTMB)
Customer Services – Michigan Department of Human and Health Services (MDHHS)
300 East Michigan Avenue, Chandler Building
Lansing, MI
Phone: 517-373-9784
Fax: 517-373-3720
NordykeS@michigan.gov

The designated Agency Project Manager is:

Tina Scott
Manager
Michigan Department of Human and Health Services (MDHHS)
Medicaid Information Integration & Interoperability
Office of Medicaid Health Info. Tech.
Capital Commons Building
400 S. Pine Street, 5th Floor
Lansing, MI 48909
Phone: 517-241-5650
ScottT1@michigan.gov

STATE RESPONSIBILITIES:

- DTMB Project Manager will be reviewing and approving the deliverables.
- State will make their staff reasonably available.
- State will provide office space.
- State will provide telephone access for project-related calls originating from within the State's office.
- State will provide copying equipment for project-related documents.
- State will provide access to Facsimile equipment for items that are project related.
- State will provide computer hardware and software, as deemed necessary.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will at a designated office in Lansing, Michigan.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

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

No hours over 40 hrs. /week will be permitted without prior written approval of both Project Managers. Any hours over 40 hrs. /week are paid at straight time, no premium pay will be authorized.

This purchase order is a release from Contract Number 071B9200296. This purchase order, statement of work, and the terms and conditions of Contract Number 071B9200296 constitute the entire agreement between the State and the Contractor.

Filename: SOW Dewpoint MDHHS DataHub Option Yr2 Renewal v3
ITRAC: C20150313-134455

Current Staff for Option Year Two 08/06/15 - 08/05/16

Staffing Category	Firm Fixed Hourly Rate	Est. Hours	Extended Price
MDCH Data Hub - Project Control Office (PCO) Director (Brendan Obrien)	\$140.00	1984	\$277,760
Senior EMBRS Project Manager (Randy Long)	\$120.00	1984	\$238,080
MDCH Data Hub – Senior ICD-10/MPI Project Manager (Bob Baker)	\$120.00	1984	\$238,080
MDCH Data Hub - Senior Technical Writer (Sharon Fernandez)	\$80.00	1984	\$158,720
MDCH Data Hub - Senior Technical Architect (Dave Willhite)	\$118.00	1984	\$234,112
MDCH Data Hub – Junior Project Manager (Noelle Rose)	\$110.00	1984	\$218,240
MDCH Data Hub – Infrastructure Project Manager (Amy Hertel)	\$120.00	1984	\$238,080
MDCH Data Hub – Senior MICAM Project Manager (Deb Miros)	\$112.00	1984	\$222,208
MDCH Data Hub – Senior Technical Architect (Jeff Shaw)	\$170.00	1984	\$337,280
MDCH Data Hub – Project Coordinator (Heather Sprague)	\$85.00	1984	\$168,640
MDCH Data Hub – Technical HL7 Architect (Suchi Inturi)	\$108.00	1984	\$210,304
MDCH Data Hub – Three (3) Business Analysts (Eric Richmond, Jaya Tamrakar, TBD)	\$115.00	5952	\$684,480
MDCH Data Hub – EMBRS Business Analyst (Gail Felipe)	\$103.00	1984	\$204,352
MICAM Data Hub Project Manager (Jenny Miller)	\$120.00	1984	\$238,080
DMVA EMBRS Project Manager (Andy Fralick)	\$120.00	1984	\$238,080
MDCH Data Hub - Financial Analyst (Andrea Kotarba)	\$79.00	792	\$62,568
MDCH Data Hub – Senior Technical Architect (Jim Weiber)	\$170.00	600	\$102,000
MDCH Data Hub - Senior Technical Writer (Paul Madigan)	\$80.00	396	\$31,680
Option Year Two Estimated Cost/Year			\$4,102,744
Total Committed Resources (above)			\$4,102,744
Future Initiatives (Optional Additional Resources - hours or staff)			\$667,509
Total			\$4,770,253
Remaining value from CCN#7			\$4,770,253
Total Request Amount for Option Year 2 Renewal			\$0

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

CHANGE NOTICE NO. 8
 to
CONTRACT NO. 071B9200296
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Dewpoint, Inc. 1921 E Miller Road, Suite B Lansing, MI 48911	Michelle Massey	michelle.massey@dewpoint.com
	PHONE	VENDOR FEIN # (LAST FOUR DIGITS ONLY)
	517-316-2869	0595

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER				
CONTRACT ADMINISTRATOR	DTMB	Whitnie Zuker	517-284-7030	zukerw@michigan.gov

CONTRACT SUMMARY				
DESCRIPTION: DIT/DCH MIHIN TECHNICAL DESIGN/PCO				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
August 5, 2009	August 5, 2014	2, one year	August 5, 2015	
PAYMENT TERMS	F.O.B.	SHIPPED TO		
N/A	N/A	N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			X Yes	No
MINIMUM DELIVERY REQUIREMENTS				
N/A				

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	
\$18,278,037.63		\$0.00	\$18,278,037.63	

DESCRIPTION:
 Effective February 1, 2015, this contract is amended to modify Contract Change Notice (CCN) 7 staff and resulting Cost Tables for Option Year One 08/06/14 – 08/05/15 for ongoing contractual Project Control Office (PCO) services for the Michigan Department of Community Health (DCH) Data Hub Program per the attached State Statement of Work. This amendment does not constitute an additional cost to the Contract as there is sufficient dollars allotted in the Future initiates reserve to support this change.

Please also note that the buyer has been changed to Whitnie Zuker.

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



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

Project Title: Dewpoint MIHIN TECHNICAL DESIGN/PCO Revised Option Year 1 CCN	Period of Coverage: 08/06/15 – 08/05/15
Requesting Department: Michigan Department of Community Health (MDCH)	Date: 02/17/15
Agency Project Manager: Tina Scott	Phone: 517-241-5650
DTMB Project Manager: Susan Nordyke	Phone: 517-373-9784
Contractor Dewpoint Inc	071B9200296

Brief Description of Services to be provided:

Per Contract 071B9200296, this request is for a Contract Change Notice (CCN) to modify CCN7 staff and resulting Cost Tables for Option Year One 08/06/14 – 08/05/15. The purpose is to modify existing classifications and add additional contractor resources to allow the State of Michigan to more efficiently meet project needs by leveraging cross functional resources. This amendment does not constitute an additional cost to the Contract as there is sufficient dollars allotted in the Future initiatives reserve to support this change.

BACKGROUND:

Through the American Reinvestment and Recovery Act of 2009, the Office of the National Coordinator (ONC) for Health Information Technology (HIT) allocated funds for the Michigan Health Information Network (MiHIN) project to facilitate the creation of a statewide technical infrastructure supporting health information exchange (HIE) services. In February of 2010, Michigan entered into a cooperative agreement for State Health Information Exchange with the ONC.

The ONC State Health Information Exchange Cooperative Agreement Program requires MDCH to coordinate an integrated approach with Medicaid and state public health programs to enable information exchange and to support the monitoring of provider participation in MDCH Data Hub as required for Medicaid meaningful use incentives. In order to fulfill this requirement MDCH is developing a Data Hub (formerly State of Michigan health information exchange (SOM HIE)) that will connect to and leverage the MiHIN Shared Services.

PROJECT OBJECTIVE:

The objective of this Statement of Work (SOW) is:

1. Revise the Cost Table in order to modify existing contractor resources, hours and costs and provide not to exceed rates for staff.
2. Add new contractor resources for the time period of 02/01/15 – 08/05/15

Therefore, this SOW adds hours for one (1) Budgetary Tracking, one (1) Technical Writer, and one (1) Senior Technical Architect, to the Data Hub Program. Resources that are currently assigned to the MDCH Medicaid Compliance Program (MCP) will also provide services supporting the MDCH Data Hub Program. This effort will leverage existing resources that are knowledgeable about programs, projects and processes to be used cross functionally for both projects.

SCOPE OF WORK:

The revised Contractor's team shall continue to provide Project Control Office (PCO) services for the management and implementation of the MDCH Data Hub Underlying Infrastructure, Messaging Interfaces, Master Person Index (MPI)/Provider Index (PI), Identity and Credentialing Access Management and Electronic Medical Business Record System projects as specified in Contract Change Notice 7.

See #1 below for modifications to the existing Cost Table incorporated within CCN#7. See #2 below for additional resources.

1. Modifications to Existing Classifications:

Original Cost Table				
Staffing Category		Firm Fixed Hourly Rate	Est. Hours	Price
1	MDCH Data Hub - Project Control Office (PCO) Director (Joe Old)	\$140.00	1984	\$277,760
2	EMBRs Training – Project Manager (Karry Smith)	\$86.00	1984	\$170,624
3	MDCH Data Hub – Infrastructure Project Manager (Sarah Erwin)	\$120.00	1984	\$238,080
4	MDCH Data Hub – Project Coordinator (Stephanie Hirsch)	\$85.00	1984	\$168,640
5	MDCH Data Hub – Four (4) Business Analysts (Eric Richmond, Jenny Miller, Jaya Tamrakar, TBD)	\$115.00	7936	\$912,640
6	MDCH Data Hub – Junior Project Manager (Brenda Coleman)	\$110.00	1984	\$218,240

This table represents the portions of the Cost Table incorporated within CCN#7 that require modifications; see Table A at the end of this SOW for the original Cost Table.

Modified Cost Table				
Staffing Category		Firm Fixed Hourly Rate	Est. Hours	Price
1	MDCH Data Hub - Project Control Office (PCO) Director (Brendan Obrien)	\$140.00	1984	\$277,760
2	EMBRs Training – Project Manager (Karry Smith)	\$86.00	290	\$24,998
3	MDCH Data Hub – Infrastructure Project Manager (Amy Hertel)	\$120.00	1984	\$238,080
4	MDCH Data Hub – Project Coordinator (Heather Sprague)	\$85.00	1984	\$168,640
5	MDCH Data Hub – Three (3) Business Analysts(Eric Richmond, Jenny Miller, Jaya Tamrakar)	\$115.00	5952	\$684,480
6	MDCH Data Hub –Project Manager (Marc Miller)	\$120.00	1600	\$192,000

This table represents the modifications for those portions of the Cost Table incorporated within CCN#7 requiring replace named staff, hours or price; see Table B at the end of this SOW for the full modified Cost Table.

2. Additional Resources:

- One Budgetary Tracking Analyst to provide financial support and tasks necessary to track and complete the project within budget.
- One Senior Technical Architect to support review of the State’s existing infrastructure and to build on this existing infrastructure to meet the future needs for the SOM HIE program. The Senior SOM HIE Technical Architect would be available to work with the SOM HIE Leadership Team to assist with SOM HIE architecture solution discussions.
- One Technical Writer to support and complete the tasks necessary to develop and maintain technical system documentation to meet State and Federal requirements that impacts business processes.

Additional Resources			
Staffing Category	Firm Fixed Hourly Rate	Est. Hours	Price
MDCH Data Hub - Financial Analyst (Andrea Kotarba)	\$79.00	660	\$52,140

MDCH Data Hub – Senior Technical Architect (Jim Wieber)	\$170.00	300	\$51,000
MDCH Data Hub - Senior Technical Writer (Paul Madigan)	\$80.00	198	\$15,840

DELIVERABLES:

Deliverables for this project include, but not limited to:

1. All deliverables included in the State’s Project Management Methodology (PMM)
2. All deliverables included in the State’s System Engineering Methodology (SEM)
3. **Weekly Time Sheets:** Each Friday, a time sheet will be completed and submitted to the PCO Director. The time sheet will list the week’s Services performed and actual hours worked.

ACCEPTANCE CRITERIA:

1. Deliverables will not be considered complete until DTMB Business Relationship Manager has formally accepted them.
2. Documentation must be complete and meet state standards
3. System documentation must meet DTMB standards

PROJECT CONTROL AND REPORTS:

A bi-weekly progress report must be submitted to the Agency and DTMB Project Managers throughout the life of this project. This report may be submitted with the billing invoice. Each bi-weekly progress report must contain the following:

1. **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
2. **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
3. **Planned Activities:** Describe activities to be accomplished during the next reporting period.
4. **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.
5. **Issues:** Indicate major issues/risks/changes, real or perceived, and recommend resolutions

SPECIFIC DEPARTMENT STANDARDS:

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

PAYMENT SCHEDULE:

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

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

EXPENSES:

The State will not pay for any travel expenses, including hotel, mileage, meals, parking, etc., unless the State has agreed in advance and in writing to reimburse Contractor for such expenses at the State’s current travel reimbursement rates.

PROJECT CONTACTS:

The designated DTMB Project Manager is:

Susan Nordyke
Business Relationship Manager
Michigan Department of Technology Management and Budget (DTMB)
Customer Services – Department of Community Health (DCH)
300 East Michigan Avenue, Chandler Building

Lansing, MI
 Phone: 517-373-9784
 Fax: 517-373-3720
NordykeS@michigan.gov

The designated Agency Project Manager is:

Tina Scott
 Manager
 Michigan Department of Community Health
 Medicaid Information Integration & Interoperability
 Office of Medicaid Health Info. Tech.
 Capital Commons Building
 400 S. Pine Street, 5th Floor
 Lansing, MI 48909
 Phone: 517-241-5650
ScottT1@michigan.gov

STATE RESPONSIBILITIES:

- DTMB Project Manager will be reviewing and approving the deliverables.
- State will make their staff reasonably available.
- State will provide office space.
- State will provide telephone access for project-related calls originating from within the State's office.
- State will provide copying equipment for project-related documents.
- State will provide access to Facsimile equipment for items that are project related.
- State will provide computer hardware and software, as deemed necessary.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work at the Chandler Plaza, 300 East Michigan Ave. in Lansing, Michigan.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

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

No hours over 40 hrs. /week will be permitted without prior written approval of both Project Managers. Any hours over 40 hrs. /week are paid at straight time, no premium pay will be authorized.

This purchase order is a release from Contract Number 071B9200296. This purchase order, statement of work, and the terms and conditions of Contract Number 071B9200296 and Contract Change Notice 7 constitute the entire agreement between the State and the Contractor.

FileName: Dewpoint DataHub Supplemental Resources v4

ITRAC#: C20140922-160914

**Table A - Original CCN#7 Cost Tables:
 Current Staff for Option Year One 08/06/14 – 08/05/15**

Staffing Category	Firm Fixed Hourly Rate	Est. Hours	Extended Price
MDCH Data Hub - Project Control Office (PCO) Director (Joe Old)	\$140.00	1984	\$277,760.00
Senior EMBRS Project Manager (Randy Long)	\$120.00	1984	\$238,080.00
MDCH Data Hub – Senior ICD-10/MPI Project Manager (Bob Baker)	\$120.00	1984	\$238,080.00
MDCH Data Hub - Senior Technical Writer (Sharon Fernandez)	\$80.00	1984	\$158,720.00
MDCH Data Hub - Senior Technical Architect (Dave Willhite)	\$118.00	1984	\$234,112.00

MDCH Data Hub – Junior Project Manager (Noelle Rose)	\$110.00	1984	\$218,240.00
EMBRs Training – Project Manager (Karry Smith)	\$86.00	1984	\$170,624.00
MDCH Data Hub – Infrastructure Project Manager (Sarah Erwin)	\$120.00	1984	\$238,080.00
MDCH Data Hub – Senior MICAM Project Manager (Deb Miros)	\$112.00	1984	\$222,208.00
MDCH Data Hub – Senior Technical Architect (Jeff Shaw)	\$170.00	1984	\$337,280.00
MDCH Data Hub – Senior Technical Architect (Mike Potter)	\$118.00	1984	\$234,112.00
MDCH Data Hub – Project Coordinator (Stephanie Hirsch)	\$85.00	1984	\$168,640.00
MDCH Data Hub – Technical HL7 Architect (Suchi Inturi)	\$106.00	1984	\$210,304.00
MDCH Data Hub – Four (4) Business Analysts (Eric Richmond, Jenny Miller, Jaya Tamrakar, TBD)	\$115.00	7936	\$912,640.00
MDCH Data Hub – EMBRS Business Analyst (Gail Felipe)	\$103.00	1984	\$204,352.00
MDCH Data Hub – Junior Project Manager (Brenda Coleman)	\$110.00	1984	\$218,240.00
DMVA EMBRS Project Manager (Andy Fralick)	\$120.00	1984	\$238,080.00
Option Year One Estimated Cost/Month			\$4,519,552.00

Future Initiatives – Staff for Option Year One 08/06/14 – 08/05/15

Staffing Category	Firm Fixed Hourly Rate	Est. Hours	Extended Price
MDCH Data Hub – Three (3) Project Managers	\$120.00	5952	\$714,240.00
MDCH Data Hub – Four (4) Business Analysts	\$115.00	7936	\$912,640.00
MDCH Data Hub Training – Project Manager	\$86.00	1984	\$170,624.00
MDCH Data Hub – Senior Technical Architect	\$170.00	1984	\$337,280.00
LARA Business Analyst	\$155.00	1984	\$307,520.00
DHS Project Manager	\$120.00	1984	\$238,080.00
DHS Technical Architect	\$120.00	1984	\$238,080.00
Phase 1 Estimated Cost/Month			\$2,918,464.00

Total cost to request for Option Year 1 renewal	\$7,438,016.00
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Table B - Revised Cost Tables:

Revised Staff for Option Year One 08/06/14 – 08/05/15			
Staffing Category	Firm Fixed Hourly Rate	Est. Hours	Price
MDCH Data Hub - Project Control Office (PCO) Director (Brendan Obrien)	\$140.00	1984	\$277,760

Senior EMBRS Project Manager (Randy Long)	\$120.00	1984	\$238,080
MDCH Data Hub – Senior ICD-10/MPI Project Manager (Bob Baker)	\$120.00	1984	\$238,080
MDCH Data Hub - Senior Technical Writer (Sharon Fernandez)	\$80.00	1984	\$158,720
MDCH Data Hub - Senior Technical Architect (Dave Willhite)	\$118.00	1984	\$234,112
MDCH Data Hub – Junior Project Manager (Noelle Rose)	\$110.00	1984	\$218,240
EMBRS Training – Project Manager (Karry Smith)	\$86.00	290	\$24,998
MDCH Data Hub – Infrastructure Project Manager (Amy Hertel)	\$120.00	1984	\$238,080
MDCH Data Hub – Senior MICAM Project Manager (Deb Miros)	\$112.00	1984	\$222,208
MDCH Data Hub – Senior Technical Architect (Jeff Shaw)	\$170.00	1984	\$337,280
MDCH Data Hub – Senior Technical Architect (Mike Potter)	\$118.00	1984	\$234,112
MDCH Data Hub – Project Coordinator (Heather Sprague)	\$85.00	1984	\$168,640
MDCH Data Hub – Technical HL7 Architect (Suchi Inturi)	\$106.00	1984	\$210,304
MDCH Data Hub – Business Analysts (Eric Richmond)	\$115.00	1984	\$228,160
MDCH Data Hub – Business Analysts (Jenny Miller)	\$115.00	1984	\$228,160
MDCH Data Hub – Business Analysts (Jaya Tamrakar)	\$115.00	1984	\$228,160
MDCH Data Hub – EMBRS Business Analyst (Gail Felipe)	\$103.00	1984	\$204,352
MDCH Data Hub MiCAM Project Manager (Marc Miller)	\$120.00	1600	\$192,000
DMVA EMBRS Project Manager (Andy Fralick)	\$120.00	1984	\$238,080
MDCH Data Hub - Budgetary Tracking Analyst (Andrea Kotarba)	\$79.00	660	\$52,140
MDCH Data Hub – Senior Technical Architect (Jim Weiber)	\$170.00	300	\$51,000
MDCH Data Hub - Senior Technical Writer (Paul Madigan)	\$80.00	198	\$15,840
Revised Estimated Cost			\$4,238,506
Revised Future Initiatives –for Option Year One 08/06/14 – 08/05/15			
Future Initiatives (Additional resources including additional classifications needed to support the Data Hub project)			\$3,199,510

Revised Total Cost**\$7,438,016****Future Initiatives – If additional resources are required, rates per position will not exceed the following:**

Project Control Manager	\$140
Senior Project Manager	\$130
Project Manager	\$120
Junior Project Manager	\$110
Senior Technical Analyst	\$141
Senior Technical Architect	\$170
Senior Business Analyst	\$115
Senior Business Analyst (Technical)	\$115
Senior Technical Writer	\$80
Project Scheduler	\$80
Project Coordinator	\$85
Budgetary Tracking Analyst	\$93

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

June 25, 2014

CHANGE NOTICE NO. 7
 to
CONTRACT NO. 071B9200296
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Dewpoint, Inc. 1921 E. Miller Road, Suite B Lansing, MI 48911	Joe Findlater	Joe.Findlater@dewpoint.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 881-4973	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB			
BUYER	DTMB	Barb Suska	517-284-7026	suskab@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: DIT/DCH MIHIN TECHNICAL DESIGN/PCO			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 5, 2009	August 5, 2014	2, one year	August 5, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 year	August 5, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$7,438,016.00		\$18,278,037.63		

Effective immediately, this contract is increased by \$7,438,016.00 and exercises the first option year for ongoing contractual Project Control Office (PCO) services for the Michigan Department of Community Health (DCH) Data Hub Program per the attached State Statement of Work. The new contract end date is August 5, 2015. Please also note that the buyer has been changed to Barb Suska and the vendor contact information has been updated. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on June 24, 2014.



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

Project Title: Dewpoint MIHIN TECHNICAL DESIGN/PCO Option Year 1 CCN	Period of Coverage: 08/06/14 – 08/05/15
Requesting Department: Michigan Department of Community Health (MDCH)	Date: 04/07/2014
Agency Project Manager: Tina Scott	Phone: 517-241-5650
DTMB Project Manager: Carmen Redwine	Phone: 517-241-2925

Brief Description of Services to be provided:

Per Contract, 071B9200296, Contract Change Notice (CCN) to exercise the first option year for ongoing contractual service support for the Michigan Department of Community Health (MDCH) Data Hub Program for the time period of 08/06/14 – 08/05/15.

BACKGROUND:

Through the American Reinvestment and Recovery Act of 2009, the Office of the National Coordinator (ONC) for Health Information Technology (HIT) allocated funds for the Michigan Health Information Network (MiHIN) project to facilitate the creation of a statewide technical infrastructure supporting health information exchange (HIE) services. In February of 2010, Michigan entered into a cooperative agreement for State Health Information Exchange with the ONC.

The ONC State Health Information Exchange Cooperative Agreement Program requires MDCH to coordinate an integrated approach with Medicaid and state public health programs to enable information exchange and to support the monitoring of provider participation in MDCH Data Hub as required for Medicaid meaningful use incentives. In order to fulfill this requirement MDCH is developing a Data Hub (formerly State of Michigan health information exchange (SOM HIE)) that will connect to and leverage the MiHIN Shared Services.

PROJECT OBJECTIVE:

The objective of this SOW is to exercise the first option year for ongoing contractual service support for the Michigan Department of Community Health (MDCH) Data Hub Program for the time period of 08/06/14 – 08/05/15.

SCOPE OF WORK:

The Contractor's team shall continue to provide Project Control Office (PCO) services for the management and implementation of the MDCH Data Hub Underlying Infrastructure, Messaging Interfaces, Master Person Index (MPI)/Provider Index (PI), Identity and Credentialing Access Management and Electronic Medical Business Record System projects.

The PCO shall establish and implement project management and technical processes, methodologies, and tools to minimize the risk and contain costs for all MDCH Data Hub projects. The PCO shall support the State in the planning and completion of the identified tasks and deliverables for all MDCH Data Hub projects. The PCO shall be responsible for performing schedule, scope and technical control tasks.

The PCO provides project management and technical architecture services to the State and the other contract staff through performance of the following tasks:

1. Develop and manage the project schedule—Maintain the schedules to manage scope and interim deliverables to ensure project remains on time and within scope and budget.
2. Manage resource pool – Using project management tools, align resources to tasks, identify additional resources as needed, identify resource conflicts, and assist in leveling resources across tasks and/or

- releases. The PCO shall manage the staff resources assigned to the PCO.
3. Maintain Change Control and Issue Resolution processes – Provide structure to manage changes in scope, time, and cost. Document and escalate issues. Facilitate cross-functional team communications for timely issue resolution.
 4. Communications – Identify appropriate information requirements and their flow, and ensure individuals at all levels receive appropriate information on scheduling and planning in a timely manner. Establish meeting schedules and agendas. Facilitate status meetings and publish summary meeting notes. Coordinate communications across all stakeholders.
 5. Performance Monitoring - Maintain disciplined process for monitoring deliverables and schedule milestones. Create performance measurement baselines for scope, schedule and cost. Update and produce Planning project scorecards (in Phase 2 the scorecards would apply HIE infrastructure implementation). Monitor and publish earned value and other performance metrics. Reports program status and milestones on a timely basis. Facilitate action plans for solving progress-related obstacles.
 6. Perform Quality Control – Ensure that all deliverables are complete and follow a formal Work Approval Process (WAP) before securing approval from stakeholders.
 7. Risk Analysis – identify project risk factors and the probability and impact of each factor; develop strategies for dealing with the risk factors.
 8. Interface with MDCH, DTMB, and other areas as necessary, including local and enterprise Project Management Offices.

TASKS:

Specific tasks include, but are not limited to:

1. All deliverables included in the State's Project Management Methodology (PMM) and System Engineering Methodology (SEM), including revisions. The following is not limited to:
 - a. Project Concept Document and Project Charter and revisions
 - b. Detailed Project Plan – Plan should include milestones, tasks (work breakdown structure), hours, durations, schedule, and resource allocation. Detailed task level plans and schedules must be created for each release deployment. Note: This is the detailed task plan to be developed with the input of the Project Team
 - c. Work breakdown structure
 - d. Resource Plan
 - e. Risk Management Plan
 - f. Quality Plan
 - g. Communication Plan
 - h. Change Control Management Plan
 - i. Change Control Request Plan
 - j. Project Issues document
 - k. Project Budget Estimates
 - l. IT Project Budget estimates
 - m. Project planning transition checklist
 - n. Develop and support a formal Work Approval Process (WAP)
 - o. Other project items as needed
 - p. Weekly status reports
2. Lead the participation in and materials preparation for Executive Leadership meetings, as requested by the PCO director or DTMB Project Manager.
 - a. Facilitation of and materials preparation for meetings, including:
 - i. Weekly status meetings for managers and team leaders.
 - ii. bi-weekly leadership meeting
 - iii. weekly planning meetings
3. Support the project team and business stakeholders through communications, issue resolution, and documentation.
4. Performance metrics including score cards, earned value analysis, project evaluation, resource usage, defects found and resolved in testing, defects introduced into production, analysis of Implementation contractor warranty work, and analysis of application down time.
5. Facilitation of and materials preparation for close-out of each release, including archival of all project data, lessons learned sessions, and close-out of any open action items.
6. Ad hoc reports requested by the State Project Manager(s).

DELIVERABLES:

Deliverables for this project include, but not limited to:

1. All deliverables included in the State's Project Management Methodology (PMM)
2. All deliverables included in the State's System Engineering Methodology (SEM)
3. **Weekly Time Sheets:** Each Friday, a time sheet will be completed and submitted to the PCO Director

for him/herself and the resources that work directly for this EMBRS PM. The time sheet will list the week's Services performed and actual hours worked.

ACCEPTANCE CRITERIA:

1. Deliverables will not be considered complete until DTMB Business Relationship Manager has formally accepted them.
2. Documentation must be complete and meet state standards
3. System documentation must meet DTMB standards

PROJECT CONTROL AND REPORTS:

A bi-weekly progress report must be submitted to the Agency and DTMB Project Managers throughout the life of this project. This report may be submitted with the billing invoice. Each bi-weekly progress report must contain the following:

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

SPECIFIC DEPARTMENT STANDARDS:

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

PAYMENT SCHEDULE:

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

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

EXPENSES:

The State will not pay for any travel expenses, including hotel, mileage, meals, parking, etc., unless the State has agreed in advance and in writing to reimburse Contractor for such expenses at the State's current travel reimbursement rates.

PROJECT CONTACTS:

The designated DTMB Project Manager is:

Carmen Redwine
Business Relationship Manager
Michigan Department of Technology Management and Budget (DTMB)
Customer Services – Department of Community Health (DCH)
300 East Michigan Avenue, Chandler Building
Lansing, MI
Phone: 517-241-2925
Fax: 517-373-3720
RedwineC1@michigan.gov

The designated Agency Project Manager is:

Tina Scott
Manager
Michigan Department of Community Health
Medicaid Information Integration & Interoperability

Office of Medicaid Health Info. Tech.
Capital Commons Building
400 S. Pine Street, 5th Floor
Lansing, MI 48909
Phone: 517-241-5650
ScottT1@michigan.gov

STATE RESPONSIBILITIES:

- DTMB Project Manager will be reviewing and approving the deliverables.
- State will make their staff reasonably available.
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LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work at the Chandler Plaza, 300 East Michigan Ave. in Lansing, Michigan.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

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

No hours over 40 hrs. /week will be permitted without prior written approval of both Project Managers. Any hours over 40 hrs. /week are paid at straight time, no premium pay will be authorized.

This purchase order is a release from Contract Number 071B9200296. This purchase order, statement of work, and the terms and conditions of Contract Number 071B9200296 constitute the entire agreement between the State and the Contractor.

Current Staff for Option Year One 08/06/14 – 08/05/15

Staffing Category	Firm Fixed Hourly Rate	Est. Hours	Extended Price
MDCH Data Hub - Project Control Office (PCO) Director (Joe Old)	\$140.00	1984	\$277,760.00
Senior EMBRS Project Manager (Randy Long)	\$120.00	1984	\$238,080.00
MDCH Data Hub – Senior ICD-10/MPI Project Manager (Bob Baker)	\$120.00	1984	\$238,080.00
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DMVA EMBRS Project Manager (Andy Fralick)	\$120.00	1984	\$238,080.00
Option Year One Estimated Cost/Month			\$4,519,552.00

Future Initiatives – Staff for Option Year One 08/06/14 – 08/05/15

Staffing Category	Firm Fixed Hourly Rate	Est. Hours	Extended Price
MDCH Data Hub – Three (3) Project Managers	\$120.00	5952	\$714,240.00
MDCH Data Hub – Four (4) Business Analysts	\$115.00	7936	\$912,640.00
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DHS Project Manager	\$120.00	1984	\$238,080.00
DHS Technical Architect	\$120.00	1984	\$238,080.00
Phase 1 Estimated Cost/Month			\$2,918,464.00

Total cost to request for Option Year 1 renewal			\$7,438,016.00
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STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET December 22, 2010
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 6
TO
CONTRACT NO. 071B9200296
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Dewpoint, Inc. 1921 E. Miller Road, Suite B Lansing, MI 48911 Email: brian.dumont@dewpoint.com	TELEPHONE Brian Dumont (517) 282-3978
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: Mike Breen DIT/DCH MIHIN TECHNICAL DESIGN/PCO	
CONTRACT PERIOD: 5 yrs. + 2 one-year options From: August 5, 2009 To: August 5, 2014	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, the vendor contact person is changed to:

Brian Dumont
Email: brian.dumont@dewpoint.com
Phone: 517-282-3978

All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per vendor, agency and DTMB agreement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$10,840,021.63

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET December 16, 2010
PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B9200296
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Dewpoint, Inc. 1921 E. Miller Road, Suite B Lansing, MI 48911 Email: Jennifer.Kwapis@dewpoint.com	TELEPHONE Jennifer Kwapis (517) 316-2866
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: Mike Breen DIT/DCH MIHIN TECHNICAL DESIGN/PCO	
CONTRACT PERIOD: 5 yrs. + 2 one-year options From: August 5, 2009 To: August 5, 2014	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, the attached document is incorporated into this Contract. This document outlines the plan the vendor has put in place to meet the requirements of Milestone #4 as outlined in the original contract language. All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per vendor, agency and DTMB agreement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$10,840,021.63

MiHIN PCO Contract: SoM HIE Analysis and Design Support Proposal

Michigan Department of Community
Health and Michigan Department of
Technology, Management and Budget

Dewpoint[®]
Making technology work

Consulting • Technology • Support

Presented by:
Brian Dumont
December 1, 2010
517.282.3978
brian.dumont@dewpoint.com

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Executive Summary

The State of Michigan is aggressively moving to automate Health Information Exchange (HIE) thus improving health care delivery and lowering costs. To accomplish this, the State is creating a State of Michigan Health Information Exchange (SoM HIE) to collaborate with other Health Information Exchanges via the Michigan Health Information Network (MIHIN).

Dewpoint understands the State's desire to be a leader in Health Information Exchange and collaboration via the MIHIN. Dewpoint also understands the challenges of implementing technologies that are new to the organization. To mitigate this risk, and at the State's request, Dewpoint proposes a limited engagement of health information exchange experts to support the analysis and design phases of the SoM HIE.

Dewpoint is singularly positioned to provide these services due to the availability of experienced subject matter experts. This Statement of Work details Dewpoint's commitment to the State of Michigan by offering professional services to match the State's request. The following sections address the scope, tasks, deliverables and costs specific to the analysis and design requirements as requested by the State.

Our team has been asked to work with the State to provide specific expertise in the area of Health Information Exchange to support the State of Michigan Health Information Exchange's (SoM HIE) analysis and design efforts. At MDCH's request, we have provided the following statement of work to provide the experts that the State requires.

This is hourly (to a pre-defined maximum) engagement.

Statement of Work

The deliverable associated with this effort will follow the requirements of Milestone 4, Task 4 as documented in the base contract. This scope is further refined by the inclusion of the State of Michigan's Enterprise Architecture documents.

Tasks

Task 1 –Requirements Gathering

Dewpoint will support the requirements gathering activity of the State of Michigan HIE effort by:

- Facilitate sessions with SOM HIE Stakeholders to capture the requirements for the SOM HIE.
- Validate pre-existing use cases and develop the remaining use cases. This effort will include creating working papers, use case diagrams and textual use cases. Textual use cases include linked requirements, pre-conditions, post-conditions, basic path, alternate path(s), exception path(s), and connections to appropriate actors.
- Validate and develop functional and non-functional requirements. This effort will include creating working papers, functional requirements lists and descriptions and non-functional requirements lists and descriptions

Task 2 – Support Development of a Functional Design Deliverable

Dewpoint will support the development of a functional design deliverable by providing

- HIE Business and Technical expertise that results in defining system components of the SoM HIE at a high level
- Create deliverable documentation such as working papers, diagrams, and textual descriptions of high-level system components. These components form a conceptual design deliverable for the SoM HIE.

Task 3 – Support Development of a System Design Deliverable

Dewpoint will support the development of a system design deliverable by providing:

- HIE Technical expertise that results in defining system components of the SoM HIE at a detailed level
- Create deliverable documentation such as working papers, diagrams, and detailed textual descriptions of low-level system components. These components form a detailed design deliverable for the SoM HIE.

Task 4 – Support the Development of the Technical Architecture

Support the Project Team's activities in the creation of the Technical Architecture document as follows

- Host a series of technical meetings to complete the technical architecture deliverable.
- Complete a detailed Enterprise Architecture Solution Assessment deliverable;
- Within the technical architecture deliverable, document technical requirements at a level of detail that can support the technical portion of a Request for Proposal (RFP).
- Achieve enterprise architecture team buy in through direct participation;
- Achieve office of enterprise security buy in through direct participation; and,
- Achieve department of community health business buy in through direct participation.

Deliverables

Dewpoint will work with State resources to develop the following deliverables:

Task	Deliverable ¹
Task 1 - Requirements Gathering	A Use Case Deliverable for the SoM HIE; and, A Requirements Deliverable, including both functional and non-functional requirements, for the SoM HIE.
Task 2 - Support Development of a Functional Design Deliverable	A Conceptual Design deliverable for the SoM HIE
Task 3 - Support Development of a System Design Deliverable	A System Design deliverable for the SoM HIE
Task 4 - Support Development of the Technical Architecture	A Technical Architecture deliverable in the form of a completely detailed Enterprise Architecture Solution Assessment for the SoM HIE, with updates as necessary.

Pricing

The following pricing for this project is based on actual professional service hours provided at standard loaded hourly rates. Any extensions or change of service that affect the project in terms of resources, scope, or time will be handled through a change request form. These changes may impact the cost of the project.

Changes will not be effective without written agreement and approval by Dewpoint and DTMB.

Role	Rate	Hours	Estimated Cost
HIE Architect/Quality Analyst	\$ 155.00	1120	\$ 173,600.00
Technical Writer/Facilitator	\$ 80.00	1120	\$ 89,600.00
HIE Business Architect/Quality Analyst	\$ 155.00	560	\$ 86,800.00
			\$ 350,000.00

¹ All deliverables are submitted as addenda to Milestone #4 Technical Architecture Plan

Acceptance

Accepted by:

For Dewpoint, Inc.:

For DTMB:

Printed Name: _____

Printed Name: _____

Date: _____

Date: _____

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

March 12, 2010

CHANGE NOTICE NO. 4
 TO
 CONTRACT NO. 071B9200296
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR Dewpoint, Inc. 1921 E. Miller Road, Suite B Lansing, MI 48911 Email: Jennifer.Kwapis@dewpoint.com	TELEPHONE Jennifer Kwapis (517) 316-2866
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: DIT/DCH MIHIN TECHNICAL DESIGN/PCO	
CONTRACT PERIOD: 5 yrs. + 2 one-year options From: August 5, 2009 To: August 5, 2014	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, this contract is CHANGED to include the attached Change Authorization Request dated February 19, 2010. This amendment also modifies Section 2.203 Project Manager to read as follows: For The Department of Information Technology, George Boersma, 517-335-1507, boersmab@mi.gov . All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per vendor, agency and DTMB agreement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$10,840,021.63

Change Authorization Request

Summary of Modifications requested

- This request for contract amendment is to further clarify the level of support and requirements outlined in the base contract and Amendment #2 that was approved by the Administration Board on 12/15/09.
- Neither modification adds new scope to the project.
- Neither modification requires additional funds to be added to the contract.

Detail of Modifications requested to Contract

1st Modification.

Summary – Milestone 4 (base contract) requires the vendor to create a technical architecture report and plan for the statewide Health Information Exchange (HIE). Milestones 5 and 6 (base contract) require the vendor to create an RFP and support the state procurement process (JEC) to obtain the following critical Strategic and Operational Plan information:

- Vendor input
- Technical evaluation of received vendor responses
- Cost evaluation of received vendor responses
- Pilot site proposal
- Creation of an operating budget for input into the Operational Plan

The MiHIN project and Department of Community Health has determined that the State Of Michigan will not develop and implement the technical architecture identified. Subsequently, the RFP process was canceled. The majority of Milestones 5 and all of Milestone 6 are not required; however the critical information for the Strategic and Operational Plans to be submitted to ONC (feds) still is required.

Change Requested: Modify Milestones 5 and 6 to further clarify the level of support required to include:

- Systems Requirements Document
- Request for vendor input
- Technical evaluation of received vendor responses
- Cost evaluation of received vendor responses
- Pilot site proposal
- Creation of an operating budget for input into the Operational Plan
- List of potential pilot site target
- Complete specification for pilot targets

2nd Modification.

Summary – Amendment #3 approved by the Administration Board on 12/15/09 created work groups to further define detail components required for the creation of the Strategic and Operational Plans. At the time the amendment was executed, one critical component for

sustainability was not yet defined by ONC (feds). This was identified in the Finance Sub Group deliverables F7, F8 and F9 as follows:

- Strategic Plan: Quantify costs of sustaining operations (SOW to be developed)
- Strategic Plan: Develop approach to financial sustainability development model (SOW to be developed)
- Strategic Plan: Develop approach to financial sustainability: develop business plan (SOW to be developed)

Subsequent to this amendment, the ONC (feds) have released the financial toolkit which further defines the detail required for the above deliverables.

Change Requested: Further clarify scope of work requirements approved in Amendment #2 to include:

1. **MIHIN HIE Financing Principles** – the finalized list of assumptions and decisions made regarding the financing of the backbone network. These provide guidance for all future decisions regarding fee structures, revenue potential, services offerings, and other factors related to the building and operating of MiHIN.
2. Updated **MIHIN HIE Services Architectural Roadmap** - the updated list of services that will be provided by MiHIN with the associated priorities, service time frames, capital costs, operating costs, adoption rate and usage projections, revenue projections, and funding sources and mechanisms.
3. Validated **MIHIN HIE Funded Activities** – the validated list of governance, operational, and technical activities that have been approved for MiHIN.
4. Updated **MIHIN Funding Sources and Mechanisms** – the update list of funding sources and funding mechanisms that will guide the development of the Business Financial Sustainability Plan for MiHIN.
5. **MIHIN Sustainability Budget Pro Forma Models** – the financial sustainability budget models developed using the various decisions, funding sources, funding mechanisms, technical costs, and other factors approved by the MiHIN Governance Workgroup.
6. **MIHIN Business Financial Sustainability Plan** – the final financial sustainability plan that will be submitted as part of the Strategic Plan to the Office of the National Coordinator for approval and funding.

I agree to the changes as noted above.



Authorized Agent Signature
Dewpoint, Inc.

19Feb10
Date

Brian J. Dumont
Authorized Agent (Print or Type)

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

December 18, 2009

CHANGE NOTICE NO. 3
 TO
 CONTRACT NO. 071B9200296
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR Dewpoint, Inc. 1921 E. Miller Road, Suite B Lansing, MI 48911 Email: Jennifer.Kwapis@dewpoint.com	TELEPHONE Jennifer Kwapis (517) 316-2866
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: DIT/DCH MIHIN TECHNICAL DESIGN/PCO	
CONTRACT PERIOD: 5 yrs. + 2 one-year options From: August 5, 2009 To: August 5, 2014	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, this contract is amended to include the attached language involving MIHIN PCO Contract – Privacy and Security. All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per vendor, agency, DIT and DMB agreement and approval of the State Administrative Board on 12/15/2009.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$10,840,021.63

Phase I Optional Solutions – Privacy & Security



MIHIN PCO Contract



Dewpoint
Making technology work
Consulting • Technology • Support

Jennifer Kwapis
November 25, 2009
248.396.2896

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Introduction

The Dewpoint/s2a Team understands that the State of Michigan desires to deploy a statewide MiHIN backbone that provides a technical infrastructure for organizations, including: physicians, hospitals, community health information organizations and others to connect and exchange data. It is the State's goal to provide a flexible health information network that will be valuable to Michigan healthcare stakeholders and allow those organizations to connect to the State-sponsored infrastructure, if they choose. We believe that in order for Michigan to optimize its HIE implementation planning, it will be necessary for the State to collaborate with stakeholders more fully than what was requested in the RFP. Thus, Dewpoint provided the State with a set of Optional Solutions as a part of our original MiHIN Planning and PCO RFP proposal submission that could be elected by the State upon contract award for a more robust approach to initial and ongoing planning.

This document presents the Dewpoint/s2a's teams approach, deliverables, timeline and cost for implementing the Privacy and Security Optional Solution which would include the facilitation of a Sub Work Group to the Technical Work Group, additional statewide Privacy and Security research and planning, and then the writing associated with the topics that are required for the Strategic and Operational Plans.

Strategic and Operational Plan Development and Management

Please see the main Phase 1 Optional Solutions proposal for the work that will be performed by the Dewpoint / s2a PCC team to develop and manage the creation and completion of the Strategic and Operational Plans for the MiHIN. Privacy and Security deliverables that are needed for inclusion in the Strategic and Operational Plans will be developed by MPHI and reviewed by the Dewpoint / s2a team. MPHI staff will report to Amber Murphy the Dewpoint Project Manager and she will help coordinate reviews of Privacy and Security planning and Sub Work Group activity with the Technical Work Group facilitators and other Work Group facilitators as needed. Privacy and Security work performed relating to the Strategic and Operational Plans will be provided to the Document Coordinator from the Dewpoint team, Michelle Massey, who will schedule reviews of the content as detailed in the overall Phase 1 Optional Solutions proposal under this same section. Additionally, Sharon McLearn will be available to support the Privacy and Security writing tasks for the Strategic and Operational Plans and Amber Murphy will coordinate manage her time assisting MPHI with the writing that our team will produce for the State.

Planning and Work Group Facilitation by Domain

From November 10th through mid-April, there will be specific planning work that has been specific in Appendix B of the State Cooperative Agreement Program FOA that is required to be produced by Michigan for submission as a part of the updated Strategic Plan and the newly

created Operational Plan for MiHIN. Dewpoint will leverage PCO resources to assist the State with planning activities to produce the required deliverables which will feed into the plans and create a statewide framework for coordination between the State and MiHIN stakeholders in Michigan. Our team will also facilitate Work Groups that have been discussed and agreed to by the MiHIN Project Managers and Project Sponsor. This proposal only covers the Privacy and Security Sub Group. The Dewpoint team will be complimented by MPHI staff to assist with the planning and facilitation of the Privacy and Security Sub Work Group.

Planning

The Dewpoint / MPHI team will do all planning necessary to produce the deliverables listed below that are required for the Strategic and Operational Plan. The majority of planning will be completed by the Dewpoint / MPHI team in the Work Group setting, however, other planning tasks that support Work Group decisions may need to be completed by the teams outside of the Work Group forum.

Work Group Facilitation and Staffing

The workgroup meetings will be planned and facilitated by the Dewpoint / MPHI team. The team will prepare agenda and all materials needed for each meeting. The team will also facilitate the meetings. The following presents staffing specifics for the Sub Work Group:

Workgroup	Meeting schedule	Team
Technical -- Privacy and Security Sub Work Group	Assumes 2 meetings per month, one in -person and one via conference call or WebEx	Kelly Coyle, JD – Analyst and Facilitator Kathy Cornish, PMP – Project Manager Linda McCardel – Senior Business Analyst and Facilitator Harry Levins, PMP – Technical Analyst

Privacy and Security Sub Work Group Overview

The project consists of the following: (i) run initial kick-off meeting of sub work group (ii) plan and facilitate all additional sub work group meetings (iii) expand/update previous HISPC work for Provider Education and Harmonization Collaboratives (iv) prioritize addressable legal areas and develop draft policies and plans for implementation for priority areas (v) draft Privacy and Security sections for Strategic and Operational Plans.

Work Group Activities (December 2009 – April 2010)

- Expand upon the State of Michigan’s Health Information Security and Privacy Collaborative (HISPC) work to include the Harmonization of Privacy Laws Collaborative and the Provider Education Collaborative (On-going);

- Develop a statewide approach to privacy and security policies, procedures, trust agreements and non-compliance based on state and federal laws (Operational);
- Update the privacy and security portions of the Conduit to Care (Strategic);
- Re-engage cross-state relationships key to working through inter and intra state privacy and security issues (On-going).

Tasks

I. PRIVACY AND SECURITY SUB WORK GROUP

KICK OFF- Meeting

Review general List of Anticipated Deliverables

Remaining Workgroup meetings

- o Meeting Materials
 - Draft sub work group meeting agendas
 - Draft materials and sub work group documents related to each meeting
- o Facilitate Privacy and Security sub work group meetings
 - Review the agenda
 - Explain the activities
 - Provide instruction
 - Assist with assigning and managing action items
 - Provide meeting summaries
 - Manage conflict

II. EXPAND ON HISPC HARMONIZATION AND PROVIDER EDUCATION WORK

- o Review previous HISPC work and update as appropriate

III. Deliverables

Sub work group will address the following items and draft general requirements relating to the items, addressing approach, policy and format:

I. Patient consent:

1. Recommend consent form
2. Consent requirements (opt in, opt out, provider access, etc.)
3. Exceptions to consent requirements
 - Break the glass
 - Others
4. Public health reporting
5. Sensitive health information
 - a. HIV/AIDS
 - b. STDS

- c. Mental health
- d. Substance Abuse
- e. Genetics

II. **Develop the policies and recommend the procedures for the following areas:**

1. Authorization,
2. Authentication
3. Access
4. Patient engagement and access
5. Audit
6. Breach

III. **Draft the following sections for the Strategic Plan:**

- o **Legal/policy**
 - **Privacy and Security**— The Strategic Plan shall address privacy and security issues related to health information exchange within the state, and between states. The plan shall give special attention to federal and state laws and regulations and adherence to the privacy principles articulated in the HHS Privacy and Security Framework, and any related guidance.
 - **State Laws** — The Strategic Plan shall address any plans to analyze and/or modify state laws, as well as communications and negotiations with other states to enable exchange.
 - **Policies and Procedures** — The Strategic Plan shall also address the development of policies and procedures necessary to enable and foster information exchange within the state and interstate.
 - **Trust Agreements** —The Strategic Plan shall discuss the use of existing or the development of new trust agreements among parties to the information exchange that enable the secure flow of information. Trust agreements include but are not limited to data sharing agreements, data use agreements and reciprocal support agreements.
 - **Oversight of Information Exchange and Enforcement** - The Strategic Plan shall address how the state will address issues of noncompliance with federal and state laws and policies applicable to HIE.

IV. **Draft the following sections for the Operational Plan**

- o **Legal/policy**
 - **Establish Requirements** —
 - Describe how the Michigan statewide health information exchange will comply with all applicable federal and state legal and policy requirements.
 - The plan will include:
 - o Developing
 - o Evolving
 - o Implementing the policy requirements to enable appropriate and secure health information exchange through the mechanisms of exchange consistent with

the state Strategic Plan. Including the specifications regarding the interdependence with the governance and oversight mechanisms to ensure compliance with these policies.

- **Privacy and Security Harmonization** – Describe how Michigan will plan for privacy and security harmonization and compliance statewide and also coordination activities to establish consistency on an interstate basis.
- **Federal Requirements** – To the extent that Michigan anticipates exchanging health information with federal care delivery organizations, such as the VA, DoD, Indian Health Service, etc. the Operational Plan must consider the various federal requirements for the utilization and protection of health data will be accomplished.

V. Document plans for privacy and security harmonization and compliance statewide

Provide a recommended scope and format for the documented plan.

VI. Provide a documented plan for future coordination activities to establish Privacy and Security consistency on an interstate basis.

Pricing

The following pricing for this project is based on the scope developed in the preceding sections to be completed between December 2009 and May of 2010. Any extensions or change of service that affect the project in terms of resources, scope, or time will be handled through a change request form. These changes may impact the cost of the project.

Technical Planning and Facilitation

- Privacy and Security Planning and Facilitation \$187,758

Billing Criteria

Dewpoint will invoice the State of Michigan on fixed monthly basis as follows:

Month	Amount
December	\$31,293
January	\$31,293
February	\$31,293
March	\$31,293
April	\$31,293
May	\$31,293

Assumptions

- All meetings will be in Lansing, MI, or the Detroit area and Sub Work Group members are responsible for their own travel expenses

- MPHJ plans and facilitates all Privacy and Security Sub Work Group meetings
- The Privacy and Security Optional Solutions team will follow the same rules of engagement (processes and procedures) that have been established for the other Work Group.

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

December 16, 2009

CHANGE NOTICE NO. 2
 TO
 CONTRACT NO. 071B9200296
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR Dewpoint, Inc. 1921 E. Miller Road, Suite B Lansing, MI 48911 Email: Jennifer.Kwapis@dewpoint.com	TELEPHONE Jennifer Kwapis (517) 316-2866
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: DIT/DCH MIHIN TECHNICAL DESIGN/PCO	
CONTRACT PERIOD: 5 yrs. + 2 one-year options From: August 5, 2009 To: August 5, 2014	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, contract is hereby **INCREASED** by \$1,182,032.43. In addition, this contract is amended to include the attached language involving MIHIN PCO Contract – Grant Planning and Management. All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per vendor, agency, DIT and DMB agreement and approval of the State Administrative Board on 12/15/2009.

INCREASE: \$1,182,032.43

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$10,840,021.63

Phase 1 Optional Solutions



MIHIN PCO Contract Optional Solutions



Consulting • Technology • Support

Jennifer Kwapis
October 23, 2009
248.396.2896
Jennifer.kwapis@dewpoint.com

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Introduction

The Dewpoint/s2a Team understands that the State of Michigan desires to deploy statewide MiHIN backbone that provides a technical infrastructure for organizations, including: physicians, hospitals, community health information organizations and others to connect and exchange data. It is the State's goal to provide a flexible health information network that will be valuable to Michigan healthcare stakeholders and allow those organizations to connect to the State-sponsored infrastructure, if they choose. We believe that in order for Michigan to optimize its HIE implementation planning, it will be necessary for the State to collaborate with stakeholders more fully than what was requested in the RFP. Thus, Dewpoint provided the State with a set of Optional Supporting Solutions as a part of our original MiHIN Planning and PCO RFP proposal submission that could be elected by the State upon contract award for a more robust approach to initial and ongoing planning.

Dewpoint Optional Planning Solutions

In the State's RFP for a MiHIN Planning and Project Control Office vendor, there was a specific scope of work requested that did not require stakeholder collaborative decision-making to be facilitated as is now required by the ONC State HIE Cooperative Agreement Program. In our proposal, we responded directly to the planning work requested for Phase 1 of the MiHIN contract, however, we also identified some optional solution work that is consistent with other state HIE planning and stakeholder coordination that our team has completed for other projects.

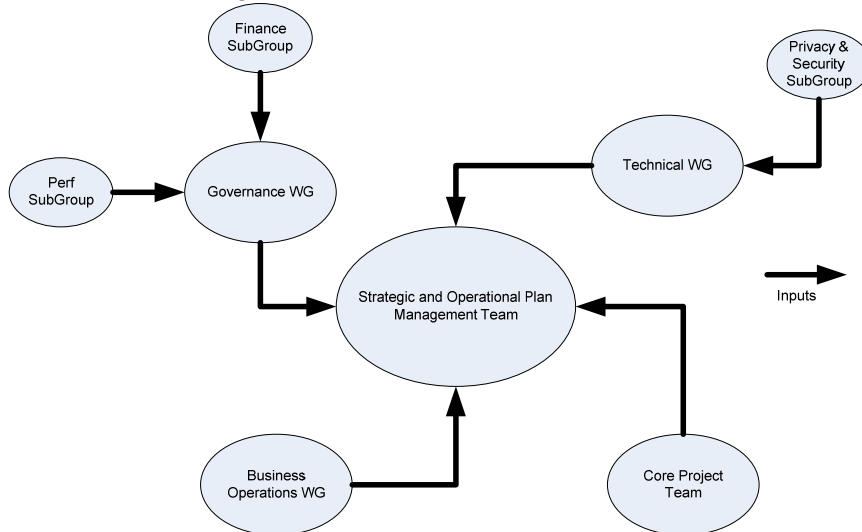
The Health Information Exchange grant announcement that was released in August supports the State of Michigan investing time and resources along specific domain areas that are highlighted in the Office of the National Coordinator's State Cooperative Grant Program. In fact, the FOA requires some of the work that needs to be completed for the Michigan's Strategic and Operational Plans to include the results of a collaborative stakeholder decision-making process. The FOA ONC domain areas relate closely to what is contained in the Dewpoint MIHIN contract Optional Solutions.

This documents presents the Dewpoint/s2a's teams approach, deliverables, timeline and cost for implementing a series of workgroups that when accompanied with the efforts of the base contract will result in the creation of the Strategic and Operational Plans as required by the ONC State HIE Cooperative Agreement Program. This proposal consists of two activities: 1) The activities required to create and produce the Strategic and Operational Plans and 2) The activities required to create the content required by the Strategic and Operational Plans.

Strategic and Operational Plan Development and Management

The ONC State HIE Cooperative Agreement Program requires that the State's produce a Strategic and Operational Plan in order to receive federal funding. The Dewpoint/s2a team has spent the last several months studying the content of the requirements of the Strategic and Operational Plans and is in a unique position to support the State of Michigan in the creation of these documents.

In order to perform these functions we will expand the role of the existing Project Control Office (PCO) to include the Strategic and Operational Plan Management Team. This role will require that the PCO become the central point for the creation, review, and production of the Strategic and Operational Plans. The diagram below details the general structure of how the Workgroups and Core Project Team will feed content into the Plan Management Team for document creation.



The Plan Management Team will consist of three roles: Project Manager, Document Coordinator and Technical Writer.

The Project Manager, Amber Murphy, will expand her role as PCO Project Manager to include the Project Management activities associated with the creation of the Strategic and Operational Plans and the coordination and execution of the Workgroups. In this role, Amber will be responsible for: Drafting an addendum to the existing project schedule that includes the workgroup and plan management activities detailed in this proposal, detailing the processes for managing issues, risks and parking lot activities associated with the workgroups, being the central point of communication for all workgroup activities related to producing the Strategic and Operational Plans. Where applicable, SUITE documentation will be used to facilitate all PCO activities.

The Project Manager will conduct the following PCO activities as part of her duties for the completion of the Strategic and Operational Plans:

- Create and maintain a change control and issue resolution process to provide structure to manage changes. Document and escalate issues. Facilitate team communications for timely issue resolution
- Communication – main interface between the project team, the State, the Technical Writer and the Document Coordinator. First line of communication for all items related to the Plans or the execution of the Plans
- Provide a weekly status on the progress of the workgroup activities and the strategic and operational plans. The status will be incorporated into the weekly status report currently provided through the PCO
- Develop and support a formal Work Approval Process (WAP) and create sign off documents for the acceptance of the final Plans once they are delivered
- Participation in Leadership meetings regarding the strategic and operational plans. This would include meetings changing the direction or focus of the deliverables or meetings regarding workgroup outputs.

- Performance metrics - Collect and report on project status, progress toward milestone completion and general health of the progress towards completing the Plans. Provide input for performance measurement baselines

The Technical Writer, Sharon McLear, will expand the role she has assumed on this project to include combining the input from each of the workgroups and the writers from the core project team into a cohesive, single voice plan that maps to the requirements specified in the ONC State HIE Cooperative Agreement Program.

The Technical Writer will attend most of the Workgroup meetings and assist with the documentation process to ensure the content needed for the strategic and operational plan is collected. It is assumed that in addition to a facilitator, every Workgroup meeting will have a designated analyst/writer. It will be mandatory for the Technical Writer to attend any Workgroup meeting where the analyst/writer has not been designated, is unavailable, or where the facilitator has communicated a need for additional writing and documentation.

Documentation from each Workgroup session will be communicated to the Technical Writer within three business days. The Technical Writer will review the material and contact the facilitator regarding missing or conflicting documentation.

The Document Coordinator, Michelle Massey, will continue the role that she held during the grant application activities. In this role Michelle will create a matrix for each of the required plans, assign section owners and execute on the proven process that ensures high quality deliverables. The Document Coordinator has overall responsibility for the plans in terms of completeness, accuracy, correctness, compliance, and quality. The Document Coordinator maintains the repository of all documents received from the team, relevant documents from other sources and copies of all documents generated by the writers for purposes of creating the strategic and operational plan. It is up to the Document Coordinator to decide when and how often to review the development work for each section. At a minimum, the Document Coordinator will:

- Receive rough draft content before each meeting to determine the progress and review the content for completeness
- Contact the section/area owners regarding missing or conflicting information
- Disseminate information to the review team prior to the reviews
- Create a calendar which outlines, at a minimum, due dates for deliverables and a schedule for the rough draft and final review meetings
- Schedule all review meetings and determine a location for the meetings
- Work closely with the Project Manager and Technical Writer to make sure all deliverables, modifications and changes are incorporated into the final documents

Plan Document Reviews

The reviews for the proposal will include the following reviews that will be led by the Document Coordinator:

Strategic Plan

- Coordinated review of the rough draft with the PCO project team
- Coordinated review of the rough draft with the State MiHIN Program Office
- Coordinated review of the final draft with the PCO project team
- Coordinated review of the final draft with MiHIN Program Office and other stakeholders as requested by the MiHIN Project Managers and MiHIN Project Sponsor

Operational Plan

- Coordinated review of the rough draft with the PCO project team
- Coordinated review of the rough draft with the State MiHIN Program Office
- Coordinated review of the final draft with the PCO project team
- Coordinated review of the final draft with MiHIN Program Office and other stakeholders as requested by the MiHIN Project Managers and MiHIN Project Sponsor

Details for the review will be forwarded prior to the review date.

Final Deliverable Review

The Dewpoint Project Manager, Amber Murphy, will lead a structured walk-through (utilizing the corresponding SUITE documentation) to review the Strategic and Operational Plan document deliverables with the MiHIN Project Managers and the MiHIN Project Sponsor. These reviews will be conducted prior to the final draft coordinated reviews with the Program office and other stakeholders that the Dewpoint Document Coordinator, Michelle Massey, will conduct. This process will insure that final review, input, and edits are received from the State project team prior to review with a larger audience or distribution.

Planning and Work Group Facilitation by Domain

From November 10th through mid-April, there will be specific planning work that has been specific in Appendix B of the State Cooperative Agreement Program FOA that is required to be produced by Michigan for submission as a part of the updated Strategic Plan and the newly created Operational Plan for MiHIN. Dewpoint will leverage PCO resources to assist the State with planning activities to produce the required deliverables which will feed into the plans and create a statewide framework for coordination between the State and MiHIN stakeholders in Michigan, including the Michigan Regional Extension Center.

Also in support of the MiHIN Strategic and Operational Plans, our PCO team will plan for and facilitate Work Groups that have been discussed and agreed to by the MiHIN Project Managers and Project Sponsor. The Work Groups are as follows: Governance (with a Finance Sub Group and a Performance Measurement Sub Group), Business Operations, and Technical (with a Privacy and Security Sub Group).

Our team understands that the State of Michigan is in a difficult financial situation and has limited funds to apply to contracts. Therefore, at the State's direction our approach includes a two-phased approach toward these optional solutions. The initial phase is in line with the planning time period specified by the federal government which is co-terminus with Phase 1 of the MiHIN PCO contract. The second phase of supporting solutions would align with the implementation period specified by the Collaborative Program and align with Phase 2 of the PCO contract.

The following statement of work provides a breakdown of Optional Solutions work associated with supporting Strategic and Operational planning. A statement of work can be provided by Dewpoint to the State at a future date to support continued planning activities required by the ONC.

Planning

The Dewpoint team will do all planning necessary to produce the deliverables listed below that are required for the Strategic and Operational Plan. The planning work that our team will complete is listed below under the activities within each domain overview. However, while most of the planning will be completed by the Dewpoint PCO project team in the Work Group setting, other planning tasks that support Work Group decisions may need to be completed by the teams outside of the Work Group forum. Specific areas of planning include assisting MDCH and MDIT with the development of a MiHIN statewide performance measurement, evidence-based analytic strategy. Our team will work with MDCH stakeholders on the Regional Extension Center team to structure an organized State-facilitated approach to Meaningful Use and Michigan-specific performance measurement analysis planning. Additionally, our team will help create material and value statements for a MiHIN statewide communications plan. The material prepared by our PCO project team will be agreed upon with the Business Operations Work Group. The development and implementation of a full communications plan is not included in this proposal, however, we would be happy to subcontract a communications firm to complete that activity. If a communications strategy is developed and implemented by our team, it would then be routed back to the Business Operations and Governance Work Groups for approval. If a communications firm is not engaged, then the material that our project team prepares will be provided to MDCH and MDIT to incorporate into Program Office communications as needed.

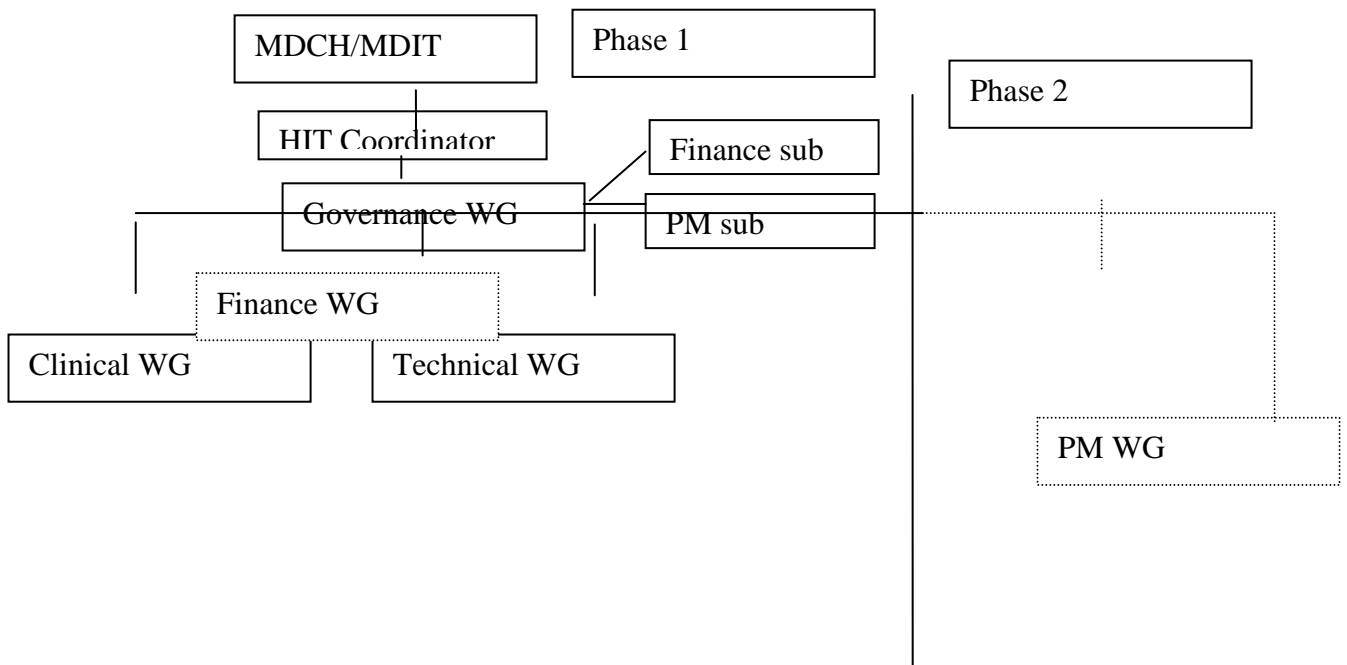
Work Group Facilitation

Our approach will be based on the experience Mr. Evans gained leading the development of the statewide HIE for Vermont, serving as its first board chair and thereafter assisting the leadership of six

community and statewide HIEs over the past four years to develop and implement governance. This hands-on experience will be complemented by the experience of Ms. Sue Frechette, whose work often features an innovative facilitation approach to guide executives and decision makers through rapid resolution of complex issues. She has had advanced training on large-scale facilitation processes, techniques and tools used to guide decision making. She has used this approach with clients in strategy development, change management, cross-functional department problem resolution and other areas where large groups of people with diverse agendas need to collaborate and agree upon solutions. Additional Dewpoint and s2a staff will be provided to facilitate and provide scheduling and administrative support for the Work Group activities and deliverables. Amber Murphy will manage the project plan for the Work Groups and integrate the Work Group schedule into the master MiHIN PCO Phase 1 schedule.

Reporting Structure of Work Groups

The Governance Work Group will initially report to the Directors of Michigan’s Department of Information Technology and Michigan’s Department of Community Health until a formal governance structure is developed and implemented. The Governance Work Group will review and approve all major work products and recommendations of the other Work Groups as well as the Governance Sub Groups. The current plan for Governance and all Work Groups is to have two co-chairs for each Work Group – one co-chair would be a senior government official and the other co-chair would be a leader from the private sector. The Governance Work Group is expected to include the co-chairs of the other Work Groups as members.



Work Group Staffing

In order to engage the workgroup members and develop ownership in the project plan, the high level workgroup project plan will be reviewed and iterated by the workgroup members at the kick off session. Once each workgroup agrees upon the schedule and project plan, the workgroup project plan will be integrated into the overall project plan (Phase 1 and Phase 2).

The workgroup meetings will be planned and facilitated by the s2a/Dewpoint team. The team will prepare agenda and all material needed for each meeting. The team will also facilitate the meetings. The following presents staffing specifics for each workgroup:

Workgroup	Meeting schedule	Team
Governance Finance subgroup Measurement subgroup	Assumes 2 meetings each month: 1 full day on-site and 1 half day call/webex	John Evans Sue Frechette
Technical	Assumes 2 meetings per month, one in -person and one via conference call or WebEx	Mike Gagnon Samer Naser
Business Operations	Assumes 1 meeting in Nov; 2 meetings in Dec; 1 meeting/month Jan-Mar on-site vs webex TBD	Rick Brady Shaun Grannis

Governance Work Group Overview

At the core of successful statewide health information exchange (HIE) is the development of an integrated governance approach to involving key stakeholders in addressing the key clinical, technical, financial and performance measurement aspects of HIE. Once constituted, governance will have ultimate responsibility for monitoring the progress of any other workgroups that are formed to support the State's HIE planning, ensuring integration and approving the recommendations they produce.

Over the past two years, the SOM invested in HIE planning and implementation efforts which were required to develop business models prior to consideration for additional funding. A mix of funding sources was identified in some of the formal business models and they became part of the on-going discussions regarding sustainability by regions. These sources included hospitals, physicians, SOM Medicaid, Blue Cross and Blue Shield of MI, Priority Health, non hospital/physician providers and others. This workgroup will address and form consensus around a statewide governance model and other framework elements that will need to be put in place for financial sustainability and performance measurement of the MiHIN statewide HIE vision that was adopted by the HIT Commission in March of 2009. Our team's strategy through the Governance workgroup will be to create a single management structure and business plan for the statewide health information exchange infrastructure. The Michigan Strategic Plan (the updated Conduit to Care) and the Operation Plan that is developed, will take into account the prioritization of the meaningful use clinical priorities and the technical requirements of the regions and other stakeholders to ensure that the Michigan HIE infrastructure implementation meets local stakeholder needs for connection and service. The outputs of the Governance Workgroup will be optimized by the State approving the creation of the Technical and Clinical Adoption workgroups identified in this proposal.

Whereas with past HIE planning efforts, there are separate Finance and Performance Measurement workgroups established, we propose to perform initial Finance and Measurement activities under the Governance workgroup Optional Solution for Phase 1. This approach will allow Michigan's HIE Governance workgroup to accomplish important time-sensitive Finance and Measurement tasks and save State and stakeholder additional time commitment of separate workgroups. Having initial Finance and Measurement planning underway when the State's grant application is under review by the ONC will support the investment and progress that Michigan has made against other states who may be further behind in the pendulum of the strategic and operational planning that is required for HIE infrastructure grant funding.

The ability to fund the long term financial requirements of sustaining HIE operations is a challenge. The approach to responding to the proposed matching requirements under ARRA will include two aspects of decision making for the Combined Governance and Finance Workgroup: education and strategy development. Education on those aspects of ARRA specific to matching fund requirements will be provided in order for stakeholders to identify the scope and expectations promulgated by the Federal government. Secondly, we will work with members of the Governance Workgroup to develop a statewide strategy and the associated resource requirements to implement the approach which will be designed to maximize the receipt of Federal funds under the State Grants to Promote Health Information Technology (section 3013) portion of ARRA by seeking not less than a \$1 match from stakeholders in order to receive a \$10 match of Federal funds provided under the grant for fiscal year 2011. It is expected that the strategy would be based on the total projected costs of implementing a statewide technical architecture for health information exchange and the opportunity for early adopters, the State of Michigan, and other stakeholders to receive funding to support that implementation.

It is assumed that the implementation of the strategy to obtain funding and a financial sustainability model from stakeholders in support of the match that is approved by the Combined Governance and Finance Workgroup will require a separate scope of work and be funded during Phase 2 of the project.

Work Group Activities (November 2009 – April 2010)

The major tasks and deliverables associated with this solution include:

- Secure stakeholder support and commitment to collaborate on key issues like, governance structure, financial plan, technical architecture and the clinical and business priorities of MiHIN (Strategic);
- Develop a model for long term governance and a plan to transition to that model (Operational);
- Coordinate and integrate existing health information exchange, quality, and population health initiatives (On-going);
- Approve the statewide approach, technical architecture and technical specifications and requirements for a comprehensive statewide technical architecture (Strategic);
- Work with an evaluation committee to review responses to the vendor solution RFPs and to conduct vendor evaluation and selection (Operational);
- Approve standards and specifications for use by Community HIEs and other HIE organizations which includes federal interoperability standards, certifications, participation in NHIN and accounting for meaningful use criteria (Strategic);
- Approve the strategy for a stakeholder financial match (Strategic) and develop an approach to a long-term financial sustainability model (Operational);
- Provide input to a statewide communications plan framework (Strategic);
- Approve a statewide approach to privacy and security policies, procedures, trust agreements and non-compliance based on state and federal laws (Strategic);
- Work with the State of Michigan to develop a coordinated approach involving the state Medicaid HIT plan, Medicare, federal care delivery organizations and other federally funded, state based programs (On-going);
- Approve approach to meeting ONC report requirements and performance measures as well as nationally endorsed measures that will be used to evaluate Michigan-specific performance measures (Strategic);
- Assist with organizational and technical planning to support the structuring of a repeatable processes and best practices to support the implementation of data collection, analysis and reporting aspects of measurements between the statewide HIE, the Regional Extension Center, and providers and physicians looking to achieve meaningful use (Operational);
- Approve the prioritization of clinical/business requirements and associated solutions that relate specifically to the seven HIE services defined by ONC for the MiHIN technical infrastructure in the near-term (Strategic) and approve the long-term roadmap based on the identified high-priority health and health system problems (Operational);

- Approve all workgroup recommendations and drive project completion to include updating the Strategic Plan and developing an Operational Plan by April 15, 2010 (On-going).

Finance Sub Group to Governance

- Recommend financial policies and procedures for the project (Strategic);
- Develop a strategy for financial matching by stakeholders across the state (Strategic);
- Recommend the finance and budget related information pertinent to updating the Strategic Plan (Strategic) and developing the Operating Plan (Operational);
- Recommend a preliminary business model for long-term financial sustainability (Operational);

Performance Measurement Sub Group to Governance

- Work with ONC on specifications for current report requirements and performance measures, as well as those to be developed in future guidance (On-going);
- Identify data sources within the State of Michigan and develop processes to produce reports and performance measures as required by ARRA (Operational);
- Work with clinical and financial work groups to recommend additional Michigan-specific performance measures required to measure progress aligned with clinical priorities (Strategic);
- Identify and recommend existing, nationally endorsed measures that will be used to evaluate Michigan-specific performance measures (Strategic);
- Develop the measurement portion of the strategic plan and incorporate measurement plans in the operational plan (Operational);
- Develop an approach and process to continuously monitor updates on performance measures (On-going).

Business Operations Work Group Overview

Forming the Business Operations Workgroup will produce confidence among stakeholders that they have had input into the priority use cases specified in the Cooperative Agreement Program that early adopters and State of Michigan departments are implementing or plan to implement to feed into the infrastructure RFP. This model engages stakeholders in a collaboration process around standards, and priority use cases for the single statewide business plan, however, it also does not limit regions or stakeholders from planning individual or community HIT initiatives. Extensive involvement of the early adopters with the State's Business Operations planning will provide for increased communications and integration with early adopter HIT efforts, creating greater acceptance of the proposed solutions and improved chances for successful backbone integration and HIE meaningful use by providers.

Work Group Activities (November 2009 – April 2010)

The major tasks and deliverables associated with this solution include:

1. The PCO Team will gather qualitative and quantitative information on SoM Systems and Early HIT Adopters (performed as part of Phase I). *This activity is needed to address the Environmental Scan aspects of the Strategic Plan as well as inform the Workgroup's activities ("The environmental scan must include an assessment of current HIE capacities that could be expanded or leveraged".)*
2. Based on an initial scope and set of priorities set by the State of Michigan, the PCO Team will draft a set of candidate Use Cases. Use Cases provide a business context for the solution being proposed and a description of key functional aspects of the desired solution in order to guide technical design and implementation activities. Use cases help provide a standardized vocabulary to describe domain actors, entities and business processes. *This activity is needed to address the Technical Architecture section of the Technical Infrastructure domain requirements of the Operational Plan ("This needs to reflect the business and clinical requirements determined via the multi-stakeholder planning process.")*

3. The Workgroup will analyze the priorities set by ONC and the State of Michigan for the HIE infrastructure, and reconcile these priorities against the functional requirements outlined as part of the interoperable EHR Meaningful Use measures. The Workgroup will ensure the candidate Use Cases address the highest priorities of ONC/SOM and align with the timeline for introduction of Meaningful Use incentives. An analysis will be performed to 'map' Meaningful Use to the ONC priorities to ensure support for the 2011 requirements. The analysis will establish the scope of work for implementation of the MiHIN; it may show that some Meaningful Use priorities are better solved outside of a State HIE backbone. *This activity is needed to address the Implementation section of the Business and Technical Operations domain requirements of the Strategic Plan ("To address how the state plans will develop HIE capacity, the Strategic Plan must include a strategy that specifies how the state intends to meet meaningful use HIE requirements established by the Secretary,...").*
4. The Business Operations Workgroup will work with other MiHIN governance stakeholders to review requirements and use cases and undertake feasibility and estimation analysis. The estimation process will help optimize the scope, sequencing and investment required for the MiHIN implementation while generating the highest possible value to stakeholders. *This activity is needed to address aspects of the Technology Deployment section of the Technical Infrastructure domain requirements of the Operational Plan ("The Operational Plan must describe...particularly the solutions that will enable meaningful use criteria...")*
5. The Workgroup will develop a set of value propositions around each of the in-scope use cases in order to convey the relevant use and value of the MiHIN services for clinical and business users. These value propositions will become part of a communications plan designed to inform different audiences across the state on the importance of health information exchange and progress towards implementing statewide solutions. *This activity was identified by the SOM as a component to developing a communications plan.*
6. Based on the results of further prioritization based on inputs such as value proposition, feasibility and estimation, the candidate Use Cases will be further refined and validated by the Workgroup. The State of Michigan priorities will set the initial agenda for defining order of implementation. The Business Operations Workgroup will use the final Use Cases to define the required standards and business architecture for Use Case implementation via the MiHIN. *This activity is needed to address the Technical Architecture/Approach section of the Technical Infrastructure domain requirements of the Strategic Plan ("...the Strategic Plan may include an outline of the data and technical architecture and describe the approach to be used including the HIE services to be offered as appropriate for the state's HIE capacity development"). While this activity is identified as "encouraged but not required", the SOM decided that given the State's role in HIE it should be addressed since this section states "Because the state or SDE may or may not implement HIE, the Strategic Plan may include an outline...."*
7. The Business Operations Workgroup will use the final set of Use Cases and the analysis of SoM systems and Early Adopters to evaluate and select the ideal candidates for pilot projects in the State priorities of lab results and public health. Some factors for evaluation: population characteristics, organizational goals, organizational business and technical capacities, organizational scope both geographic and service offerings, geographic alignment of stakeholder groups, alignment of SoM priorities and potential pilot partners, adequacy and skill set of supporting staff. The exact criteria for candidate selection will be devised through interaction between stakeholders, workgroup members and the PCO. *This activity is needed to address the Implementation section of the Business and Technical Operations domain requirements of the Strategic Plan ("The implementation strategy described in the Strategic Plan shall describe the incremental approach for HIE services to reach all geographies and providers across the state.")*
8. Once early adopters have been identified, the Workgroup will facilitate gap analysis by each early adopter with respect to technology capacity, resources and organizational readiness. The results of the gap analysis will be provided to the Technical Workgroup to inform the scope of work to be undertaken during the MiHIN implementation to include recommendations on how standard operating procedures and processes should be developed and implemented (to including developing procedures, process and associated documentation). *This activity is needed to address the Standard Operating Procedures for HIE section of the Business and*

Technical Operations domain requirements of the Operational Plan (“The Operational Plan should include an explanation of how standard operating procedures and processes for HIE services will be developed and implemented”).

9. Input will be provided to organizations involved in RHITEC to ensure that aspects related to HIE value, the MiHIN and meaningful use are incorporated in provider adoption plans and plans for information technology support. The clinicians involved on the workgroup will be key to developing this input. *This activity was identified by the SOM as a component to developing a communications plan.*
10. The Workgroup will provide ongoing oversight in terms of updates to priorities and Use Cases or functional requirements in response to changing environmental factors, such as stakeholder inputs or regulatory actions. It is likely that Meaningful Use will be refined over time and requirements created for time periods after 2015. The Workgroup will assess impacts to the business architecture, and collaborate with the Technical Workgroup on feasibility analysis and estimation of future work requirements.
11. The Workgroup will concurrently facilitate and/or provide several functions as required by the ONC:
 - a. Provide technical assistance to HIOs and others developing HIE capacity
 - b. Coordinate and align efforts to meet Medicaid and public health requirements for HIE and evolving meaningful use criteria
 - c. Monitor and plan for remediation of actual performance of HIE throughout the state
 - d. Document how the HIE efforts within the state are enabling meaningful use
12. Additionally, the Business Operations Work Group, as assisted by the Dewpoint / s2a team, will review and finalize decisions on business requirements that originate out of the Business Operations Work Group, or on business requirements issues that need resolution out of the activity of another Work Group.

Technical Work Group Overview

Along with gaining stakeholder collaboration on technical requirements for the backbone infrastructure, there are several additional functions that will be required for the on-going success of the MiHIN efforts that this Technology Work Group will do. This team will develop the privacy, security and patient consent policies, specifications and guidelines that will govern RHIO and the backbone systems. This team will also review the Connect Open Source NHIN architecture product as a potential solution for the Statewide Backbone and develop an independent RFP for this solution. Another function of the team will be to develop detailed specifications for the communication standards and protocols necessary for secure RHIO to backbone communications.

Finally this team will have an on-going function of working with the Business Operations Work Group and Performance Measurement planning efforts to develop the necessary infrastructure components to deploy clinical and analytical solutions. The analytical functions will require designing a data collection mechanism, a translation function and a data warehouse. The actual design of these solutions would be done by a small working group comprised of the State, consultants and perhaps vendors. But the Technical Work Group will play a crucial role in helping shape the direction of the work and ensuring that whatever is developed is compatible with MiHIN stakeholders. Work Group members will also be the liaisons to the stakeholders for validation, development and testing. For example in one of our projects the technical workgroup has developed a design and detailed specification for deploying a statewide web service for integrating with Surescripts/RxHub for requesting medication data. This service will be made available to any stakeholder or backbone application that needs this data. The activities of the Technical Work Group will supplement the technical planning work and deliverables of the MiHIN PCO.

Work Group Activities (November 2009 – April 2010)

The major tasks and deliverables associated with this solution include:

- Assess HIE progress and technological capabilities among existing HIE efforts (Strategic);
- Develop the approach, technical architecture and technical specifications and requirements for a comprehensive statewide technical architecture (Strategic);

- Develop and issue a request for information (RFI) and a request for proposal (RFP) to commercial vendor companies (Operational);
- Develop standards and specifications for use by Community HIEs and other HIE organizations which includes federally adopted interoperability standards, certifications, participation in NHIN and accounting for meaningful use criteria (Operational);
- Develop the State HIE Infrastructure Plan (Operational);
- Work with the clinical workgroup to ensure that the infrastructure design can meet the prioritization of clinical requirements relating to the seven HIE established by ONC (Strategic);
- Work with the measurement subgroup to ensure that the infrastructure design can meet the analytical requirements (Strategic);
- Review the results of the technical assessments and stakeholder interviews (Strategic);
- Provide the technical aspects of security for the Strategic and Operational Plan and collaborate with the privacy/security subgroup on statewide policies (Operational);
- Review the Connect Open Source product as a potential solution for the statewide backbone (Operational);
- Develop protocol standards for stakeholder to statewide infrastructure connections and communication (Operational);
- Develop security standards for secure node communications (Operational);

Privacy and Security Sub Group to Technical

- Expand upon the State of Michigan's Health Information Security and Privacy Collaborative (HISPC) work to include the Harmonization of Privacy Laws Collaborative and the Provider Education Collaborative (On-going);
- Develop a statewide approach to privacy and security policies, procedures, trust agreements and non-compliance based on state and federal laws (Operational);
- Update the privacy and security portions of the Conduit to Care (Strategic);
- Re-engage cross-state relationships key to working through inter and intra state privacy and security issues (On-going).

MiHIN Kickoff Meeting Coordination

Sue Frechette has spent time creating and compiling information and participating in conference calls with the State MiHIN Project Sponsor and Project Managers in preparation for the MiHIN Work Group Kickoff meeting. The following represents some of the work that has been completed to ready the State for the full day session:

- Determine kick off meeting date and format
- Draft communications to stakeholders
- Develop Kickoff meeting agenda, including objective, deliverables, givens and specific activities
- Create Work Group nomination and selection process

The following work will be done to enable a common level of understanding among stakeholders and maximize engagement of Work Group members initiated at the Kickoff session

- Finalize kickoff meeting agenda, activities and logistics
- Coordinate all presenters and customize presentation material for stakeholder groups
- Prepare strawcase/draft documents to be refined by workgroup members during the session
- Recommend and distribute pre-read material to enhance participant preparation for session
- Serve as lead facilitator for the Work Group Kickoff session
- Wrap up all documentation, logistics, and follow up activities within a week of the session

Dewpoint has secured the MSU Union as the location for the Kickoff meeting and has ordered food service for lunch for those attending the session.

The cost of Sue's time planning the Kickoff meeting and the fee for the location and food service are included in the pricing section of this document.

Pricing

The following pricing for this project is based on the scope developed in the preceding sections to be completed between November 2009 and April of 2010. Any extensions or change of service that affect the project in terms of resources, scope, or time will be handled through a change request form. These changes may impact the cost of the project.

Strategic and Operational Plan Development and Management	\$	47,142.86
Governance Domain Planning and WG Facilitation	\$	189,178.57
• Finance Planning and Facilitation	\$	147,371.43
• Performance Measurement Planning and Facilitation	\$	125,400.00
Business Operations Planning and Facilitation	\$	185,742.86
• <i>Communication Plan (development and implementation)</i>		<i>TBD</i>
Technical Planning and Facilitation	\$	223,285.71
• Privacy and Security Planning and Facilitation		<i>MPHI to provide quote</i>
Kickoff Meeting Coordination and Facility	\$	17,793.00
Phase 1 Total Price	\$	935,914.43

Upon issuance of a PO for the above Supporting Optional Solutions, Dewpoint will request the State to approve a combined project schedule and calendar that reflects Optional Solution tasks and deliverables merged with base contract project work for Phase 1 of the MIHIN PCO contract.

Billing Criteria

Dewpoint will invoice the State of Michigan on fixed monthly basis as follows:

Month	Amount
November	\$155,985.74
December	\$155,985.74
January	\$155,985.74
February	\$155,985.74
March	\$155,985.74
April	\$155,985.74

Appendix A – Strategic and Operational Plan Deliverables by Work Group



MiHIN Strategic
Plan.xls



MiHIN Operational
Plan.xls

Appendix B – Work Group Activity Timeline

Governance Work Group

MiHIN Options Deliverables (Governance, Financial , Technical, Clinical)			November	December	January	February	March	April
Deliverable	Major Activities							
G1	Kickoff session	Organize and facilitate kick off session						
G2	Workgroup management	Plan and facilitate workgroup sessions						
G3	Governance model	Establish initial governance model						
G3.1		Perform education and evaluation of options for long-term statewide HIE governance						
G3.2		Develop a model for long term governance and a plan to transition to that model						
G3.3		Iterate model for long-term statewide HIE governance						
G3.4		Approve model for long-term statewide HIE governance						
G3.5		Perform implementation for statewide HIE governance (May)						
G3.6		Provide executive mentoring, governance facilitation and transition to formal entity (Ongoing after June)						
G4	Reporting requirements	Develop initial responses to list of governance questions for reporting to ONC						
G4.1		Draft responses to list of governance questions for reporting to ONC						
G4.2		Finalize responses to list of governance questions for reporting to ONC						
G5	Strategic Plan	Review Conduit to Care Report						
G5.1		Identify inputs to updating governance aspects of Strategic Plan						
G5.2		Draft 'general topic' sections of Strategic Plan (intro connecting to Conduit to Care, environmental scan, coordination with Medicaid/Medicare, ARRA programs, collaborative gov model, etc.)						
G5.3		Review general topic sections of the strategic plan with WG, iterate and finalize						
G5.4		Draft 'governance' HIE Dev and Adoption sections of Strategic Plan (governance model)						
G5.5		Review governance sections of the strategic plan with WG, iterate and finalize						
G5.6		Draft 'governance' sections of Strategic Plan (HIT coordinator, accountability and transparency)						
G5.7		Review governance sections of the strategic plan with WG, iterate and finalize						
G5.8		Integrate all sections of strategic plan into one document and review with WG, state						
G5.9		Finalize Strategic Plan						
G6	Operational Plan	Draft 'general topic' sections of Operational Plan (coordination with ARRA programs, other states)						
G6.1		Review general topic sections of the operational plan with WG, iterate and finalize						
G6.2		Draft 'governance' sections of Operational Plan (governance and policy structures)						
G6.3		Review governance sections of the operational plan with WG, iterate and finalize						
G6.4		Integrate all sections of operational plan into 1 document and review with WG, state						
G6.5		Finalize Operational Plan						
G7	Integration	Develop a coordinated approach involving the state Medicaid HIT plan, Medicare, federal care delivery organizations and other federally funded, state based programs						
G7.1		Present status on coordinated approach involving the state Medicaid HIT plan, Medicare, federal care delivery organizations and other federally funded, state based programs)						
G8	RFP	Review RFI scoring and approve vendors to receive RFPs						
G8.1		Approve the statewide approach and preliminary technical architecture						
G8.2		Work with the State of Michigan's Joint Evaluation Committee and Office of Management and Budget to review responses to the vendor solution RFPs and to conduct vendor evaluation and selection						
G9	Interviews	Develop tool and begin stakeholder interviews and/or focus groups						
G9.1		Finalize stakeholder interviews and/or focus groups						
G9.2		Present results of stakeholder interviews and/or focus groups in a consensus building session						
G10	Communication	Provide input to a statewide communications plan framework						
G11	Finance	Review/plan for statewide financial match, decide on allocation of resources to implement						
G11.1		Iterate and approve plan for statewide fin match, decide on allocation of resources to implement						
G12	Measurement	Review draft performance measurement plan.						
G12.1		Approve approach to meeting ONC report requirements and performance measures as well as nationally endorsed measures that will be used to evaluate Michigan-specific performance measures						
G13	Technical	Review and approve results of SOM Technical Environmental Analysis and Stakeholder Technical Assessment						
G13.1		Approve standards and specifications for use by Community HIEs and other HIE organizations which includes federal interoperability standards, certifications, participation in NHIN and accounting for meaningful use criteria						
G13.2		Approve a statewide approach to privacy and security policies, procedures, trust agreements and non-compliance based on state and federal laws						
G14	Business Operations	Approve the prioritization of clinical/business requirements and associated solutions that relate specifically to the seven HIE services defined by ONC for the MiHIN technical infrastructure in the near-term						
G14.1		Review and approve draft standards and security policies (June)						
G15	Leadership	Approve all workgroup recommendations and drive project completion to include updating the Strategic Plan and developing an Operational Plan by April 15, 2010						
G16	Project Plan	Review HIE project plan						
G16.1		Provide updates on project plan/workgroups						

Finance Sub Group

MiHIN Options Deliverables (Governance, Financial , Technical, Clinical)			November	December	January	February	March	April
	Deliverable	Key Activities						
F1	Kickoff	Organize finance workgroup kick-off and conduct training						
F2	ARRA match	Perform education on ARRA matching fund requirements						
F2.1		Begin to develop approach to stakeholder commitment to ARRA matching						
F2.2		Iterate approach to stakeholder commitment to ARRA matching						
F2.3		Finalize/approve statewide strategy and resources for achieving ARRA matching fund requirements						
F3	Independent workgroup	Establish scope of responsibility, breadth of decision making and workgrp processes						
F3.1		Transition Finance subgroup to workgroup for financial sustainability (May)						
F4	Reporting Requirements	Develop initial responses to list of finance questions for reporting to ONC						
F4.1		Draft responses to list of finance questions for reporting to ONC						
F4.2		Finalize responses to list of finance questions for reporting to ONC						
F5	Financial sustainability	Research/develop education on statewide and MI regional approaches/bus plans for financial sustainability						
F5.1		Begin education on statewide and MI regional approaches/bus plans for financial sustainability						
F5.2		Conclude education on statewide approaches to financial sustainability						
F6	Strategic Plan: Non-sustainability finance portions of plan	Perform education on ARRA funding/budget requirements						
F6.1		Identify applicable Federal funding sources, requirements and timing under ARRA specific to budget development						
F6.2		Review general topic sections of the strategic plan with WG, iterate and finalize						
F7	Strategic Plan: Quantify cost of sustaining operations (SOW to be developed)	Begin to quantify cost of on-going HIE operations based on RFP, operating costs, etc.						
F7.1		Finalize cost of on-going HIE operations based on RFP, operating costs, etc.						
F8	Strategic Plan: Develop approach to Financial Sustainability: Develop Model (SOW to be developed)	Begin development of stakeholder expectations/criteria for financial sustainability						
F8.1		Begin development of MI based approach to financial sustainability						
F8.2		Iterate and Finalize development of MI based approach to financial sustainability						
F9	Strategic Plan: Develop approach to Financial Sustainability: Develop Business Plan (SOW to be developed)	Develop revenue and expense assumptions for Business Plan						
F9.1		Iterate and Finalize Business Plan						
F10	Operational Plan: Budget and financial inputs	Review grant application finance/budget						
F10.1		Identify grant application financial/budget tasks pertinent to developing the Operational Plan						
F10.2		Draft Controls and Reporting portion of Finance Domain (SOM)						
F10.3		Review financial/budget inputs to developing Operating Plan						
F10.4		Finalize financial/budget inputs to Operating Plan						
F11	On-going review of Project Budget	Review financial policies and procedures for the project						
F11.1		Provide update on project budget						

Measurement Subgroup

MiHIN Options Deliverables (Governance, Financial, Technical, Clinical)			November	December	January	February	March	April
	Deliverable	Key Activities						
P1	Kickoff	Organize finance workgroup kick-off and conduct training						
P2	Performance measurement plan	Review draft measures required to support ARRA funding, refine and validate list						
P2.1		Draft measurement plan (including ARRA and MI specific measures)						
P2.2		Develop final performance measurement plan for year 1, including baseline measures where possible						
P3	Strategic and operational plans	Develop the measurement portion of the strategic plan and incorporate measurement plans in the operational plan (based on measurement plan)						
P4	ARRA measures	Develop an approach and process to continuously monitor updates on performance measures						
P4.1		Work with ONC on specifications for current report requirements and performance measures, as well as those to be developed in future guidance						
P4.2		Review data requirements for measures to support ARRA funding, refine and validate						
P4.3		Identify data sources within the State of Michigan and develop processes to produce reports and performance measures as required by ARRA						
P4.4		Review all final ARRA decisions on measures to support grant funding and update PM plan						
P5	MI specific measures (business, financial, etc.)	Work with clinical and financial work groups to recommend additional Michigan-specific performance measures required to measure progress aligned with clinical priorities						
P5.1		Identify and recommend existing, nationally endorsed measures that will be used to evaluate Michigan-specific performance measures						
P5.2		Review data requirements of MI specific measures, refine and validate						
P5.3		Identify data sources within the State of Michigan and develop processes to produce MI specific reports						
P5.4		Review all MI specific measures and update PM plan						
P5.5								
P6	Reporting Requirements	Draft governance and finance sections of ARRA report						
P6.1		Work with business and technical WG to draft ARRA report						
P6.2		Review ARRA report draft with WG, revise and finalize						

Technical Work Group

MiHIN Options Deliverables (Governance, Financial , Technical, Clinical)			November	December	January	February	March	April
	Deliverable	Key Activities						
T1	Kickoff	Organize technical workgroup kick-off and conduct training						
T2	Strategic and Operational Plans	Develop Environmental Scan, Interoperability and Technical Architecture Approach sections of the Strategic Plan						
T2.1		Develop the Business and Technical Operations part of the Strategic Plan						
T2.2		Develop an incremental approach to HIE service adoption across the state and with the NHIN; Develop Standards and Certifications, Technical Architecture, and Technology Deployment parts of the Operational Plan						
T2.3		Develop Business and Technical Operations part of the Operational Plan; Finish Plan						
T3	Reporting Requirements	Develop ARRA Reporting Requirements for Measurement group						
T4	Standards	Review HITSP standards with workgroup						
T4.1		Select core standards for HIE to Backbone communications and review with workgroup						
T4.2		Develop preliminary standards and specifications for use by Community HIEs which includes federally adopted interoperability standards, certifications, participation in NHIN and accounting for meaningful use criteria						
T4.3		Refine preliminary standards for core communications of the Community HIEs with the Backbone						
T4.4		Finalize standards for core communications of the Community HIEs with the Backbone						
T5	Security (Technical)	Review security concepts with Technical Workgroup						
T5.1		Develop basic security design for secure node communications and review with workgroup						
T5.2		Develop the security standards and specifications for use by Community HIEs and the Backbone for Authorization, Authentication, Access and Audit						
T5.3		Develop security use cases and review with Technology Workgroup and Privacy sub-group for feedback						
T5.4		Review privacy policies and begin to develop conceptual security models						
T5.5		Begin to develop technical specifications for security						
T5.6		Iterate the security specifications (May)						
T6	Workgroup coordination	Work with the clinical workgroup to ensure that the infrastructure design can meet the prioritization of clinical requirements relating to the seven HIE established by ONC; Review Security concepts with Privacy sub-group						
T6.1		Work with the measurement subgroup and clinical workgroup to ensure that the infrastructure design can meet the analytical requirements for MI specific measures						
T6.2		Review preliminary privacy and security standards with privacy, clinical and governance workgroups						
T6.3		Review the infrastructure design with the privacy sub-group, measurement subgroup and clinical workgroup to ensure that it meets the analytical requirements for ARRA specific measures						
T6.4		Review the security requirements with the privacy sub-group, governance and clinical workgroups						
T6.5		Review RFP responses with other workgroups. Review privacy and consent policies with Privacy sub-group						
T6.6		Review shared services (meaningful use) with other workgroups (May)						
T7	Technical Workgroup Efforts	Develop workgroup charter; form workgroup; hold first in-person meeting; Begin to develop goals, objectives and strategies; Review EA and TA results with workgroup; Review Conceptual Architecture with workgroup						
T7.1		Formulate work plan for workgroup; establish sub-groups; Finalize goals, objectives and strategies associated with HIE capacity development; review RFI responses; set up vendor sessions with workgroup; begin work on RFP.						
T7.2		Review work plans; review vendor information and incorporate workgroup feedback into infrastructure; Review the request for proposal (RFP) with Technology Workgroup						
T7.3		Review the State HIE Infrastructure Plan with workgroup; Begin work on services implementation plans; monitor progress						
T7.4		Review preliminary shared services (meaningful use) specifications with workgroup, collect feedback, incorporate into specifications						
T7.5		Continue to review shared services (meaningful use) specifications with workgroup, collect feedback, incorporate into specifications						
T7.6		Review standards and policies (May)						
T7.7		Workgroup activities will continue for several years						
T8	GOVERNANCE (Technical)	Solicit workgroup membership; Develop plan for workgroup governance						
T8.1		Develop agendas; Send out meeting announcements; take meeting minutes; distribute minutes; send out any documents produced						
T8.2		Develop agendas; send out meeting announcements; take meeting minutes; distribute minutes; send out any documents produced; manage collaboration site						

Business Operations Work Group

MiHIN Options Deliverables (Governance, Financial , Technical, Clinical)			November	December	January	February	March	April
	Deliverable	Key Activities						
BO1	Kick off	Organize business operations workgroup kick-off and conduct training						
BO2	RFP Input and Review	Review RFI Responses with Workgroup						
BO2.1		Review draft RFP with Workgroup						
BO2.2		Review final RFP with Workgroup						
BO2.3		Review RFP responses/input to JEC						
BO3	Strategic Plan	Document Environmental Scan based on Current State from grant narrative and Conduit to Care report						
BO3.1		Review MU criteria, review ONC clinical priorities and review processes for prioritization and for developing, requirements and use cases						
BO3.2		Review state-wide HIE architecture based on ONC/SOM clinical priorities and use cases						
BO3.3		Ongoing work on identifying, analyzing, prioritizing and developing requirements for ONC/SOM clinical priorities						
BO3.4		Develop clinician-based value propositions based on ONC/SOM clinical priorities as input to statewide communications plan						
BO3.5		Finalize use cases based on ONC/SOM clinical priorities and utilize to select pilot projects						
BO3.6		Provide input on HIE-related aspects of clinical adoption model to Regional Extension Centers						
BO3.7		Document participation with federal care delivery organizations; business and technical operations						
BO3.8		Revise and finalize strategic plan						
BO4	Operational Plan	Document technical infrastructure (technical architecture), business operations						
BO4.1		Revise technical infrastructure (technical architecture), business operations						
BO4.2		Perform feasibility/estimation analysis to determine MiHIN implementation based on MU						
BO4.3		Perform gap analysis for early adopter pilots and recommend how standard operating procedures should be developed/implemented.						
BO4.4		Review and revise operational plan						
BO4.5		Finalize operational plan						
BO5	Reporting requirements	Develop ARRA Reporting Requirements for Measurement group						
BO6	Coordination	Coordinate with Technical and Performance Measurement Workgroups						
BO6.1		Perform Project management/task compliance/logistics						
BO6.2		Perform prep for facilitating workgroup						

Appendix D – Assumptions

- All meetings will be in Lansing, MI, or the Detroit area
- Dewpoint/s2a plans all Work Group meetings with client and facilitates all meetings (with the exception of the Privacy and Security Sub Group to the Technical Work Group which will be facilitated and planned by MPHI)
- Dewpoint coordinates administrative logistics for Work Group meetings
- Work Group members are responsible for their own travel expenses

Phase

MIHIN PCO Contract
Optional Solution –
Grant Planning and Management



Jennifer Kwapis
September 16, 2009
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Upon the release of the State Cooperative Agreement related to HIE infrastructure, our team has also been requested by the State to complete specific planning activities to support the State’s work on the grant response. Following the announcement posting, our team was asked to work with the State to re-examine the activities that our team would accomplish through the base contract scope of work and additionally those tasks where the State needed our team’s assistance towards the grant proposal that was not originally requested in the MIHIN PCO RFP. The planning of the contract scope of work against needs related to the grant announcement occurred on 8/25/2009. As an output of that session, additional tasks were assigned to our project team to accomplish from 8/26 through 10/16 when the grant proposal for Michigan will be submitted to the ONC. Additionally, at MDCH’s request, we have provided in the following statement of work limited hours associated with proposal management assistance from Dewpoint to support Michigan’s HIE grant application.

Grant Planning and Proposal Management

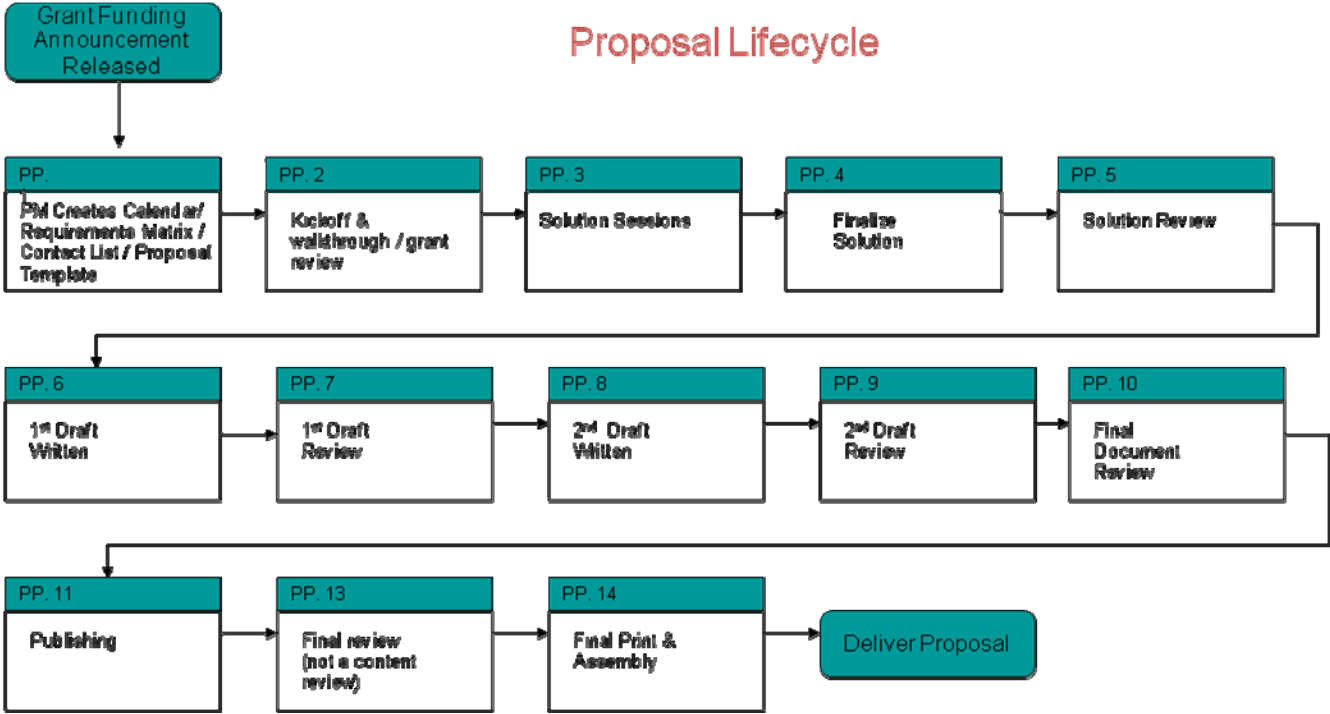
Executive Summary

The Dewpoint / s2a team provides the State with additional planning assistance to support the Letter of Intent and grant proposal response to the ONC HIE grant announcement posted at the end of August. The activities requested by the State from Dewpoint are listed in the project log provided in a separate document.

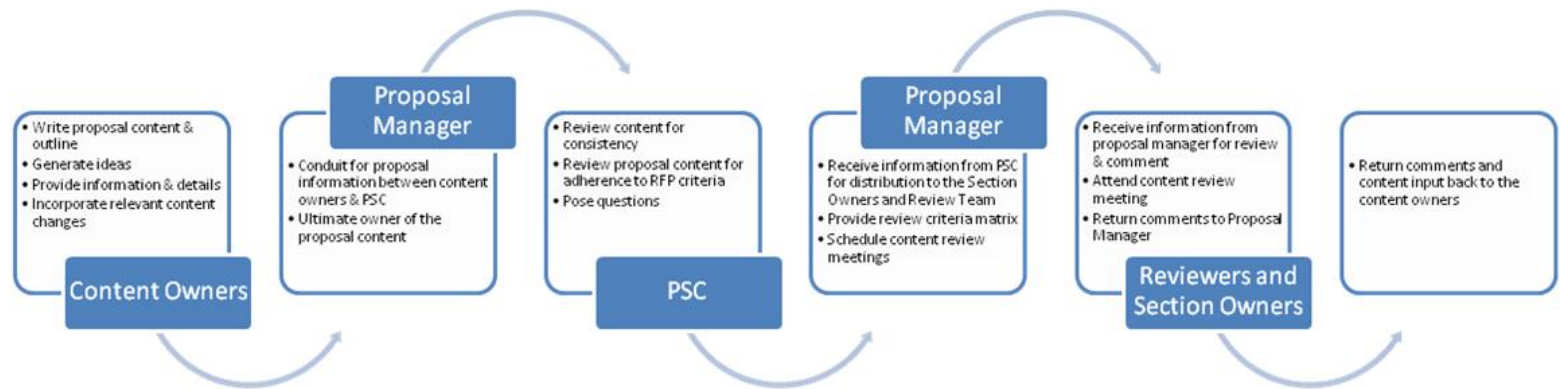
Additionally, the State has requested Dewpoint’s assistance with providing MDCH and MDIT with an experienced Proposal Manager to coordinate and manage the grant application lifecycle – ensuring that the Michigan proposal submitted meets and exceeds all federal RFP requirements when submitted.

Approach

Dewpoint Standard Proposal Process



MIHIN Proposal Process



Proposal Reviews

The reviews for the proposal will include:

Self-reviews

- Walk-throughs
- Reviews by the proposal manager
- Team reviews

Self-Reviews

It is expected that each writer is responsible to conduct periodic self-reviews of the developed material.

Walk-Throughs

Each section/area owner will ensure that they conduct a walk-through of their sections and provide information to the grant writer when needed.

Each section/area owner is responsible for looking at the completeness, accuracy, correctness, compliance, and quality of their area. It is up to each individual section/area owner to decide how often to review their section.

Reviews by the Proposal Manager

The proposal manager has overall responsibility for the proposal in terms of completeness, accuracy, correctness, compliance, and quality. It is up to the proposal manager to decide when and how often to review the development work for each section. At a minimum, the proposal project manager will:

- Receive rough draft content before each meeting to determine the proposal progress and review the content for completeness.
- Contact the grant writers or section/area owners regarding missing or conflicting information
- Disseminate information to the review team prior to the reviews.

Rough Draft and Final Reviews

The proposal manager will arrange to have (at a minimum) two (2) rough draft reviews and one (1) final review of the proposal document. The rough draft review content does not have to be perfect, but it is expected that progress will be made from one version to the next. The final review will be scheduled towards the end of the proposal writing but will still provide sufficient time for team comments and recommendations to be evaluated and incorporated into the proposal.

Details for the review will be forwarded prior to the review date. Review team members will be selected to review and comment on the proposal content.

Solution Sessions (How you will execute against the plan)

- Get the writers and section/area owners together
- Make writing assignments (if not already done)
- Break the grant down into sub-sections. For each sub-section, identify supporting themes, key selling points and visuals that need to be developed

Major Deliverables

Task 1 – Complete and Distribute Proposal Documentation

Dewpoint will create and deliver a requirements matrix with all required grants compliance items, a calendar which shows the due dates for all proposal deliverables, a contact list with all of the proposal participants and review team members and a template for the proposal response.

Task 2 – Facilitate Meetings

Dewpoint will be responsible for running the following meetings:

- Proposal Kickoff Meeting – Meeting will review the proposal process, materials, assignments and high level grant review.
- Rough Draft Review Meetings
- Status Meetings
- Final Review meetings
- Solution Meeting

Each meeting will have an agenda and any documentation will be provided prior the meeting time.

Task 3 – Maintain Documentation

Dewpoint will be responsible for obtaining, maintaining and compiling information into one complete proposal document.

Task 4 – Publish Proposal Document

Dewpoint will organize, bind and publish the final proposal in accordance with the instructions provided in the grant documentation

Benefits

Our solution provides the following benefits:

- Provides a consistent process for creating, reviewing and submitting a compliant grant proposal
- Creates a structure for defined roles and responsibilities
- Creates an accountability structure for all participants and provides due dates for all grant proposal activities

Pricing

The following pricing for this project is based on the scope developed in the preceding section and in the provided project log. Any extensions or change of service that affect the project in terms of resources, scope, or time will be handled through a change request form. These changes may impact the cost of the project.

	<u>Price</u>
Additional Project Scope requested by the State to assist with HIE Grant Planning	\$ 48,360
Grant Proposal Management	\$ 10,000
Total Price	\$ 58,360

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

September 21, 2009

CHANGE NOTICE NO. 1
 TO
 CONTRACT NO. 071B9200296
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR Dewpoint, Inc. 1921 E. Miller Road, Suite B Lansing, MI 48911 Email: Jennifer.Kwapis@dewpoint.com	TELEPHONE Jennifer Kwapis (517) 316-2866
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: DIT/DCH MIHIN TECHNICAL DESIGN/PCO	
CONTRACT PERIOD: 5 yrs. + 2 one-year options From: August 5, 2009 To: August 5, 2014	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, contract is amended to include Article 6, Terms and Conditions for American Recovery and Reinvestment Act of 2009, PUB.L.111-5. All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per vendor and agency agreement.

ESTIMATED CONTRACT VALUE REMAINS: \$9,657,989.20

Article 6

Terms and Conditions for American Recovery and Reinvestment (ARRA) of 2009 Funded Contracts

6.000 Sub-Recipients Requirements

Contractor shall include these terms, including this requirement, in any of its subcontracts or subgrants in connection with projects funded in whole or in part with funds available under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5.

6.010 Reporting & Registration Requirements (Section 1512)

Division A, Title XV, Section 1512 of the ARRA outlines reporting requirements. Not later than ten calendar days after the end of each calendar quarter, the State must submit a report that, at a minimum, contains the information specified in Section 1512 of the ARRA. It is imperative all contracts involving the use of ARRA funds include requirements that the Contractor supply the State with the necessary information to provide these reports (see RFP Section 1.042 Reports) in a timely manner.

The Contractor's failure to provide complete, accurate, and timely reports shall constitute an "Event of Default". Upon the occurrence of an Event of Default, the state department or agency may terminate this contract upon 30 days prior written notice if the default remains uncured within five calendar days following the last day of the calendar quarter, in addition to any other remedy available to the state department or agency in law or equity.

6.020 Buy American Requirement (Section 1605)

6.022 Required Use of American Iron, Steel, and Other Manufactured Goods

(a) **Definitions.** As used in this Section 6.020 —

"Designated Country" means Aruba, Australia, Austria, Belgium, Bulgaria, Chile, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea (Republic of), Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, and United Kingdom.

"Designated country iron, steel, and/or manufactured goods" mean iron, steel and/or a manufactured good that:

- (1) Is wholly the growth, product or manufacture of a Designated Country; or
- (2) In the case of a manufactured good that consists in whole or in part of materials from another country, has been substantially transformed in a Designated County into a new and different manufactured good distinct from the materials from which it was transformed.

"Domestic iron, steel and/or manufactured good" is iron, steel and/or a manufactured good that:

- (1) Is wholly the growth, product or manufacture of the United States; or
- (2) In the case of a manufactured good that consists in whole or in part of materials from another county, has been substantially transformed in the United States into a new and different manufactured good distinct from the materials from which it was transformed. There is no requirement with regard to the origin of components or subcomponents in manufactured goods or products, as long as the manufacture of goods occurs in the United States.

"Federal Agency" means the department or agency of the federal government that awarded funds to the State of Michigan from the ARRA that finance the project described in this RFP.

"Foreign iron, steel and/or manufactured good" means iron, steel and/or manufactured good that is not domestic or Designated country iron, steel and/or manufactured goods.

"Manufactured good" means a good brought to the construction site for incorporation into the building or work that has been--

- (1) Processed into a specific form and shape; or
- (2) Combined with other raw material to create a material that has different properties than the properties of the individual raw materials.

"Public building" and "public work" means a public building of, and a public work of, a governmental entity (the United States; the District of Columbia; commonwealths, territories, and minor outlying islands of the

United States; State and local governments; and multi-State, regional, or interstate entities which have governmental functions). These buildings and works may include, without limitation, bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, pumping stations, heavy generators, railways, airports, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, and canals, and the construction, alteration, maintenance, or repair of such buildings and works.

“Steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) Domestic preference.

- (1) This term and condition implements:
 - (i) Section 1605(a) of Division A, Title XVI of the ARRA by requiring that all iron, steel, and manufactured goods used in the public building or public work are produced in the United States; and
 - (ii) Section 1605(d) of Division A, Title XVI of the ARRA, which requires the application of the Buy American requirement in a manner consistent with U.S. obligations under international agreements. The restrictions of Section 1605 of the ARRA do not apply to Designated country iron, steel, and/or manufactured goods procured for projects with an estimated value of \$7,433,000 or more.
- (2) The Contractor shall use only domestic or Designated country iron, steel and/or manufactured goods in performing work funded in whole or in part with funds available under the ARRA, except as provided in subparagraphs (3) and (4) of this paragraph (b).
- (3) The requirement in paragraph (2) of this Section 6.022(b) does not apply to the material listed by the Federal Agency as follows:

[List applicable excepted materials or indicate “none”]

- (4) The Federal Agency may add other iron, steel, and/or manufactured goods to the list in paragraph (b) (3) of this Section if the Federal government determines that—
 - (i) The cost of the domestic iron, steel, and/or manufactured goods would be unreasonable. The cost of domestic iron, steel, or manufactured goods used in the project is unreasonable when the cumulative cost of such material will increase the cost of the overall project by more than 25 percent;
 - (ii) The iron, steel, and/or manufactured good is not produced, or manufactured in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
 - (iii) The application of section 1605 of the ARRA would be inconsistent with the public interest.

(c) Request for determination of inapplicability of Section 1605 of the ARRA.

- (1) Request for determination of inapplicability
 - (i) Any Bidder’s request to use foreign iron, steel, and/or manufactured goods in accordance with paragraph (b) (4) of this Section shall include adequate information for Federal Agency evaluation of the request, including—
 - (A) A description of the foreign and domestic iron, steel, and/or manufactured goods;
 - (B) Unit of measure;
 - (C) Quantity;
 - (D) Cost;
 - (E) Time of delivery or availability;
 - (F) Location of the project;
 - (G) Name and address of the proposed supplier; and
 - (H) A detailed justification of the reason for use of foreign iron, steel, and/or manufactured goods cited in accordance with paragraph (b)(3) of this term and condition.
 - (ii) A request based on unreasonable cost shall include a reasonable survey of the market and a completed cost comparison table in the format in paragraph (d) of this Section.
 - (iii) The cost of iron, steel, and/or manufactured goods material shall include all delivery costs to the construction site and any applicable duty.
 - (iv) Any Contractor’s request for a determination submitted after ARRA funds have been obligated for a project for construction, alteration, maintenance, or repair shall explain

why the Contractor could not reasonably foresee the need for such determination and could not have requested the determination before the funds were obligated. If the Contractor does not submit a satisfactory explanation, the Federal Agency need not make a determination.

- (2) If the Federal Agency determines after funds have been obligated for a project for construction, alteration, maintenance, or repair that an exception to section 1605 of the ARRA applies, the State will amend the contract to allow use of the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is nonavailability or public interest, the amended contract shall reflect adjustment of the contract amount, redistribution of budgeted funds, and/or other actions taken to cover costs associated with acquiring or using the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is the unreasonable cost of the domestic iron, steel, or manufactured goods, the State shall adjust the award amount or redistribute budgeted funds by at least the differential established in 2 CFR 176.110(a).
- (3) Unless the Federal Agency determines that an exception to section 1605 of the ARRA applies, use of foreign iron, steel, and/or manufactured goods is noncompliant with section 1605 of the American Recovery and Reinvestment Act.

(d) Data.

To permit evaluation of requests under subparagraph (b)(4) of this Section based on unreasonable cost, the Bidder shall include the following information and any applicable supporting data based on the survey of suppliers:

FOREIGN AND DOMESTIC ITEMS COST COMPARISON				
	Description	Unit of Measure	Quantity	Cost (Dollars)*
	Item 1:			
	Foreign steel, iron, or manufactured good	_____	_____	_____
	Domestic steel, iron, or manufactured good	_____	_____	_____
	Item 2:			
	Foreign steel, iron, or manufactured good	_____	_____	_____
	Domestic steel, iron, or manufactured good			
List name, address, telephone number, email address, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary. Include other applicable supporting information. * Include all delivery costs to the construction site.				

6.024 Notice of Required Use of American Iron, Steel, and Other Manufactured Goods

REQUIRED USE OF AMERICAN IRON, STEEL, AND MANUFACTURED GOODS—SECTION 1605 OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

(a) Definitions.

“Designated country iron, steel and/or manufactured goods,” “domestic iron, steel and/or manufactured goods”, “Federal Agency”, “Foreign iron, steel and/or manufactured good”, “Manufactured good,” “public building and public work,” and “steel,” as used in this Section, are defined in Section 6.022(a).

(b) Requests for determinations of inapplicability.

A prospective Bidder requesting a determination regarding the inapplicability of section 1605 of the ARRA should submit the request to the Federal Agency in time to allow a determination before submission of applications or proposals. Bidders should provide a copy of this request to DMB. The prospective applicant shall include the information and applicable supporting data required by paragraphs (c) and (d) of Section 6.022 of this RFP in the request. If Bidder has not requested a determination regarding the inapplicability of Section 1605 of the ARRA before submitting its application or proposal, or has not received a response to a previous request, the applicant shall include the information and supporting data

in the application or proposal. The Federal Agency is sole entity authorized to make determinations regarding the inapplicability of Section 1605 of the ARRA.

(c) Evaluation of project proposals.

If the Federal Agency determines that an exception based on unreasonable cost of domestic iron, steel, and/or manufactured goods applies, the State will evaluate a project requesting an exception to the requirements of section 1605 of the ARRA by adding to the estimated total cost of the project 25 percent of the project cost, if foreign iron, steel, or manufactured goods are used in the project based on unreasonable cost of comparable manufactured domestic iron, steel, and/or manufactured goods.

(d) Alternate project proposals.

- (1) When a project proposal includes foreign iron, steel, and/or manufactured goods, other than Designated country iron, steel and/or manufactured goods, not listed in paragraph (b)(3) of the Section 6.022, the Bidder also may submit an alternate proposal based on use of equivalent domestic iron, steel, and/or manufactured goods.
- (2) If an alternate proposal is submitted, the Bidder shall submit a separate cost comparison table prepared in accordance with paragraphs (c) and (d) of Section 6.022 of this RFP for the proposal that is based on the use of any foreign iron, steel, and/or manufactured goods for which the Federal Agency has not yet determined an exception applies.
- (3) If the Federal Agency determines that a particular exception requested in accordance with paragraph (b) of Section 6.022 of this RFP does not apply, the State will evaluate only those proposals based on use of the equivalent domestic or designated country iron, steel, and/or manufactured goods, and the Contractor shall be required to furnish such domestic or designated country items.

6.030 Wage Rate Requirements (Section 1606)

All laborers and mechanics employed by contractors and subcontractors on projects funded in whole or in part with funds available under the ARRA shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality, as determined by the United States Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40 of the United States Code. (See ARRA Sec. 1606 & RFP Section 2.204 Prevailing Wage). The Secretary of Labor's determination regarding the prevailing wages applicable in Michigan is available at <http://www.gpo.gov/davisbacon/mi.html>.

6.040 Inspection & Audit of Records

The Contractor shall permit the United States Comptroller General or his representative or the appropriate inspector general appointed under section 3 or 8G of the Inspector General Act of 1998 or his representative (1) to examine any records that directly pertain to, and involve transactions relating to, this contract; and (2) to interview any officer or employee of the Contractor or any of its subcontractors/subgrantees regarding the activities funded with funds appropriated or otherwise made available by the ARRA.

6.050 Whistle Blower Protection for Recipients of Funds

Contractor shall not discharge, demote or otherwise discriminate against an employee for disclosures by the employee that the employee reasonably believes are evidence of: (1) gross mismanagement of a contract or grant relating to Covered Funds; (2) a gross waste of Covered Funds; (3) a substantial and specific danger to public health or safety related to the implementation or use of Covered Funds; an abuse of authority related to implementation or use of Covered Funds; or (5) a violation of law, rule, or regulation related to an agency contract (including the competition for or negotiation of a contract) or grant, awarded or issued relating to Covered Funds. In this Subsection, "Covered Funds" shall have the same meaning as set forth in Section 1553(g)(2) of Division A, Title XV of the ARRA.

- (a) Recipient must post notice of the rights and remedies available to employees under Section 1553 of Division A, Title XV of the ARRA. (For the Michigan Civil Service Whistle Blowers Rule 2-10 link to: http://www.michigan.gov/mdcs/0,1607,7-147-6877_8155-72500--,00.html)
- (b) The Contractor shall include the substance of this clause including this paragraph (b) in all subcontracts.

6.060 Funding of Programs

The Contractor acknowledges that the programs supported with temporary federal funds made available by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, will not be continued with state financed appropriations once the temporary federal funds are expended.

6.070 Fixed Price- Competitively Bid

Contractor, to the maximum extent possible, shall award any subcontracts funded, in whole or in part, with ARRA funds as fixed-price contracts through the use of competitive procedures.

6.080 Segregation of Costs

Contractor shall segregate obligations and expenditures of ARRA funds from other funding. No part of funds made available under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5 may be comingled with any other funds or used for a purpose other than that of making payments for costs allowable under the ARRA.

6.090 Publication

All contract solicitations funded in whole or in part with ARRA funds will be posted on the www.bid4michigan.com website. All contracts resulting from the ARRA will be published on the State of Michigan's Recovery Web site, www.michigan.gov/recovery.

Contractor shall include the Michigan Recovery logo on all signage or other publications in connection with the activities funded by the State of Michigan through funds made available by the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5.

6.100 Buy Michigan Preference

A preference is given to products manufactured or services offered by Michigan-based firms if all other things are equal and if not inconsistent with federal statute (see MCL 18.1261).

6.110 Non- Discrimination

The Contractor shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and other civil rights laws applicable to recipients of Federal financial assistance (see RFP Section 2.201 Non-Discrimination).

6.120 Prohibition on Use of Funds

None of the funds made available under this contract may be used for any casino or other gambling establishment, aquarium, zoo, golf course, swimming pools, or similar projects.

6.130 False Claims Act

The Contractor shall promptly refer to an appropriate federal inspector general any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor or other person has committed a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds.

6.140 Conflicting Requirements

Where ARRA requirements conflict with existing state requirements, ARRA requirements control.

6.150 Job Opportunity Posting Requirements

Contractor shall post notice of job opportunities created in connection with activities funded in whole or in part with ARRA funds in the Michigan Talent Bank, www.michworks.org/mtb.

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

August 17, 2009

NOTICE
 OF
 CONTRACT NO. 071B9200296
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR Dewpoint, Inc. 1921 E. Miller Road, Suite B Lansing, MI 48911 Email: Jennifer.Kwapis@dewpoint.com	TELEPHONE Jennifer Kwapis (517) 316-2866
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: DIT/DCH MIHIN TECHNICAL DESIGN/PCO	
CONTRACT PERIOD: 5 yrs. + 2 one-year options From: August 5, 2009 To: August 5, 2014	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION:	

Estimated Contract Value: **\$9,657,989.20**

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

CONTRACT NO. 071B9200296
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Dewpoint, Inc. 1921 E. Miller Road, Suite B Lansing, MI 48911 Email: Jennifer.Kwapis@dewpoint.com	TELEPHONE Jennifer Kwapis (517) 316-2866 CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 373-3993 Dale N. Reif
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F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of ITB #07119200189, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence. Estimated Contract Value: \$9,657,989.20	

FOR THE CONTRACTOR: Dewpoint, Inc. Firm Name	FOR THE STATE: Signature Greg Faremouth, Director
Authorized Agent Signature	Name/Title IT Division
Authorized Agent (Print or Type)	Division
Date	Date



**STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations**

Buyer: Dale N. Reif
Telephone: (517) 373-3993
e-Mail: reifd@michigan.gov

Contract Number 071B9200296

**MICHIGAN HEALTH INFORMATION NETWORK (MIHIN)
TECHNICAL DESIGN/PROJECT CONTROL OFFICE (PCO)**



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Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 Project Request

This Contract supports a two phase effort to design and manage the implementation of a “backbone” or infrastructure for statewide health information exchange. The project is organized into two phases. The first phase involves working with the State’s HIE Solution Team to design the backbone infrastructure. This shall involve the technical design, a Request for Information (RFI) process and the creation and issuing of a Request for Proposal (RFP) for an implementation solution and contractor. The Contractor’s team shall also assist the State with the review and selection of the implementation contractor. In the second and final phase, the Contractor shall expand its team to provide a Project Control Office (PCO) for the implementation project.

The Contractor is prohibited from bidding on the implementation solution.

1.002 Background

Governor Jennifer Granholm has made health information technology a top priority for health care reform in Michigan. In 2006, The Michigan Department of Community Health (MDCH) and the Michigan Department of Information Technology (MDIT) responded by creating the Michigan Health Information Network (MiHIN). The MiHIN initiative promotes the use of health information exchange to improve efficiency, quality and patient safety by making comprehensive clinical information available at the point of care.

Legislation was also passed creating the Michigan Health Information Technology (HIT) Commission. The commission is an advisory board to the MDCH. It is composed of stakeholder groups representing physicians, pharmacists, insurers, employers, medical schools, consumers, pharmaceutical companies, state government agencies, hospitals, and technology companies. The purpose of the HIT Commission is to facilitate and promote the design, implementation, operation, and maintenance of an interoperable health care information infrastructure in this state as well as advance the adoption of health information technologies throughout the state’s health care system.

The MiHIN initiative began with a statewide, multi-stakeholder extensive planning process in 2006, leading to the production of one of the most comprehensive Health Information Exchange (HIE) planning documents in the nation, called the *MiHIN Conduit to Care*. The roadmap emphasizes a community or regional approach to foster existing local health care collaborations. It also established guiding principles for health information exchange to ensure the privacy, security and confidentiality of the consumers.

To implement the community approach, nine regions were established based on a “medical trading area” market analysis. The analysis captured the predominate patterns of clinical interactions between providers. The regions were established to encourage, facilitate and organize health information exchange.

Michigan appropriated over \$10 million to fund the regional health information exchange projects. The state also funded a MiHIN Resource Center to coordinate and support the regional initiatives as well as assist in the development of solutions critical to statewide health information exchange. Funding has provided an opportunity for every county in the state to engage in a planning or implementation grant for health information exchange.

In the first two years of planning, the MiHIN initiative has produced invaluable outcomes. The regional approach pioneered by Michigan has created stakeholder engagement and consensus. It has also ensured both rural and urban areas of the state are included in health information exchange planning activities.

Collaborative stakeholder work groups were formed addressing the legal and regulatory restrictions for sharing electronic health data, ensuring the Office of the National Coordinator health information technology standards were incorporated into the health information exchange plans, increasing the public’s understanding of health information technology and exchange and ensuring the public health functions and services were included in the MiHIN plan.



Based on the outcomes of the collaborative work groups and regional planning efforts, in March of 2009, the Health Information Technology Commission recommended the State of Michigan implement a statewide “backbone” or infrastructure taking advantage of the economies of scale and centralizing key technologies to advance the MiHIN initiative.

1.100 Scope of Work and Deliverables

1.101 In Scope

The Contractor must provide the following services as a part of this project:

1. Review of existing HIE implementations and lessons learned
2. Develop, manage and review responses to a Request for Information (RFI)
3. Recommend a business and technical architecture for a Michigan Health Information Network
4. Develop a Request for Proposal (RFP) for the required software, hardware and services for the Michigan Health Information backbone infrastructure
5. Provide advisory assistance to the state in reviewing the proposals returned in response to the RFP and assisting in the selection process for an implementation contractor.
6. Establish a Project Control Office which may include:
 - a. Review, analyze and report on all deliverables from the Implementation Contractor and its primary subcontractors, including the suitability of the proposed deliverables and reports.
 - b. Review general design document deliverables, technical specifications deliverables, and planning deliverables for corrective actions.
 - c. Review planning, design, and implementation documentation and work products to ensure that the plans follow State’s documented standards, procedures, and guidelines and assure that the plans meet State’s requirement to attain the project objectives.
 - d. Review requirements traceability matrix.
 - e. Participate in system development verification tasks as required by the State.
 - f. Assist and review/monitor functional and acceptance testing, review and evaluate various test plans from the Implementation Contractor and the State, identify missing components, review and evaluate proposed test cases, and identify potential problems/associated costs and possible solutions/costs to apply those solutions.
 - g. Develop additional User Acceptance Test cases as required by the State.
 - h. Participate in User Acceptance Testing (UAT) as required by the State.
 - i. Ensure validity and accuracy of test results.
 - j. Perform issue write-up and resolution.
 - k. Participate in verification of work products configurations as defined in the Configuration Management Plan.
 - l. Participate in verification by evaluating processes and work products as defined in Quality Management Plan, as requested by the State, and as described in section 1.104.
 - m. Participate in verification of risks, risks assessment and mitigation as defined in Risk Management Plan.
 - n. Document recommendations and findings as needed; present to State Project Managers.
 - o. Perform Change Management
 - p. Track the disposition of prior findings, recommendations and identified deficiencies.
 - q. Provide analysis of the effectiveness of the MiHIN solution.
 - r. Create and manage a Project Dashboard.

1.102 Out Of Scope

1. All hardware and software solutions and/or related implementations will be the responsibility of the Implementation contractor and/or the State of Michigan.
2. Contract oversight and monitoring of the Implementation contractor contract is the responsibility of MDIT. This oversight will at all times be closely coordinated with the Department of Community Health.



1.103 Environment

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

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. The Contractor awarded the contract must request any exception to State IT policies and standards in accordance with MDIT processes. The State may deny the exception request or seek a policy or standards exception.

Enterprise IT Policies, Standards and Procedures:

<http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html>

All software and hardware items provided by the Contractor must run on and be compatible with the MDIT 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 MDIT. 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 State's Project Manager and MDIT 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 MDIT, before work may proceed based on the changed environment.

Enterprise IT Security Policy and Procedures:

<http://www.michigan.gov/dit/0,1607,7-139-34305-108216--,00.html>

The State's security environment includes:

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

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

IT Strategic Plan:

<http://www.michigan.gov/dit/0,1607,7-139-30637-135173--,00.html>

IT eMichigan Web Development Standard Tools:

http://www.michigan.gov/documents/Look_and_Feel_Standards_2006_v3_166408_7.pdf

The State Unified Information Technology Environment (SUITE):

Includes standards for project management, systems engineering, and associated forms and templates – must be followed: <http://www.michigan.gov/suite>

1.104 Work and Deliverable

The Contractor's team shall work directly with the State of Michigan's HIE Solution Team for the design and bidding process. The Michigan HIE Solution Team consists of representation from MDCH and MDIT. The Contractor's team shall become the core of a PCO for the implementation phase of the project.



The Contractor shall be required to contribute to and develop the deliverables identified in Scope of Work. The Contractor shall be responsible for the completion of the business architecture and technical architecture designs from this engagement. The contractor shall also be responsible for the completion of a Request for Proposal (RFP).

Phase I: Health Information Exchange (HIE) Backbone Infrastructure Requirements and Design Development

To successfully complete the Phase I of this project, the contractor shall complete the following tasks, subtasks, and deliverables. Completion of work will be assessed on the tasks and subtasks. Approval of completion of work will be based on the deliverables and the deliverable acceptance criteria provided under each Phase 1 Milestone below.

Milestone 1-- HIE Phase I Project Planning:

The PCO shall establish and implement project management and technical processes, methodologies, and tools to minimize the risk and contain costs for the Phase I analysis and design of the MiHIN HIE Backbone system. The PCO shall support the State in the planning and completion of the identified tasks and deliverables of Phase I of the project. The PCO shall be responsible for performing schedule, scope and technical control tasks.

The Project Control Office shall be required to follow the Project Management Methodology (PMM) adopted by the State. This methodology includes the following standard project phases:

1. Initiation
2. Planning
3. Execution
4. Control
5. Closeout

PROJECT MANAGEMENT CONTROL

During the first two weeks of the signed contract, the Contractor's Project Manager will work with the State of Michigan and the project team to develop and finalize a project plan that will include (but is not limited to) the following project management plans as per the State's PMM:

1. Project Schedule
2. Communications Management Plan
3. Issues Management Plan
4. Risk Management Plan
5. Quality Management Plan
6. Change Management Plan

The Project Control Office provides project management assistance to the State and the other contract staff through performance of the following tasks:

1. Develop and manage the project schedule—Maintain the schedules to manage scope and interim deliverables to ensure project remains on time and within scope and budget.
2. Manage resource pool – Using project management tools, align resources to tasks, identify additional resources as needed, identify resource conflicts, and assist in leveling resources across tasks and/or releases. The PCO shall manage the staff resources assigned to the PCO.
3. Maintain Change Control and Issue Resolution processes – Provide structure to manage changes in scope, time, and cost. Document and escalate issues. Facilitate cross-functional team communications for timely issue resolution.
4. Communications – Identify appropriate information requirements and their flow, and ensure individuals at all levels receive appropriate information on scheduling and planning in a timely manner. Establish meeting



- schedules and agendas. Facilitate status meetings and publish summary meeting notes. Coordinate communications across all stakeholders.
5. Performance Monitoring - Maintain disciplined process for monitoring deliverables and schedule milestones. Create performance measurement baselines for scope, schedule and cost. Update and produce Planning project scorecards (in Phase 2 the scorecards would apply HIE infrastructure implementation). Monitor and publish earned value and other performance metrics. Reports program status and milestones on a timely basis. Facilitate action plans for solving progress-related obstacles.
 6. Perform Quality Control – Ensure that all deliverables are complete and follow a formal Work Approval Process (WAP) before securing approval from stakeholders.
 7. Risk Analysis – identify project risk factors and the probability and impact of each factor; develop strategies for dealing with the risk factors.
 8. Interface with MDCH, MDIT, and other areas as necessary, including local and enterprise Project Management Offices.

The PCO will provide project management expertise to the State of Michigan MDIT/MDCH Project Managers, and key stakeholders through the execution of the following:

Schedule/Scope Management

1. Develop and manage an effort driven project schedule created in conjunction with the MDIT/MDCH Project Managers to ensure that realistic goals have been established.
2. Work with designated State of Michigan Stakeholders and project and subject matter experts to populate the PMM01 Concept Document and PMM02 Project Charter.
3. Complete and maintain the PMM03 Project Plan Document, PMM04 Work Break Down Structure, PMM05 Resource Plan,
4. Maintain the project schedules to maximize successful delivery and adherence to scope.
5. Assess the impact to scheduling and scope as change requests are submitted for review to the CCB.
6. Provide weekly task level status and input into dashboard reporting.

Communication Management

1. Work with the MDIT/MDCH Project Managers to identify appropriate information requirements.
2. Provide input for status meetings, steering committee meetings and schedules including the PMM13 Project Status Report.
3. Interact as needed to ensure that implemented processes are appropriately executed upon.
4. Complete and maintain the PMM08 Communications Plan.

Issue Management

1. Establish and manage processes for issue management and resolution.
2. Create and maintain the PMM15 Issue Document.
3. Facilitate cross-functional communication to ensure timely and accurate impacts are understood and priorities are set.

Risk Management

1. Develop risk management processes and maintain and manage risk tracking and resolution processes.
2. Populate and maintain the PMM06 Risk Management Plan.
3. Facilitate cross-functional team communication for risk resolution.
4. Actively participate in the risk resolution process.

Performance Measurement and Monitoring

1. Collect and report on project status, progress toward milestone completion, and general health of the project.
2. Provide input for project dashboard reporting, earned value analysis, and other defined performance measurement baselines.

Quality Management

1. Create a PCO Quality Policy.
2. Develop a quality plan to measure process conformance.



3. Complete and maintain the PMM07 Quality Plan.

Resource Management

1. Manage resource pool to maximize productivity and to ensure that schedule needs and requirements are met.
2. Supervise PCO staff and direct assignments of tasks as needed.

Change Management

1. Establish a Change Control Review Board for the formalized review, approval or rejection of change controls as needed.
2. Develop, maintain, and manage Change Control, and issue tracking and resolution processes including the creation and maintenance of the PMM09 Change Management Plan.
3. Document and escalate change controls utilizing the PMM14 Change Control Request form.
4. Facilitate cross-functional team communication for changes to the project and their impacts on the delivery of the project.

Project Management Control

In cooperation with the State of Michigan MDIT/MDCH Project Managers, the Contractor's Project Manager will provide a project plan using the State of Michigan's PMM document set, which will include a detailed project schedule for the delivery of Phase I to be finalized two weeks after the commencement of Phase I. The detailed and finalized project schedule will encompass the work needed to fulfill the scope and meet project milestones, provide an input to generate graphical metrics status, as well as foster open communication regarding the general health of the project. Included in the document set will be an project team organizational chart, as well as the other standard project management documents (Resource plan, financial plan, risk plan, WBS, quality plan, project transition plan, etc.). Use of an electronic tool for project management (MS Project) will provide for planning, monitoring and tracking towards project progress, as well as the level of effort spent for each task, and the resources assigned to those tasks. Data outputs will enable the creation of project dashboard reporting and graphical representation of elements such as ETC (Estimate to Complete), EV (Earned Value), and EAC (Estimate At Completion).

State responsibilities for HIE Phase I Project Planning

1. Prior to the start of the project, the MDIT Project Manager will provide requirements to the MiHIN HIE Phase I Contractor Project Manager to complete the project planning deliverables.
2. State staff will provide input to project planning deliverables
3. Review of documents to verify accuracy and provide corrections or comments.
4. Review and gain approval of project planning deliverables with MDIT and MDCH leadership.

Deliverables for Milestone 1 - HIE Phase I Project Planning

1. Completion of project planning deliverables identified through the SUITE PMM Methodology for the Phase I project. These will be referred to as Project Management Deliverables:
 - a. Final project schedule
 - b. Project Charter
 - c. Issue management Plan
 - d. Risk Management Plan
 - e. Quality Management Plan
 - f. Change Management Plan
 - g. Project Management Performance Measurement Processes

Deliverable Acceptance Criteria for Milestone 1

Key dates for completion of Phase I Milestones will be defined in the Milestone 1 deliverable – Final Project Schedule. Completed deliverables for Milestone 1 will be accepted by the State on or before the final project schedule is presented to the State two weeks after the start of the project with State approval within 5 business days thereafter. Acceptance and approval of deliverables for Milestone 1 will be made by the State of Michigan Project Managers from MDIT and MDCH.

**Milestone 2-- HIE Early Adopter Technical Environment Analysis:**

The contractor shall analyze Health Information Exchange (HIE) early adopters technical environments, utilizing information gathered from a Technical Assessment (TA) tool returned by the regional medical trading areas and the MiHIN Resource Center, as it relates to HIE, including details about the Health Information Technology (HIT) applications, security infrastructure, and architecture. The Michigan Department of Community Health (MDCH) will provide a list of the identified HIE early adopters to the contractor. An early adopter is a health care organization that is exchanging or planning to exchange health information electronically using federally-recognized HIT/HIE standards and protocols. The early adopters will consist of but not limited to a Regional Health Information Organization (RHIO), a local public health department, a community health information exchange, a health system with a community-wide inpatient and ambulatory health information exchange, a laboratory, an ambulatory care provider practice, a health plan and chronic disease registry system.

1. For each early adopter identified by the State, include questions in the Technical Assessment designed to identify the current HIT system(s) and their contractor(s). From the list of contractors identified by the early adopter assessment, determine that the contractor HIT application meets current and proposed interoperability standards by Federally recognized standard setting bodies necessary to support HIE. Identify technical standards published by Federally recognized standard setting bodies currently in use by the stakeholder that are congruent or align with the Integrating the Healthcare Enterprise (IHE*) technical frameworks and other Health Information Technology Standards Panel (HITSP) specifications for interoperability.
2. Identify the current and/or planned capability of HIT contractors identified above to implement applicable HITSP interoperability specifications, including the IHE technical frameworks; and identify the certification status of their products relative to the Certification Commission for Healthcare Information Technology's (CCHIT) current EHR (electronic health records) certification criteria and the CCHIT network certification criteria approved at the time of this capabilities evaluation.
3. Utilizing the vendor's Technical Assessment approach, determine the means by which the early adopters can participate in cross enterprise patient identity cross referencing.
4. Utilizing the vendor's Technical Assessment approach, identify the security, identity, and access management products and/or capabilities in use. Utilizing the TA Identify the encryption standards currently used by the early adopters for electronic health record data in storage and in transit.
5. Utilizing the Technical Assessment Approach, identify any third-party products (e.g. single sign-on products) used in the early adopters' environment
6. Utilizing the Technical Assessment approach and other information, describe the early adopters' current state of health information exchange. Is electronic health information being exchanged now? If so, what is being exchanged electronically and with whom? Describe the technical architecture of the exchange, as well as the process and agreements involved in setting up the exchange.
7. Utilize the Technical Assessment process developed for HIE NM and, if required, modify it to perform technical assessments for state identified early adopter organizations.
8. State-wide Master Patient Index (MPI) analysis - Contractor will assess each early adopter's readiness for MPI interoperability by reviewing the products each organization is using or plans to use and obtaining information from vendors which documents the product's capabilities. While the ideal mechanism is to implement the HITSP TP22 and TP23 transaction packages, there are actually several ways that this can be accomplished. Since many individual healthcare organizations local MPIs may not be able to comply with standard IHE PIX and PDQ transactions we may need to consider other options.
9. Security, Identity and Access Management and Encryption analysis - The contractors, through their own standard Technical Assessment process, will address sections on Network Security, Data Center Physical Security, Authentication, Auditing, and Access Control. Network security covers topics such as firewalls, intrusion detection, VPN capability, network monitoring and logging, remote access, SSL, network encryption, Network Access Control (NAC) and secure messaging (email). We ask specific questions about user authentication and the use of LDAP compatible directories. We also ask about encryption of data in transit (network encryption) and for data at rest (storage encryption). Contractor will also identify specific issues in the area of identity and access management security, single sign-on security, administration user security, encryption, and privacy requirements.



10. Current State of Regional Health Information Exchange (HIE) - Contractor will use the Technical Assessment process, site visits and other information provided by the State to assess the current state of HIE among early adopters. Contractor will analyze data of HIE activity among the designated early adopters in Michigan to establish the degree of exchange, messaging formats being used, and any data normalization that is being done (LOINC for example). Contractor will address this through their Technical Assessment process, specifically in the section on existing data exchange. Contractor's staff will study the information and current environment available as it relates to the systems of the two RHIOs that are in the implementation stage. Contractor will also have knowledge readily available on 4 other RHIOs (including the State of Michigan as a RHIO) based on Contractor's work with NMHIE/SEMHE.

State responsibilities for Early Adopter Technical Environment Analysis

1. The MDIT Project Manager will provide the specific requirements on Milestone 2 to the Contractor Project Manager prior to the start of Phase 1.
2. Prior to the start of Phase 1 of the project, the State will identify to the Contractor the Early Adopter organizations and will provide the contractor with all existing documentation that the State has collected on the Early Adopters.
3. State staff will assist contractor with contacts and support when engaging HIE Early Adopter organizations for analysis and work with Early Adopters to ensure that information provided to the State is complete and timely.
4. Review of Contractor documents to verify accuracy and provide corrections or comments.
5. Obtain comments from other stakeholders on the analysis and documented reports on early adopter analysis.

Deliverables for Milestone 2 - HIE Early Adopter Technical Environment Analysis

1. Completion of a report outlining the technical assessment and capabilities of HIE Early Adopters within the State of Michigan.

Deliverable Acceptance Criteria for Milestone 2

The Contractor will analyze the technology assessment data and other provided information and develop a report outlining the capabilities and state of technical readiness of the HIE early adopters. The date for completion of Milestone 2 will be established and approved in the Milestone 1 deliverable – Final Project Schedule. Upon completion of the Milestone 2 deliverables, the contractor will conduct a structured walk-through for approval and sign off from the State within 5 days. Acceptance and approval of deliverables for Milestone 2 will be made by the State of Michigan Project Managers from MDIT and MDCH.

Milestone 3-- State Of Michigan (SOM) Systems Technical Environmental Analysis:

The contractor shall analyze SOM health information systems, identified by the Michigan Department of Community Health (MDCH) and the Michigan Department of Technology (MDIT), technical environment as it relates to HIE, including details about the HIT applications, security infrastructure, and architecture.

As a part of the SOM health information systems analysis, the contractor shall:

1. Determine the means by which the SOM systems can participate in cross enterprise patient identity cross referencing.
2. Identify any security, identity, and access management products and/or capabilities in use. Identify the encryption standards currently used by the identified SOM applications for electronic health record data in storage and in transit.
3. Identify any third-party products (e.g. single sign-on products) currently used in the SOM environment
4. Describe the SOM systems current state of health information exchange. Is electronic health information being exchanged now? If so, what is being exchanged electronically and with whom? Describe the relevant technical architecture of the exchange, as well as the process and agreements involved in setting up the exchange



The following sections address sub-tasks requested by the State for Milestone 3.

Analysis of Existing SOM HIT Systems

Contractor will analyze state of Michigan systems identified and agreed to by the State HIE Solution Team and the contractor. The analysis will be used to determine the extent to which the state systems are applicable to and technologically capable of participating in the State's HIE effort. Specific information the contractor will gather will include, but is not limited to:

1. The data elements being exchanged or collected.
2. How and where this data is stored.
3. Who has access to the data and how.
4. Security and access controls on the data.
5. Software products in use and their certification and compliance status.
6. Protocols, software, and hardware used for data exchange.

Specific information gathering methods used by the contractor will include, but are not limited to:

1. Electronic and paper surveys.
2. Interview with appropriate executives and technical personnel.
3. Review of public domain information.
4. Product vendor provided information.

MPI Use by Existing HIT Systems

A cornerstone of HIE is the ability to match patient records across disparate systems even when they don't exactly match. A key technology to accomplish this is Master Data Management (MDM) and the Master Patient Index (MPI) technology built on it. Contractor will identify any MDM, MPI and other matching technology and data exchange standards in use by State health information systems. Contractor will investigate which existing state health information systems would most benefit from being interfaced to a state-wide MPI.

Analysis of Existing SOM Security and Identity Products

The State of Michigan has several security, identity, and access management products and systems in use. These range from public facing portals such as the Michigan Business One-Stop portal, which uses Tivoli LDAP to implement single sign-on, to the highly secure, federally compliant Michigan Criminal Justice Information Network (MiCJIN) portal. MiCJIN, which uses a Novell product, boasts 128-bit encryption as well as secondary authentication for traffic outside of the State's trusted network.

The Contractor will review these and other health information systems and products in use by the State and obtain information from the respective vendors which documents their applicability for use in the HIE effort. Identity Management will be the cornerstone of a successful HIE. Patients must believe that the health records they entrust to this electronic network will stay safe, accurate, and secure. Access must be highly available, reliable, secure and safe in the control of those trusted to guard it.

Associations and institutions that are approved under State or Federal laws to access this information must be duly authorized to do so and such access, once granted, should be equally easy to remove as a patient's condition and confidences change. The contractor will survey the existing SOM capabilities and products and identify the following:

1. Identity Management
2. Access Management
3. User access provisioning/de-provisioning
4. Encryption standards
5. Authentication mechanisms
6. Standards compliance
7. Authorization models
8. Transmission security
9. Products, in-house and vendor, in use



Review and Analysis of Third-Party Products

Contractor will specifically list all third party health information products we encounter in our analysis of the SOM systems and identify their version and how that is related to the vendor's current and supported version. Contractor will provide additional details on these products as mutually agreed upon by the SOM and the Contractor. Contractor will specifically look at third-party health information products used for authentication, single sign on and other aspects of system security such as remote login and data encryption. If these products fit into the overall system architecture they will be given priority consideration for incorporation into the proposed architecture.

Current State of SOM HIE

Contractor will provide a documented report of the current state of HIE's among SOM health information systems. Specific artifacts we will produce include, but are not limited to:

1. Enterprise Architecture Solution Assessments
2. Architecture diagrams
3. Data flow diagrams
4. Workflow and use cases
5. Matrix of agencies/systems and the relevant HIE characteristics

Specific information we will cover will include, but is not limited to:

1. Data elements being exchanged
2. Participants in the data exchange
3. Data sharing and exchange agreements
4. Technical components
5. Business/Clinical components
6. Workflows

State responsibilities for State Of Michigan (SOM) Systems Technical Environmental Analysis

1. Prior to the start of Phase 1, provide requirements to the Contractor Project Manager for Milestone 3.
2. Coordinate resources and information pertaining to state systems.
3. Review of documents to verify accuracy and provide corrections or comments.
4. Assist with completion of SOM SUITE touch-point technical document templates.

Deliverables for Milestone 3 - State Of Michigan (SOM) Systems Technical Environmental Analysis

1. Completion of SOM SUITE technical documents as defined in Milestone 1 project plan deliverable.

Deliverable Acceptable Criteria for Milestone 3

Development and submission to the State a report on the State of Michigan's technical environment according to the timeframes outlined in the project schedule with review and acceptance provided by the State of Michigan within 5 business days of receipt of the report. The date for completion of Milestone 3 will be established and approved in the Milestone 1 deliverable – Final Project Schedule. Acceptance and approval of deliverables for Milestone 3 will be made by the State of Michigan Project Managers from MDIT and MDCH.

Milestone 4-- Develop a Detailed Technical Architecture Report and Plan for the Statewide HIE

Infrastructure:

Propose a contractor neutral approach consistent with the State of Michigan's (SOM) technology standards with the ability to eventually host the solution in a SOM data center, or a solution model including costs for a 100% externally hosted solution that includes:

1. A mechanism for providing and managing identity and credentials of all users of the exchange.
2. A cross-enterprise master data management solution, a record locator service and messaging gateway(s).
3. Develop, manage and review responses to a Request for Information (RFI).
4. Technical specifications of each technical component and service, including interfaces within the architecture.
5. How the architecture shall comply with existing and evolving security and privacy standards and policies.



6. How the architecture incorporates or uses existing statewide technical assets and resources identified in the early adopters' analysis and the SOM systems analysis. Identify and detail the use of specific statewide and technical assets and resources
7. How the architecture shall provide the highest level of security and privacy.
8. How the architecture conforms to the evolving national HIT/HIE standards, frameworks, specifications, and best practices, including CCHIT, HITSP and the successor's standards and specifications.
9. How the architecture shall bridge and interoperate with developing regional HIE's, SOM systems, interoperable EHRs, health systems, payors, health plans and other health care organizations in Michigan.
10. How the architecture shall bridge and interoperate with the Nationwide Health Information Network (NHIN).
11. The architecture's ability to accommodate variations and improvements in technical, legal, and business standards and practices.
12. How the State of Michigan may expand the use of the HIE infrastructure components and technologies, such as, the Master Data Management solutions to streamline and improve SOM business processes enterprise wide.
13. Risks and benefits, taking into consideration how the architecture accounts for the information acquired in the early adopters and SOM systems analysis.

The following sections address each sub-task requested by the State for Milestone 4, Task 4.

Identity Management

This part of the Infrastructure Plan will focus on the technical components for managing user identities and authentication into the HIE environment. Important considerations will be whether this should be a single centralized user directory or a federated model. The design can be centered on using one or more standard LDAP compatible user directories. Many times the most important consideration is how to manage these directories. There are advantages and disadvantages to each approach. With the number of disparate systems that will be involved in any HIE implementation the use of Single Sign On (SSO) should be considered. Finally another important aspect of identity management and authorization will be making a decision on whether to use two-factor authentication and then choosing a suitable product. While it is not strictly required two-factor authentication is recommended for access to Electronic Protected Health Information (EPHI). Primary consideration for identity management will be toward the state standard solution.

Architecture Components of a HIE

Each of these options, as well as others, will be considered as part of the architecture design and the subsequent vendor selection process.

1. Master Patient Index and Master Provider Index (MPI)
2. Record Locator Service (RLS) and Edge Servers
3. Messaging Gateway
4. Messaging Exchange

Technical Specifications and Interfaces

Contractor will develop system specifications, system architecture diagrams and numerous use case diagrams within an architecture design.

Compliance with Security and Privacy Standards and Policies

Security and privacy involves both technical and physical safeguards as well as administrative safeguards. Contractor will assist the state with both aspects of privacy and security. Part of this project will need to focus on the development of security policies and procedures, data sharing agreements between exchange participants, user agreements and patient opt-in or opt-out consent. Contractor will leverage, to the extent possible, work has been done on these issues in both Vermont and New York that can assist Michigan in developing similar policies.



Integration and Use of Existing Resources

The technical analysis that the contractor performs should uncover the existing systems being used by the early adopter HIEs and other major healthcare organizations as mutually agreed on between contractor and the state. This information along with that provided to the contractor from the SOM about their systems will go into the development of the HIE architecture plan. Strong consideration will be given to existing technologies for use in the HIE architecture. Data and functional integration with existing systems at early adopters and at the State must be part of the HIE architecture plan. This will be one of the major functions of the MPI and the messaging gateway interface engine.

Privacy and Security Technical Design

The contractors' infrastructure plan will incorporate security tools and practices already existing in the SOM environment with lessons learned from other RHIOs and healthcare organizations. Members of the contractor team will leverage work being conducted with the New York eHealth Collaborative (NYeC) Protocols and Services and Privacy and Security workgroups to help define security standards for the SHIN-NY. The NYeC is developing an NHIN compatible federated trust model for transport security, message security and authentication. They are defining a —secure node which utilizes TLS, PKI and SAML tokens for secure communications. This is one model that can be considered but not the only one that will work.

Standards Compliance

Compliance with national standards is a crucial aspect of any HIE project. However careful consideration must be given to balancing a reasonable timeline for system implementation against compliance with emerging standards. Standards in healthcare IT really fall into three main categories:

1. Technology standards (such as web services and security)
2. Messaging standards (such as HL7 and IHE)
3. Nomenclature standards (such as LOINC and RxNorm)

There are many standards-setting organizations in healthcare IT such as HL7, ASTM, IHE, and many others. It is the Health Information Technology Standards Panel's (HITSP) role to harmonize these many standards and develop implementation guidelines which fall into 4 categories:

- Components (such as CCD C32)
- Transactions (such as PDQ)
- Transaction Packages (such as PIX Query)
- Interoperability Specifications (such as Medication Management)

The MiHIN architecture should make every effort to comply with the HITSP guidelines. Contractor's architecture design will make recommendations for using HITSP guidelines. CCHIT certification covers inpatient and most modules of ambulatory EHR systems. At this point there are no CCHIT certifications for HIE but these are on the roadmap and were originally proposed for 2009.

Interoperability with State and Regional Systems

The contractor will organize and analyze the information detailed under Milestone 3, Task 1 and Task 2 and distill it down to a manageable level. Contractor will then consult with stakeholders and decision makers to determine the high level objectives of most value. Based on this, the contractor will develop a sound, extensible technical design that will bridge as many as possible of the developing HIE's, SOM systems, interoperable EHRs, health systems, payors, health plans and other health care organizations within Michigan . The contractor will make recommendations on how to best integrate existing SOM healthcare systems into the newly proposed HIE architecture. Integration could be at a data level via interfaces, at a functional level via web services or at a semantic level to include data translations. The plan will give recommendations for which systems would most benefit from integration and the effort required and the estimated timeline for each system.

Interoperability with NHIN

The architecture proposed by the contractor, shall include a migration path for inter-RHIO interoperability based on the NHIN model. There have been several NHIN demonstration projects but there are very few live implementations between RHIOs and the interoperability is very limited. While it



may not yet be practical to develop a system capable of NHIN interoperability the standards and implementation guidelines have advanced enough to develop a conceptual model. The NHIN Connect, the Open Source product has just been released to the public in the past month. A selected vendor will also play a key role in the NHIN interoperability based on their current capabilities, architecture and planned enhancements. Many HIE vendors have participated in HIMSS connectathons and can demonstrate interoperability with disparate systems.

Extensibility of the Architecture

In systems architecture, extensibility means the system is designed to include hooks and mechanisms for expanding/enhancing the system with new capabilities without having to make major changes to the system infrastructure. A good architecture provides the design principles to ensure this—a roadmap for that portion of the system that is yet to be built. The architecture the contractor proposes will, for example, have capabilities for a centralized repository even if the need for this is several years away. It will also have the capability to incorporate newly emerging standards for messaging and nomenclature even if those are not immediately implemented.

Use of HIE Architecture for SOM Systems

An objective of the SOM is to re-use and leverage as much as possible of its technology purchases for multiple purposes. To that end, many of the SOM technology purchases that can be leveraged across agencies are designated and licensed as enterprise wide standards. An HIE backbone contains several standard information technologies either adapted for use in the specialized HIE field or used directly. For example, A Master Patient Index (MPI) is a specialization of the Master Data Management (MDM) technology. Identity Management on the other hand is a technology that could be used directly with configuration to fit the particular needs of HIE. The State may already have an Identity Management solution, but not an MDM solution. In addition to being used in HIE, an MDM solution can be used in several agencies across the State: to match business entities dealing with multiple agencies, to match individuals licensed with various agencies or departments, or to simply link the many instances of a citizen's data together.

Risk and Benefits of Proposed Architecture

Part of the architecture plan will focus on the tradeoffs of the proposed design. The contractor will present several options throughout the process of formulating the architecture which will discuss the various risks which are typically:

1. Risks to the project timeline
2. Risks to the project cost
3. Risks to the systems functionality or extensibility

Complementary Business Architecture Design

A technical HIE Infrastructure must have a corresponding business architecture that provides an “end to the means”. While the technical architecture dictates how the HIE will accomplish its tasks, the business architecture affirms what the end result is. The “Conduit to Care” report detailed that vision several years ago at a very high level. The Contractor's business architecture will capture the MIHIN vision as it is today and ensure that the technical architecture supports that vision. The contractors work will focus on supporting the development of business process orchestration and choreography models to meet stakeholder needs. To that end, the contractor will utilize lessons learned in several areas, such as architecture, workflow, and implementation. Some of these lessons learned:

1. Use of open standards for conducting transactions with trusted business partners
2. Implementation methodologies need to be technology-neutral: they should abstract away from the specific details of any given vendor system or technology.
3. Methodologies should be standards-based; the expectation is that implemented system components will be compliant with interoperability standards.
4. Any component of an interoperability solution should be interchangeable with multiple alternatives capable of meeting well-defined functional and quality of service requirements.
5. Implementation methodologies should be extensible to accommodate local variation.
6. Methodologies should be metrics-driven, relying on well-defined and objective measures.



The contractor will complete a Business Architecture Conceptual Model that will capture the “as-is” clinical information state and the “to-be” clinical information state. The contractor will develop a Solution Architecture Model that will provide a concise view of the current environment and future environment and business processes and corresponding solution approaches to stakeholders.

As the State moves forward with an RFP for technology selection for the MiHIN Backbone, the contractor planning and Project Control Office team will update the Business and Solution Architecture Conceptual Models and will create a Technology Model that will begin to detail out the supporting products and technology infrastructure components that will comprise the Solution Architecture Conceptual Model.

In addition to the Business and Solution Architecture Conceptual Models, the contractor will work with the State of Michigan to determine how business processes and requirements might be captured in automated tools available for use by the project team such as the WebSphere Business Modeler. Contractor will work closely with the State of Michigan Project Managers to determine preferences for automated tools for Business Architecture tasks.

State responsibilities for the Detailed Technical Architecture report and plan for the Statewide HIE Infrastructure

1. The MDIT Project Manager will coordinate work with the Contractor PCO team and necessary MDIT resources to develop the detail technical plan.
2. Prior to the start of Milestone 4, the State will communicate to the Contractor Project Manager any specific requirements on the format or scope of the technical architecture report.
3. The MDIT Project Manager and the MDCH Project Manager will assist the PCO team in engaging necessary impacted organizations within the state in the review of the detailed technical plan for the HIE Infrastructure.
4. Review of documents to verify accuracy and provide corrections or comments.
5. Obtain comments from other stakeholders on the technical plan.

Deliverables for Milestone 4 - Detailed Technical Architecture report and plan for the Statewide HIE Infrastructure

1. Development, management, and assessment of responses to an RFI on HIE technologies.
2. Completion of a detailed technical architecture report and plan for the Statewide HIE Infrastructure.

Deliverable Acceptance Criteria for Milestone 4

Development and submission to the State of Michigan a detailed report and plan for the statewide HIE Technical Infrastructure. The date for completion of Milestone 4 will be established and approved in the Milestone 1 deliverable – Final Project Schedule. Acceptance and approval of deliverables for Milestone 4 will be made by the State of Michigan Project Managers from MDIT and MDCH.

Milestone 5 – Development of a Request for Proposal (RFP) for a statewide HIE Infrastructure:

Contractor shall develop an RFP to meet the requirements established in the HIE Infrastructure Technical Architecture Report and Plan.

1. A Business Architecture and Solution Architecture Blueprint or Conceptual model will be provided for the State’s review. These deliverables have been produced by the Contractor for past project planning efforts and are useful communication tools for MDIT Enterprise Architecture and MDIT Agency Services representatives to review with State of Michigan business departments and other early adopter stakeholders.
2. Contractor will transfer requirements to the RFP - Requirements gathered from State of Michigan resources are often focused and described in State of Michigan vernacular and paradigms. Communicating requests in a manner which is understood by the information technology industry as a whole leads to a more diverse and accurate response by the prospective vendor community.



State responsibilities for the Statewide HIE Infrastructure RFP

1. MDIT and MDCH will provide appropriate and necessary information to the contractor to develop an RFP. Additionally, prior to the start of Milestone 5, the State will communicate requirements regarding scope and format of the RFP to the Contractor Project Manager.
2. DMB will provide assistance in the development of the RFP and JEC review timelines.
3. Necessary SOM resources to be involved in the RFP development and approval will be made available.
4. Review of documents to verify accuracy and provide corrections or comments.

Deliverables for Milestone 5 - Statewide HIE Infrastructure RFP

1. Completed RFP according to the State of Michigan RFP formats.

Deliverable Acceptance Criteria for Milestone 5

Development and submission to the SOM of a Request for Proposals (RFP) within 90 days of the start of the project with sign off provided by the State of Michigan within 5 days after a structured walkthrough of the Milestone deliverable is completed. The date for completion of Milestone 5 will be established and approved in the Milestone 1 deliverable – Final Project Schedule. Acceptance and approval of deliverables for Milestone 5 will be made by the State of Michigan Project Managers from MDIT and MDCH.

Milestone 6 -- Assist the State of Michigan in the Joint Evaluation Committee (JEC).

The Business Architect and the Technical Architect, provided by the contractor, shall advise the State of Michigan HIE Joint Evaluation Committee in the review and evaluation of the implementation contractor responses to the MiHIN Implementation RFP under the direction of DMB Purchasing Operations.

The State of Michigan HIE Solution Team, DMB Purchasing Operations and the contractor shall agree on any additional resources necessary to assist with the State of Michigan HIE Implementation JEC.

Those tasks and deliverables may include the following:

1. Technical Liaison/Technical Expert to the acquisition team. Help the JEC and the advisors to the JEC for the Backbone purchase understand requested technology and understand the business architecture opportunities and constraints.
2. Acquisition Strategies – provide assistance in providing input on the maturity of the products to be considered.
 - a. Market saturation of required technology.
 - b. Design COTS product evaluations to quantitatively define acquisition benefits to the State.
3. Assist in evaluation of solutions/pricing for the JEC during reviews.
 - a. Assist in providing input to questions to vendors.
 - b. Assist JEC in responding to vendor questions.
 - c. Architectural Support to the JEC.
 - d. Technical fit analysis.

State responsibilities for the Joint Evaluation Committee (JEC)

1. The State will work with the Contractor to define the requirements for the contractor's work to assist the JEC.
2. Necessary SOM resources will be assigned to the JEC team
3. DMB will provide a resource to facilitate the JEC activities.
4. Review of documents to verify accuracy and provide corrections or comments.

Deliverables for Milestone 6 - Assist the State Joint Evaluation Committee (JEC)

1. On prospective vendors, perform reference follow-up review, analysis, and report to state JEC team.
2. Complete JEC Oral questions document.
3. Complete technical fit analysis of prospective vendor finalists.

Deliverable Acceptance Criteria for Milestone 6

Contractor completes JEC assistance to the requirements defined at the start of Milestone 6. The date for completion of Milestone 6 will be established and approved in the Milestone 1 deliverable – Final Project



Schedule. Acceptance and approval of deliverables for Milestone 6 will be made by the State of Michigan Project Managers from MDIT and MDCH.

Phase II: Project Control Office (PCO) Services

The funding for Phase II of this contract is dependent upon the State of Michigan receiving American Recovery and Reinvestment Act (ARRA) Title IV funding – Medicaid and Medicare Health Information Technology for Economic and Clinical Health Act (M-HITECH Act).

The Contractor shall provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below.

The PCO shall establish and implement project management and technical processes, methodologies, and tools to minimize the risk and contain costs on the implementation of the MiHIN backbone system. The PCO shall support the State and the implementation contractor in meeting the timely delivery of quality information technology services for all stakeholders of the project. The PCO shall be responsible for performing schedule, scope and technical control tasks.

It is the State's intent that the Project Team shall be comprised of the Project Control Office, Implementation Contractor, MDCH, and MDIT staff. The prospective contractors (PCO or Implementation contractor according to the role) are responsible for utilizing and mentoring State project staff based on their assignments within the Team. State staff members will supplement PCO and Implementation contractor staff for various functions within the project. The exact number of staff and positions shall be mutually agreed upon by the each prospective contractor and the State.

TASKS/DELIVERABLES:

Following is a description of the major tasks involved in providing project control and quality assurance control for the MiHIN Project.

The Project Control Office shall be required to follow the Project Management Methodology (PMM) adopted by the State. This methodology includes the following standard project phases:

- Initiation
- Planning
- Execution
- Control
- Closeout

This project shall rigorously follow the PMM to manage on-time delivery of quality application releases. More detail on the State PMM can be found at <http://www.michigan.gov/projectmanagement>.

TASKS

The State, Project Control Office, and the Implementation contractor jointly comprise the management team for the new HIE system. Specifically, the Project Control Office provides oversight management to the State for project administration, maintaining scope and change control, release planning, release management, risk management, issue management, defect assessment, performance metrics for the Implementation contractor, and periodic participation in project strategy and direction as requested.

The Project Control Office provides assistance to the State in the form of independent oversight, monitoring, and reporting on activities and metrics critical for on-time delivery of quality technology services that meet the needs of MDCH and MDIT. The Project Control Office is responsible for creating and maintaining detailed MS Project plans and schedules that support project scope, costs, milestones, and deliverables. Once a project plan is resourced and a baseline established, all resources (State and Contractual) are required to report effort against the plan. The Project Control Office uses this information to track progress against the plan, determine earned value calculations, derive weekly status reports and perform project evaluations.



PROJECT MANAGEMENT CONTROL

The Project Control Office provides project management assistance to the State and the Implementation contractor through performance of the following tasks:

- a) Develop and manage project schedules and application releases – Work in tandem with the Implementation contractor to create system lifecycle schedules and plans that are logic and resource driven. Maintain the schedules to manage scope and interim deliverables to ensure project remains on time and within scope and budget.
- b) Manage resource pool – Using project management tools, align resources to application releases and tasks, identify additional resources as needed, identify resource conflicts, and assist in leveling resources across tasks and/or releases. This task does not include staff supervision or direct assignment of individuals to tasks. These specific responsibilities (staff supervision and task assignment) are the responsibility of the Implementation contractor and/or the State. The PCO has the responsibility to manage the staff resources assigned to the PCO.
- c) Maintain Change Control and Issue Resolution processes – Provide structure to manage changes in scope, time, and cost. Document and escalate issues. Facilitate cross-functional team communications for timely issue resolution.
- d) Time Tracking – Support level of effort and time tracking, determine where resource time is spent, gather and document data to enable increased estimating accuracy for future software releases based on historical data.
- e) Cost Tracking – Track project costs and determine project performance based on cost and schedule.
- f) Release Planning – Support the System Implementation Project Release Planning process by close coordination with the Implementation contractor in selection, research, and preliminary planning of interim deliverables releases. This effort includes input from Executive Leadership, MDCH Business Owner, MDIT Project Manager (PM), as well as groups representing the end users.
- g) Communication – Identify appropriate information requirements and their flow, and ensures individuals at all levels receive appropriate information on scheduling and planning in a timely manner. Establish meeting schedules and agendas. Facilitate release and status meetings and publish summary meeting notes. Coordinate communications across all stakeholders.
- h) Performance Monitoring - Maintain disciplined process for monitoring release deliverables and schedule milestones. Create performance measurement baselines for scope, schedule and cost. Update and produce project scorecards. Monitor and publish earned value and other performance metrics. Reports program status and milestones on a timely basis. Facilitate action plans for solving progress-related obstacles.
- i) Perform Quality Control – Ensure that all deliverables are complete and follow a formal Work Approval Process (WAP) before securing approval from stakeholders.
- j) Risk Analysis – identify project risk factors and the probability and impact of each factor; develop strategies for dealing with the risk factors.
- k) Interface with MDCH, MDIT, Implementation contractor, and other areas as necessary, including local and enterprise Project Management Offices.
- l) Provide analysis of the MiHIN implementation.

BUSINESS ANALYSIS / HIE EXPERTISE

- a) Provide HIE Administration/Implementation Expertise – Share lessons learned for HIE implementation and administration. Review project deliverables for compliance to business needs and functional implementation approaches.
- c) Conduct periodic Quality Assurance Reviews to ensure that defined project processes are being followed.
- d) Review business requirements definitions – Work closely with MDCH and the Implementation contractor on the refinement of business requirements, processes, business rules, and validations.

TECHNICAL SUPPORT

1. Configuration Management
 - a) Oversee the administration of version-control repositories to enforce configuration management processes for new development and application maintenance activities.
 - b) Create, modify and improve automated build process controls.



- c) Recommend software configuration products, processes, and best practices.
- d) Manage and support the processes to modify production and pre-production applications.
- e) Provide configuration management processes for all source code archives and processes for the Data environments.
- f) Manage all configurable items that comprise a software product (requirements, designs, and modules)
- g) Provide support and recommend modifications to any software installation used to automate, facilitate and enforce the development process governing change control, workflow and promotion to production procedures.
- h) Define strategies to manage data for testing, training, and demonstration purposes.
- i) Provide production support ticket information (reports) and other program management data to System Implementation Project.

2. General Project Oversight

- a) Coordinate, interface with, and complement testing tools, processes, schedules, and metrics with the Implementation contractor, MDIT, and MDCH.
- b) Coordinate, interface with, and complement training tools, processes, schedules, and metrics with the Implementation contractor, MDIT, and MDCH.
- c) Coordinate, interface with, and complement requirements tools, processes, schedules, and metrics with the Implementation contractor, MDIT, and MDCH.
- d) Produce standards and documentation templates for all phases of testing, including unit, systems, integration, user acceptance, performance, and conversion. Monitor testing process to insure that standards are adhered to throughout testing.
- e) Suggest technology or process improvements for the state that would contain, or reduce costs.

The Project Control Office (PCO) will act as a cohesive unit to support the State of Michigan's strategy and vision as it pertains to the Health Information Network. Its mission is to assist MDCH in meeting its objectives to promote the use of health information exchange to improve efficiency, quality and patient safety by making comprehensive clinical information available at the point of care. A critical function of the PCO is to provide open and honest project status reporting on progress toward project delivery and general health of the project, while enforcing all aspects of governance. The Dewpoint/s2a Team will rigorously and fully implement the State's Project Management Methodology framework for the implementation and management of the PCO. Adherence to the State of Michigan PMM will provide standards, methods and guidance which will promote the development of a reliable, cost effective solution while adhering to the State vision of CMMI Level 3 Certification. Implementation of the PCO will cross the Initiation and Planning domains, while the management of the PCO (providing system implementation oversight and management), will cross the Execution, Monitoring & Control, and Closeout domains. During the first two weeks of the signed contract, the Dewpoint/s2a Team Project Manager will work with the State of Michigan and Dewpoint/s2a project team to develop and finalize a project plan that will include (but is not limited to) the following project management plans as per the State's PMM:

- Project Schedule
- Communications Management Plan
- Issues Management Plan
- Risk Management Plan
- Quality Management Plan
- Change Management Plan

Tasks and Deliverables The PCO will provide project management expertise to the State of Michigan MDIT/MDCH Project Managers, key stakeholders, as well as the implementation vendor through the execution of the following:

Schedule/Scope Management

- Develop and manage an effort driven project schedule create in conjunction with the MDIT/MDCH Project Managers to ensure that realistic goals have been established.
- Work with designated State of Michigan Stakeholders and project and subject matter experts to populate the PMM01 Concept Document and PMM02 Project Charter.



- Complete and maintain the PMM03 Project Plan Document, PMM04 Work Break Down Structure, PMM05 Resource Plan,
- Maintain the project schedules to maximize successful delivery and adherence to scope.
- Assess the impact to scheduling and scope as change requests are submitted for review to the CCB.
- Manage release schedules.
- Provide weekly task level status and input into dash board reporting.

Communication Management

- Work with the MDIT/MDCH Project Managers to identify appropriate information requirements.
- Ensure that the PCO received appropriate and timely maintenance information as required.
- Provide input for status meetings, steering committee meetings and schedules including the PMM13 Project Status Report.
- Interact as needed to ensure that implemented processes are appropriately executed upon.
- Complete and maintain the PMM08 Communications Plan.

Issue Management

- Establish and manage processes for issue management and resolution.
- Create and maintain the PMM15 Issue Document.
- Facilitate cross-functional communication to ensure timely and accurate impacts are understood and priorities are set.

Risk Management

- Develop risk management processes and maintain and manage risk tracking and resolution processes.
- Populate and maintain the PMM06 Risk Management Plan.
- Facilitate cross-functional team communication for risk resolution.
- Actively participate in the risk resolution process.

Performance Measurement and Monitoring

Collect and report on project status, progress toward milestone completion, and general health of the project.

- Provide input for project dashboard reporting, earned value analysis, and other defined performance measurement baselines.

Quality Management

- Create a PCO Quality Policy.
- Develop a quality plan to measure process conformance.
- Plan and execute on quality assurance testing, and assist in the development of corrective action planning as needed.
- Complete and maintain the PMM07 Quality Plan.

Resource Management

- Manage resource pool to maximize productivity and to ensure that schedule needs and requirements are met.
- Supervise PCO staff and direct assignments of tasks as needed.

Release Management

- Facilitate and coordinate the prioritization and integration of requirements into major releases as required.
- Facilitate release planning meetings in order to develop and maintain release scheduling.
- Establish deadlines and monitor progress for release planning efforts.

Change Management

- Establish a Change Control Review Board for the formalized review, approval or rejection of change controls as needed.
- Develop, maintain, and manage Change Control, and issue tracking and resolution processes including the creation and maintenance of the PMM09 Change Management Plan.



- Document and escalate change controls utilizing the PMM14 Change Control Request form.
- Facilitate cross-functional team communication for changes to the project and their impacts on the delivery of the project.

Financial Management/Cost Tracking

- Track and update project costs throughout the lifecycle of the PCO and execution of the system implementation project.
- Provide earned value analysis to determine performance against established
- Complete and maintain the PMM10 Project Budget Estimate and PMM11 IT Project Budget Estimate.

Project Closure and Transition

- Plan for the project closure including the PMM12 Project Planning Transition Checklist.
- Completion of PMM16 Post Implementation Evaluation report, PMM17 Active Project Transition Document, PMM18 Lessons Learned Document and PMM19 PMM Feedback Document.

Project Management Control

In cooperation with the State of Michigan MDIT/MDCH Project Managers, the Dewpoint/s2a Project Manager will provide a project plan using the State of Michigan's PMM document set, which will include a detailed project schedule for the delivery of Phase 2 to be finalized two weeks after the commencement of Phase II. The detailed and finalized project schedule will encompass the work needed to fulfill the scope and meet project milestones, provide an input to generate graphical metrics status, as well as foster open communication regarding the general health of the project. Included in the document set will be a project team organizational chart, as well as the other standard project management documents (Resource plan, financial plan, risk plan, WBS, quality plan, project transition plan, etc.). Use of an electronic tool for project management (MS Project) will provide for planning, monitoring and tracking towards project progress, as well as the level of effort spent for each task, and the resources assigned to those tasks. Data outputs will enable the creation of project dashboard reporting and graphical representation of elements such as ETC (Estimate to Complete), EV (Earned Value), and EAC (Estimate At Completion).

BUSINESS ANALYSIS / HIE EXPERTISE

The PCO will provide recommendations based on lessons learned and experience with HIE, as well as facilitate functional reviews and provide the appropriate supporting documentation. Additional activities include:

- Business requirements gathering
- Process mapping
- Workflow design
- Data mapping
- Gap analysis
- System Testing
- Process re-engineering

Technical Support Key aspects of providing technical support involves general project oversight and guidance from a technical perspective to ensure that system implementation deliverables are meeting technical requirements, and that any technical obstacles or decision points are prioritized and roadblocks are removed. Success for this solution will also ensure that a complete and thorough knowledge transfer takes place between the Dewpoint/s2a Team and appointed State of Michigan staff.

Additional support also includes providing status updates to the PCO Office Manager (Project Manager) and assuming a role as an escalation point for the technical delivery team. These responsibilities necessitate the requirement for a technical leader to be familiar with State of Michigan processes, procedures and standards, such as a familiarity with the enterprise architecture, methodologies, and organizational structures in place within the State of Michigan. The technical support role performs cross-functional responsibilities in the execution of the PCO. These responsibilities cross the following multiple domains: configuration management, project management and integration vendor oversight (without having the primary and all encompassing responsibilities within said realms).



Knowledge Transfer/Transition

The Dewpoint/s2a Team plans to slowly ramp up appointed State of Michigan personnel to assist in the management and oversight of the PCO. This plan entails assigning State of Michigan personnel to already appointed roles, so that on the job training and mentoring can be accomplished. As the State of Michigan appointed personnel become familiar with the PCO management and oversight, as well as the technical aspects of the system implementation, the Dewpoint/s2a Team will work with the State of Michigan to determine ongoing staffing needs as part of the resource management function of the PCO.

Acceptance Criteria

The Dewpoint/s2a Team understands that the State of Michigan review period for written business and technical deliverables is 30 days. Approval will be received in a written format from the MDIT/MDCH Project Managers. If there are changes that need to be made to the written deliverables, the MDIT/MDCH Project Managers will provide the required feedback to the Dewpoint/s2a Team for modification. The written deliverable will then be resubmitted for an additional 30 day review period. Service deliverable approval will be based on the contractual requirements.

Approach

The management team of the new MiHIN system will be collectively comprised of the Project Control Office, the State of Michigan, and the system implementation vendor that is selected during Phase 1 of this response. The PCO will provide the State of Michigan independent oversight, management, monitoring, and reporting on activities, milestones, and data input for metrics reporting to ensure quality delivery of the technology that meet the needs of MDIT and MDCH. The Project Control Manager (Project Manager) will be responsible for creating and maintaining detailed project schedules for input to the overall project plans. These schedules and plans will provide tracking and oversight of the day to day activities and their associated deliverables using the State of Michigan's PMM. Once the project schedules are appropriately assigned to resources and resource leveling has been completed, all resources assigned to tasks and deliverables will be required to report effort against those tasks. This information will be used to track progress toward the schedule, report on the general health of the project, meet status reporting requirements, and analyze metrics such as Earned Value (EV). The Project Scheduler will be tasked with collecting the effort reported by all resources assigned to tasks and deliverables, and updating the detailed project schedule with the data reported. This activity involves understanding and reviewing time tracking by resources and ensuring that the appropriate information is gathered for the work that is left to complete. The Project Scheduler will work hand in hand with the Project Control Office Manager to apply ongoing lessons learned to refine processes as needed, and analyze and understand resource allocations. The PCO will function as a collaborative unit to ensure communication flows are effective amongst all key project stakeholders in order to ensure the system implementation is successful. The PCO will additionally act as an advocate for the use of the SUITE methodology, and will use the applicable templates, as well as assist the system vendor in their use in order to ensure the project follows industry best practices and standards, as well as State of Michigan standards.

Methodology

Although the PCO holds a specific set of responsibilities, the PCO will work hand in hand with the system implementation vendor that is selected by the State of Michigan during Phase 1 of this response once the PCO has been implemented and the vendor begins their planning activities for the system implementation.

Initiation

The PCO will be implemented during the Initiation and Planning phases as depicted in the attached preliminary project schedule. One of the first tasks to complete for the implementation of the PCO involves assisting in the orientation of the team and ensuring their work environment is established at the State location determined. This entails ensuring the appropriate documents are completed to obtain access and/or badges as needed for the management and oversight of the PCO. Soon after, the Project Manager will begin working with the MDIT/MDCH Project Managers to schedule and prepare for a kickoff meeting with all key stakeholders. At the kickoff meeting, the primary focus will be to ensure that all roles and responsibilities are reviewed and understood, a Steering Committee is formed, meeting frequencies are established, and that all key stakeholders understand the charter of the PCO. The follow on deliverables are the completion of the Project Concept Document and Project Charter (using existing templates as defined in the State's PMM) to



provide overall project direction. In coordination with the MDIT/MDCH Project Managers, the project schedule for the implementation and management of the PCO will be created using MS Project. The PCO is responsible for maintaining the project schedule to continually track all tasks and deliverables, and understand resourcing needs and allocations. The responsibility to track all scope items to avoid over allocation of resources, as well as the continuous maintenance of the project schedules will continue through the life of the PCO.

The next key objective of the PCO to meet is the creation of a Communications Plan. The PCO will conduct activities to define communication needs, the frequency for which they are needed, the appropriate stakeholders for the communication type, and how the communication will be received (media). A significant communication item that is inherent in the life of a project is the need for status reporting. The PCO will use output from project tracking tools such as MS Project to generate graphical metrics reporting and dash board reporting. The Weekly Status Reports will report on the general health of the PCO, significant accomplishments for the previous reporting week, plans for the next reporting period, issues that require additional attention, and change controls that have been approved. The Communications Plan will also include details surrounding the facilitation and preparation for implementation meetings. It is the PCO's responsibility to coordinate with the State and the system implementation vendor to facilitate open communication as it pertains to the implementation. As such, the PCO will schedule recurring status meetings where go-no-decisions will be made based on the vendor's progress toward completing deliverables. These meetings will be in addition to the Stage Exit Reviews that are part of the SUITE Methodology. The PCO will establish a Go Live Setback Timeline process (see example below) leading up to the system go live date. The Go Live Setback Timeline process entails determining what tasks and deliverables are required to be complete at specified corresponding points in time. These points in time are depicted as the Go Live date – the number of weeks out the project is from the Go Live date. If the project will take 12 weeks to Go Live, the Setback Timeline will begin with Go – 12. A Go-No-Go review will be conducted at the end of each week. If the review does not pass, the Setback week will recur. A final Go-No-Go decision will be made prior to the actual Go Live date. After implementation, a Post Go Live Review will be conducted. During this review, all issues will be reviewed and closed or assigned for resolution and lessons learned will be conducted.

The PCO will work with the system implementation vendor to establish status reporting processes, templates and tools, and facilitate status and planning meetings. The PCO will be responsible for incorporating data gathered using these means into executive level dashboards.

Planning

The Planning phase of the preliminary project schedule will be the phase in which the PCO is completely implemented and ready for ongoing management. During this phase, the PCO will create plans for the day to day management of the PCO. The Issues Management plan will identify how issues are brought to the attention of the PCO, how owners of issues are identified, and how and where they will be tracked. Additionally, the Issues Management Plan will contain an escalation process and Issues Log for managing and tracking all PCO issues. Corresponding templates will be created for the system implementation vendor to ensure that all issues are captured and shared across all realms. The Risk Management Plan will identify how issues can become risks, what activities the PCO will undertake to identify risks (such as facilitating weekly status meetings and planning meetings), how to estimate their probability of occurring, and define the impact they could have on the project if they are realized. For each risk the PCO will develop mitigation plans and strategies using the State of Michigan's standard templates. To manage change, the PCO will work with the MDIT/MDCH project managers to identify a Change Control Review Board (CCB). The Change Management Plan will detail the role of the CCB, how change requests are submitted and the review process, and how and when the CCB communicates decisions on changes that are either approved or rejected. The plan will include standard templates, such as a change request form, change request log, and Notice of Decision template. In coordination with the MDIT/MDCH project managers, the PCO will define a Quality Policy which will become a strong foundation for how quality is measured throughout the lifecycle of the PCO. This Quality Policy will be used to establish quality standards and thresholds for which measurements and variances are tracked and reported to key stakeholders and the system implementation vendor. The Quality Policy will outline objectives and responsibilities, and will be the basis for the Quality Management Plan which will detail quality assurance guidelines, the process for measuring the quality of the work implemented as part



of the system implementation, and define the process by which nonconformance issues can be tracked, managed, resolved and routed for review or approval. The PCO's philosophy on quality will reduce rework and provide consistent and repeatable processes. The Quality Policy, quality measures and metrics, and the Quality Management Plan makeup the Quality System. This system is designed to be collaborative in order to promote standards and processes across a multi-faceted environment. Development of the Quality Management Plan will include the use of the SUITE documents available, and describes the activities to be performed by the PCO to ensure system implementation deliverables are completed. Managing project scope, understanding roles and responsibilities, conducting weekly status and planning meetings, the collecting of status reports and data input, risk and issue managements and change control processes are all key elements of quality planning.

Performance management includes the use of the project management tool kit to collect performance metrics, create dashboards, conduct Earned Value Analysis, understand resource allocation, track and manage issues discovered throughout the lifecycle, as well as defects detected during testing. The toolkit will provide the PCO with the necessary tools and documents to analyze performance data in order to produce metrics reports on schedule performance, testing performance, and production performance. The reports will be key to assessing and reporting on the general health of the project. An Earned Value Analysis will provide a numerical assessment of each deliverable and phase, while resource allocation will expose areas where resources are either underutilized or over utilized so that staffing levels can be adjusted to ensure project success is not compromised. The Planning phase and PCO implementation wraps up with the completion of training and knowledge transfer of appointed State of Michigan staff. The approach for training and mentoring is much the same as it would be for any PCO team member. Training plans will be customized based on base skills and knowledge of the appointed State staff, and will emphasize the use of project processes, best practices, and on the job training and mentoring.

Execution

The Execution phase kicks off with the support of technical preparation for the system implementation vendor, as well as the assistance with the completion of State of Michigan documentation, such as SUITE documents (i.e.: Enterprise Architecture Solution document) and the completion of the required background check forms (as needed). The PCO role will be to ensure that the selected system implementation vendor understands and adheres to the SUITE methodology, as well as the PCO established processes and procedures for project oversight and management. The PCO will additionally support all State of Michigan system design activities by assisting where appropriate in tracking the ISR process, and reviewing interfaces and specifications with the vendor and the RHIOs. Once the system implementation vendor has completed their initiation phase, and are into planning, the PCO will analyze the vendor scope of work and apply experience and expertise to estimate and schedule implementation tasks, durations, and specific dependencies. The PCO will rigorously implement a robust estimating process to predict the development effort, including adherence to PMI principles for estimating, defining, and building a schedule to be used as a baseline for performance measurement. The PCO will execute on the Go Live Setback Timeline process to manage, monitor and track the system implementation vendor's progress and actively aide in exposing areas of concern. Ad hoc reports requested by the system implementation vendor to satisfy any project analysis needs and documentation of all processes and tools to support application development, testing, releases, and configuration management will be provided as requested. The PCO will work in tandem with the vendor to create system lifecycle schedules and manage scope to ensure the project stays on track, manage issues as they arise, facilitate the development of risk mitigation plans, manage change, and facilitate communications amongst stakeholders.

State staff appointed to work as part of technical control will be trained on said processes and tools used for technical control. Training will be provided in the form of documentation and mentoring. The PCO will facilitate technical and functional reviews, and will provide documentation such as modification logs, as well as changes and approvals. The PCO team will leverage SUITE tools and templates for application design, development and testing standards, and will participate in testing as required by the State. Additional responsibility the PCO will assume surrounds the development of privacy, security and consent guidelines. Once the guidelines has been finalized and reviewed by MDCH, the PCO will track the legal approval required for them to be implemented and enforced.



Monitoring & Control

Once the system has passed the Post Go Live Review session (as part of the Go Live Setback Timeline process), and the system has been fully implemented, the PCO will support the State's PARE process, and will continue to track, monitor and manage issues as they are encountered. Performance measures and metrics will continue to be collected for the operational system, and ad hoc reporting requests will be fulfilled as required. During this time, helpdesk processes will be fully executed upon, and the PCO will work in tandem with the helpdesk to ensure that communication continues to flow openly and cross-functionally. Releases will be managed through the Release Management process. A request for release procedure will be included so that releases can be reviewed, approved, and prioritized. The PCO will schedule releases and ensure adherence to Change Management processes and standards, as well as Project Management standards using those processes defined as part of the establishment of the PCO. Resources will continue to be allocated and analyzed for appropriate assignment. Quality will be measured and reported, and staff and vendors will be trained using the approaches defined above. All releases will follow the rigorous Go Live Setback Timeline process to ensure PCO quality standards are met. PCO quality health checks will be performed against the quality system and Quality Policy established during the implementation of the PCO in order to foster continuous improvement and ensure State of Michigan satisfaction. The health checks will be conducted quarterly, and the results of these health checks will be reported in a quarterly review report (or another frequency as agreed upon by the PCO and the State of Michigan), along with a change control log, open issues and risks that could potentially affect the success of the PCO, and the general health of the PCO. On a monthly basis, the PCO will report on the general health of projects/releases, change controls that apply to those projects/releases, as well as open issues and risks that are being monitored by the PCO in a dashboard format. *Closeout* The Closeout of the PCO, at the end of the base contract and/or extension years, will include a coordinated effort between the PCO team, MDIT and MDCH, the system implementation vendor, as well as other key stakeholders and agency representations. The closeout will evaluate the finances for the project by producing final metrics and measures gathered as it pertains to quality and earned value. Lessons learned meeting will be facilitated by the PCO where open and honest discussions about what went well, what is an opportunity for improvement, and items that are informational for future PCO structures similar in size and scope. Following will be a review of any open issues, with an agreement as to their current disposition and assignment for resolution. A final closeout meeting and Stage Exit Review will be conducted in order to release all resources, and obtain final acceptance and signoff.

DELIVERABLES

PROJECT MANAGEMENT CONTROL

The following tangible deliverables (a through h) are expected to be completed and approved by the State within the first 90 days of the start of Phase II. The remaining actions are ongoing in nature and expected in the frequency stated.

- a) Revised Project Concept Document and Project Charter - using State of Michigan SUITE Methodology template.
- b) Detailed Project Plan – Plan should include milestones, tasks (work breakdown structure), hours, durations, schedule, and resource allocation. Detailed task level plans and schedules must be created for each release deployment. Note: This is the detailed task plan to be developed with the input of the Project Team (Implementation contractor, MDCH, & MDIT.)
- c) Risk Management Plan – using State of Michigan SUITE Methodology template
- d) Quality Plan - using State of Michigan SUITE Methodology template
- e) Communication Plan - using State of Michigan SUITE Methodology template
- f) Change Control Management Plan - using State of Michigan SUITE Methodology template
- g) Change Control Request Plan - using State of Michigan SUITE Methodology template
- h) Develop and support a formal Work Approval Process (WAP).
- i) Weekly status reports - using State of Michigan SUITE Methodology template
- j) Facilitation of and materials preparation for deployment(s) meetings.
- k) Facilitation of, materials preparation and meeting notes for weekly status meetings for managers and team leaders.
- l) Facilitation of, materials preparation and meeting notes for bi-weekly leadership meetings.



- m) Facilitation of, materials preparation and meeting notes for weekly planning meetings.
- n) Participation in and materials preparation for Executive Leadership meetings, as requested by the Implementation contractor or MDIT Project Manager.
- o) Performance metrics including score cards, earned value analysis, project evaluation, resource usage, defects found and resolved in testing, defects introduced into production, analysis of Implementation contractor warranty work, and analysis of application down time.
- p) Facilitation of and materials preparation for close-out of each release, including archival of all project data, lessons learned sessions, and close-out of any open action items.
- q) Ad hoc reports requested by the System Implementation Project Program Manager.
- r) Training on the processes and tools used for project management control for State staff designated to work with and on the Project Control Office.

BUSINESS ANALYSIS / HIE EXPERTISE

- a) Documented Recommendations for lessons learned and experience with HIE administration.
- b) Technical and functional reviews including documentation

TECHNICAL SUPPORT

- a) Weekly written status reports that include, at a minimum, a description of work accomplished, work scheduled, and identification of issues requiring management attention.
- b) Documentation of all implemented processes and tools to support application development, testing, release and configuration management.
- c) Training on the processes and tools used for technical / infrastructure control for State staff designated to the Technical Control team.
- d) Application Design, Development and Testing Standards Documents (code standards, quality standards, database standards, test plan standards)
- e) Monthly Standards Review Reports

Knowledge Transfer/Transition

The Contractor shall fully acquaint the State HIE Solution team with the proposed backbone architecture and the required software, hardware and network structure for implementation.

The contractor shall be required to ensure that State staff has the knowledge and skills to perform all PCO activities prior to the end of the contract.

Deliverable(s)

- MiHIN Architecture Document as described above
- Necessary documentation for PCO activities.

Acceptance Criteria

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

OPTIONAL SOLUTIONS

Supporting the Base Scope of Work and Deliverables

As established in the original RFP 1.104 Work and Deliverables section:

“Services (work) To Be Provided and Deliverables -

The following services and deliverables are not all inclusive. Contractors may propose other services and deliverables. “– pg 14 - MIHIN HIE Backbone PCO ITB

Contractor is prepared to support future challenges by proposing a strategy for this scope of work that not only meets the needs of this RFP but also provides options to arm the State as a whole to be prepared to tackle future planning opportunities. The optional solutions proposed provide the following services for the State to consider exercising either upon contract award or as needed during the contract term. Although our team may



work towards some of these service areas (as time permits) within the base contract hours, each of these optional solutions represent a significant scope of work that we feel should be accomplished to maximize success for the Michigan Health Information Network. For each optional solution listed below, we have identified the resource roles that may be required.

An effort estimate for each optional solution has been provided and is included in Attachment K – Cost Tables. If the State chooses to pursue any of the proposed optional solutions, a statement of work – including a detail scheduled and estimated resources and costs - will be prepared by the contractor. Each statement of work will be reviewed and approved by the State project manager.

Optional Solutions include:

- 1) Assistance in developing and implementing a Statewide Governance Structure composed of state designated stakeholders who are empowered to lead the effort;
- 2) Development of a Clinician Adoption Plan designed to successfully “roll-out” the MIHIN system across the State’s designated regions thereby supporting its use and value;
- 3) Financial and Business Feasibility Plan for developing sustainable approaches to HIE;
- 4) Assistance in development of Clinical and Financial Performance Metrics designed to measure the benefit of HIE; and
- 5) Assistance with Grant Development Activities and Federal HITECH Planning to maximize the State of Michigan’s ability to capture ARRA dollars for the Michigan Health Information Network.

Governance Development S2a has been asked to assist in developing the governance structure for each major HIE initiative that it has been engaged in over the past four years. Although not specifically identified as a primary piece of this MIHIN Planning and PCO scope of work, our team does have the experience to help with the State’s HIE governance planning. Our primary goal in governance planning is to create a structure to unify competing stakeholders to accomplish the social, clinical, political and financial goals of a health information exchange. It is our understanding that the Health Information Technology (HIT) Commission, that includes senior leaders from the State of Michigan, has expressed a desire to develop a governance framework. Our team understands the following immediate priorities for action in the Governance Development:

- Take an incremental approach to HIE planning and try not to get “too big too fast”;
- The planning team should start with the “Considerations” document produced by the HIE Commission, but have the leeway to what needs to be studied and also to comment on approaches to engage regional participation;
- The planning team should spend time with the two regions that are up and running;
- The planning team needs to leverage past Michigan HIE planning successes and continue with regional involvement;
- There is support for the concept of the planning team convening working groups to include: clinical; administrative; technical; business case; and healthcare recipients;
 - Stakeholder organizations identified as populating these workgroups included: laboratories and pharmacies; health systems; home healthcare; and long-term care.
- The HIT Commission, the regions, and other stakeholders should provide input so that the State might be able to take action to institutionalize some governance that will last from Administration to Administration

The following items represent the work we typically undertake to develop a tailored approach to HIE governance development:

- Develop a private-public partnership approach to governance and work with the respective state to identify appropriate stakeholder representatives;
- Develop the organizational structure, the authority and the responsibilities associated with project oversight by the involved organizations, to include “influencing” entities/organizations (HIT Commission, State Medical Society, State Hospital Association, Blue Cross/Blue Shield of Michigan);



- Formulate the vision, mission and guiding principles that are to be used for assessing work products, making decisions and communicating to key constituencies;
- Develop the key functional areas that need to be accountable to the governance entity through a workgroup structure – these typically include clinical, technical, financial and measurement;
- Develop a market-based mechanism for identifying stakeholder needs and offering solutions designed to maximize opportunities for collaboration and ensure transparency into the overall network – this should ensure market-driven prioritization of critical needs without excluding stakeholders with specialized or niche requirements;
 - This mechanism represents a decentralized rather than a top-down model: it supports accelerated scale-up and scale-out of the state-wide HIE by minimizing bottlenecks, decoupling development, encouraging business innovation and enabling parallel effort by participants;
- Define an acceptable approach to incrementally deploying technology, developing sustainability and scaling services across regions;
- Compile success criteria upon which to judge deliverables and project completion; and
- Agree on the framework for establishing and governing a formal entity should the decision be made to extend governance to HIE implementation and sustaining operations.

We hope to leverage our experience with the stakeholder-driven approach taken with the Conduit to Care report, along with our work with one of the funded HIE planning regions, to formulate an approach to governance that reflects the culture of Michigan and can effectively engage multiple stakeholders to ensure long term success. Staff required for this option may include a Project Manager and a Business Architect.

Clinical Adoption Planning It is our understanding that the State of Michigan wishes to improve the cost, quality, and satisfaction of care that the citizens of Michigan receive by using past investments in health information technology and exchange to accelerate the value that can be derived from electronic health records and other sources of data. We believe that the successful achievement of this goal will drive the adoption and use of EHRs however there are several critical factors that must be considered to achieve full adoption:

- The extent to which the technical architecture and the functionality it supports meets clinician expectations for use;
- That the accuracy, timeliness and breadth of clinical data sufficiently addresses their „pain points“ for information needed to care for patients;
- That an acceptable level of risk is taken in making clinical decisions based on the sources and comprehensiveness of the data;
- Clinicians are given a voice in deciding on priorities for exchanging clinical information;
- Implementation assistance is provided to minimize disruption in practice work flow;
- Expectations of improved efficiency and benefit are not overstated and instead clinicians are enjoined to participate in measuring the improvements and outcomes; and the
- Consideration of financial and non-financial incentives.

S2a’s approach to health information exchange begins and concludes with the value that can be provided to clinicians at the point care. Our experience with successful HIE projects is driven by understanding clinician needs at the inception of the architectural design and ends with the provision of HIE services that clinicians will utilize and readily adopt. This perspective is influenced by the inclusion of physician informaticists who are both practicing clinicians and technical experts that have been involved in multiple HIE initiatives across the country.

Our approach and expertise would leverage an understanding of the Michigan environment at the regional level, and seek to develop an adoption plan that can be deployed among local healthcare stakeholders in support of the State’s ultimate goals for a successful statewide architecture for health information exchange. Staff required for this option may include a Project Manager and a Physician Informaticist.



Financial and Business Feasibility Planning It is our understanding that the State of Michigan wishes to develop a statewide approach to health information exchange (HIE) that is ultimately sustainable. The HITECH Act portion of the American Recovery and Reinvestment Act of 2009 offers a near-term opportunity to capitalize on the investments in HIE planning and implementation that the State of Michigan has made over the last several years, however, the statewide architecture that is developed and the costs associated with vendor solutions to deliver it, must somehow be funded over the long term. Over the past four years s2a has assisted HIEs and RHIOs develop business models for sustaining the on-going cost of operations.

Each approach to financial sustainability is developed based on factors pertinent to the individual environment which may include:

- quantifying the current cost of providing services that are to be assumed by the HIE;
- identifying the use cases which best represent the desired outcomes expected from HIE;
- measuring the quality, satisfaction and cost of care associated with these current use cases prior to implementing the interventions;
- utilizing the use cases, quantify the value of HIE and the recipients of that value after the interventions have been successfully implemented;
- quantifying the cost of sustaining on-going HIE operations;
- developing strategies and recommended financial models from legislatively driven to stakeholder driven options for HIE funding; and by
- compiling the requisite revenue and cost assumptions along with financial pro-formas that comprise a business model for sustaining HIE operating costs.

The scope of work associated with developing a business model for sustainable operations is typically driven by the aforementioned aspects. In Michigan however, the role, approach to centralized architecture and expected benefit to be derived by the regions will significantly influence the business model's design and associated financial participation by the regions versus participation by other state-wide stakeholders to include the payers, employers, consumers, and the State itself.

Staff required for this option may include a Project Manager, a Business Architect, and a Financial Analyst.

Development Services for Clinical and Financial Performance Metrics Like many states, Michigan has been working aggressively toward HIT/HIE/EMR in an effort to improve quality of care and decrease costs within the health care system. There is general agreement that health information technology and exchange can support efforts to reduce growth in healthcare costs and improve value for healthcare dollars, however, there are significant challenges in measuring the performance of HIT/HIE implementation. Despite these challenges, performance measurement is critical. The value of large investments from public and private sources in terms of cost and quality needs to be demonstrated. Changes in patient outcomes and administrative costs will support physician EMR adoption. Performance measurement will serve as the foundation for optimizing the EMR incentive payments to Michigan providers afforded through the American Recovery and Reinvestment Act of 2009 (ARRA). S2a has done significant performance measurement work over the past 4 years. Our performance measurement approach is to identify, select or develop measures that tie to objectives, reflect clinical priority, are based on scientific acceptability, present meaningful information to different stakeholders, and are feasible to implement.

Performance measurement services may include:

- Establishing baseline measures in order to facilitate comparison studies and trending over time;
- Identifying the most effective types of measures – structure (EMR implemented), process (A1C ordered on diabetics) or outcome (average A1C for diabetics in panel), or a combination – to achieve specific measurement objectives;
- Leveraging of existing, nationally endorsed measures;
- Collaborating with stakeholders to gain consensus on measurement objectives, selection and/or development;



- Creating technical specifications enabling automated production of performance measures using standard claims and EMR data
- Creating stand-alone or supplemental qualitative measurement programs to gain insight, lessons learned, consumer experiences, provider sentiment, etc.;
- Developing measurement programs that can be used for different purposes such as educating providers, advising policy formulation, reprioritizing funds, etc.; and
- Aligning performance measures with incentive payments available through the ARRA

While health information exchange is a relatively nascent area of healthcare, measuring the performance of systems and interventions is even less documented and empirical data does not exist for most use cases. However, as states like Michigan make significant investments in HIT and HIE, they must consider measuring the benefit derived in order to justify its priority to tax-paying citizens, to providers that need to use the system to drive the benefits, and to payers and employers that receive an economic benefit and should be considered as primary funders. S2a has developed performance measures that can assist in measuring and quantifying these benefits and provide the necessary justification for current and future investments based on improvements in quality, satisfaction and cost. For this optional solution, Contractor will look to work with either the University of Michigan or Michigan State University for subject matter expertise and valuable input on clinical and financial performance metrics considered. As needed, Contractor will work with the performance metrics solutions team to do analytical modeling of key metrics utilizing industry-leading SAS technology currently in use by the Michigan Department of Community Health or other analytical technology as requested by the State. Staff required for this option may include a Project Manager, a Business Architect, and an Analytics Modeler.

HITECH / ARRA Grant Planning

Contractor will assist MDCH and MDIT to address funding and sustainability of current and future HIT and HIE backbone projects made possible by Recovery Act funding. They will provide leadership and direction to the State in development and management of their portfolio of HIT investments ensuring a comprehensive, balanced and impactful approach. Contractor will provide assistance to this effort by providing means for MDCH and the Governor's Economic Recovery Office to manage their portfolio of ARRA-funded projects. An automated ARRA dashboard can be provided for MDCH to see at a glance the status of their grant activities. Deliverables and activities include:

- *Monitoring emerging funding opportunities* – requirements for and definitions of funding opportunities included in ARRA are being developed by a variety of committees and agencies at the federal level. The team will monitor and synthesize this stream of information and evaluate and modify each project within MDCH as needed.
- *Create a compilation of possible projects so the State is ready to respond at short notice* – the MDCH has developed an initial list of projects for possible submission for federal ARRA funding. The Contractor's team will continue to develop and refine this list.
- *Development of proposal materials including proposal templates* – Contractor's team will work to refine proposal materials in anticipation of very short turnaround time for responses to ARRA opportunities.

Staff required for this option may include a Project Manager and a Health Informatics Analyst.

1.200 Roles and Responsibilities

1.201 Contractor Staff, Roles, and Responsibilities

A. Contractor Staff

All staff must have the ability to:

- Work professionally with the users, administrators, MDIT and other State agencies serving the citizens of the State of Michigan
- Work with state and local agency personnel that have a wide range of application and computer-related knowledge



- Train and/or educate while assisting MDIT personnel
- Document and act on customer suggestions and complaints
- Document problems, fixes, resolutions and preventative measures for the future
- Personnel with the ability to troubleshoot problems and provide timely resolutions in order to prevent downtime

NOTE: The contractor meets the following Mandatory Contractor Requirements:

1. Company or its subcontractor have participated in at least 2 different Health Information Exchange (HIE) projects lasting a year or more above and beyond the experience of the key personnel proposed.
2. Three letters of recommendation provided to the state from previous clients with a similar scope of work including at least one for the company with the HIE experience.
3. The key personnel Business Architect and Technical Architect have a minimum of 3 years experience in an HIE functional requirement gathering, technical requirement gathering and HIT/HIE project management.
4. Contractor demonstrates they have acted in the role of a PCO on three projects similar in size to this project. One of the PCO projects in support of an HIE.

Contractor provides a list below of all subcontractors, including firm name, address, contact person, and a complete description of the work to be contracted.

The Contractor provides, and will 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. The chart must show the 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.

For each resource required for Phases I and II the contractor has submitted a letter of commitment for Key Personnel, signed by the identified resource, stating their commitment to work for the contractor/subcontractor on this project contingent on award of the bid. Contractor commits that staff identified in its proposal shall actually perform the assigned work.

All Key Personnel, in all phases, 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:

For all phases of the project:

Single Point of Contact

Name: Jennifer Kwapis

The duties of the SPOC shall include, but not be limited to:

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

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

Any additional personnel required for the PCO shall be jointly agreed to by the State and the Contractor. Insert table for optional PCO roles.

B. Additional Security and Background Check Requirements:

1. Contractor will present certifications evidencing satisfactory Michigan State Police Background checks ICHAT and drug tests for all staff identified for assignment to this project.
2. In addition, proposed Contractor personnel will complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC) Finger Prints, if required by project.



3. Contractor will pay for all costs associated with ensuring staff meet security and background check requirements.

1.202 State Staff, Roles, and Responsibilities

The State will provide the following resources for the Contractor's use on this project:

1. Work space
2. Minimal clerical support
3. Desk
4. Telephone
5. PC workstation
6. Printer
7. Access to copiers and fax machine

On Site Work Requirements

1. Location of Work

The work is to be performed, and managed in the City of Lansing, MI in a state building. However, there will be travel required within the state of Michigan for the Contractor to evaluate HIE early adopters. Additionally it is expected that some of the work will be performed off-site in the contractor's or sub-contractor's facility (according to the staffing schedules provided to the State on June 18, 2009 (See Attachment F).

2. Hours of Operation:

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

3. Travel:

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

The State shall not pay for any travel expenses, including hotel, mileage, meals, parking, etc. Travel time shall 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 shall 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 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 shall result in reduced reimbursement.



State Project Team

The State project team shall consist of the State’s HIE Solution Team, Executive Stakeholders, project support, and an MDIT and an Agency project manager:

Executive Stakeholders

The Executive Stakeholders representing the business units involved will provide the vision for the business design and how the application shall provide for that vision. They shall be available on an as needed basis.

The Stakeholders will be empowered to:

- Resolve project issues in a timely manner
- Review project plan, status, and issues
- Facilitate access to subject matter experts
- Resolve deviations from project plan
- Provide acceptance sign-off
- Utilize change control procedures
- Ensure timely availability of State resources
- Make key implementation decisions, as identified by the Contractor’s project manager, within 48-hours of their expected decision date.

Name	Agency/Division	Title	Phone/e-mail
Beth Nagel	DCH, Executive Office	HIT Manager	
Laura Rappleye	DCH, Executive Office	HIT Analyst	
Scot Ellsworth	DIT, Chief Enterprise Architect		
Randall Rothfuss	DIT, DCH Agency Services		

State Project Manager(s) (MDIT and Agency)

MDIT will provide a Project Manager who will be responsible for the State’s infrastructure.

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.
- Obtain information and documents for Contractor as specified in this contract

Name	Agency/Division	Title
Scot Ellsworth	MDIT	Project Manager
Laura Rappleye	MDCH	Project Manager

MDIT provides the following Contract Administrator whose duties shall include, but not be limited to, supporting the management of the Contract.

Name	Agency/Division	Title
Sara Williams	MDIT/Bureau of Strategic Policy	Contract Administrator



1.203 Other Roles And Responsibilities

None

1.300 Project Plan

1.301 Project Plan Management

Preliminary Project Plan

Contractor shall provide a Preliminary Project Plan with the proposal for evaluation purposes, including necessary time frames and deliverables for the various stages of the project and the responsibilities and obligations of both the Contractor and the State.

1. In particular, the Preliminary Project Plan shall include a MS Project plan or equivalent (reference the SUITE/PMM standard-See 1.103):
 - a. A description of the deliverables to be provided under this contract.
 - b. Target dates and critical paths for the deliverables.
 - c. Identification of roles and responsibilities, including the organization responsible. Contractor is to provide a roles and responsibility matrix.
 - d. The labor, hardware, materials and supplies required to be provided by the State in meeting the target dates established in the Preliminary Project Plan.
 - e. Internal milestones
 - f. Task durations
2. The Preliminary Project Plan shall include the following deliverable/milestones for which payment shall be made.
 - a. Payment to the Contractor shall be made upon the completion and acceptance of the deliverable or milestone, not to exceed contractual costs of the phase. A milestone is defined as complete when all of the deliverables within the milestone have been completed.
 - b. Failure to provide deliverable/milestone by the identified date may be subject to liquidated damages as identified in Article 2.

Note: A Final Project Plan shall be required as stated in Article 1, Section 1.301 (C) Project Control.

In cooperation with the State of Michigan MDIT/MDCH Project Managers, the Contractor Project Manager will provide a project plan using the State of Michigan's PMM document set, which will include a detailed project schedule for the delivery of Phase 1 to be finalized within two weeks after contract award. The detailed and finalized project schedule will encompass the work needed to fulfill the scope and meet project milestones, provide an input to generate graphical metrics status, as well as foster open communication regarding the general health of the project. Included in the document set will be an project team organizational chart, as well as the other standard project management documents (Resource plan, financial plan, risk plan, WBS, quality plan, project transition plan, etc.). Using an automated tool for project management (MS Project), will provide for planning, monitoring and tracking towards project progress, as well as the level of effort spent for each task, and the resources assigned to those tasks. Data outputs will enable the creation of project dashboard reporting and graphical representation of elements such as ETC (Estimate to Complete), EV (Earned Value), and EAC (Estimate At Completion).

As a function of the PCO, the Contractor will develop the strategies for implementing clear channels of communication by indentifying and defining the various communication elements required for effective oversight of the vendor implementation. While additionally defining the measures, media, audiences and processes by which the selected implementation vendor communicates with the PCO and other team members.

Communication items and functions may include (but are not limited to):

- Creation and dissemination of project announcements
- Facilitation of releases and status meetings
- Management and dissemination of issue and risk Logs



- Management of Change Requests
- Facilitating communication across stakeholders and among vendors
- Managing relationships with other State agencies and contractors

Orientation Meeting

Upon 7 calendar days from execution of the Contract, the Contractor shall be required to attend an orientation meeting to discuss the content and procedures of the Contract. The meeting shall be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

The Contractor understands the requirement to participate in an Orientation Meeting within 7 days after contract award. At a minimum, the a member of the Contractor Project Manager team will attend the Orientation Meeting along with the Contract Administrator and Single Point of Contact.

Performance Review Meetings

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

The Contractor plans to attend monthly meetings as stated to review performance under the contract. At a minimum, a member of the Contractor Project Manager team and the Contractor Single Point of Contact will attend the monthly meetings, and will be prepared to provide status as to the general health of the project, issues that require additional support for resolution, progress toward significant milestones and any other requirement provided by the State of Michigan.

Project Control

1. The Contractor shall carry out this project under the direction and control of MDIT, and MDCH
2. Within two weeks of the execution of the Contract, the Contractor shall submit to the State project manager(s) for final approval of the project plan. This project plan must be in agreement with Article 1, Section 1.104 Work and Deliverables, and must include the following:
 - The Contractor'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 shall manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>
 - a. Contractor shall 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 14 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 shall support reporting in compliance with the State standards.



The Contractor believes that timely and appropriate communication is vital to the success of any project. For this reason, the Contractor will use several avenues to ensure healthy and thorough communication takes place both during the completion of Tasks 1-4 as described in this RFP. In addition to providing weekly status reports and conducting recurring and frequent status meetings, the Contractor Project Manager will work with the MDIT and MDCH Project Managers to create and disseminate comprehensive a Communication Management Plan. The Communication Management Plan will include the details regarding the types of communication that are to take place, the timing and frequency of the communications, the formats of any documentation or reports provided as part of the communication, and the recipients and/or participants of the communication item.

1.302 Reports

Reporting formats must be submitted to the State's Project Manager for approval within 10 working to the format of the report; it shall become the standard to follow for the duration of the contract.

- Weekly Project status
- Updated project plan
- Summary of activity during the report period
- Accomplishments during the report period
- Deliverable status
- Schedule status
- Action Item status
- Issues
- Change Control

The Contractor will communicate specific project information in a weekly status report in a format agreed upon by the MDIT and MDCH Project Managers.

The weekly status report will detail critical information pertaining to the health of the project, including:

- Work accomplished for the previous reporting period
- Work planned for the next reporting period
- Progress towards achieving the relevant milestones
- Current issues
- Anticipated risks
- Change controls

At a minimum, the Contractor Project Manager team will review the Weekly Status Report during the recurring Weekly Status Meeting. During this meeting work accomplished, work planned, issues and risks will be reviewed, assigned, updated and assessed as necessary. It may be deemed necessary by the project team to meet on a more frequent basis, in which case the MDIT and MDCH Project Managers and Dewpoint/S2a Project Manager will work together to determine the agenda and format.

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 – Project Managers

Level 2 – Executive Stakeholders

Level 3 – Executive Steering Committee

An issue is an event that requires an action plan to fix a problem that has occurred, or an uncertainty, stated as a question, which needs to be answered so necessary actions can be taken. Issues, or problems, are expected to occur during the course of a project. Any issue has the potential to affect the progress of the project if it goes unresolved, and it may jeopardize the achievement of project deliverables. Issue Management identifies project issues, ensures an owner is assigned, and sets a due date for resolution. Issue Management provides a mechanism by which team members can surface, escalate, and resolve issues that jeopardize the attainment of a project milestone or causes significant project risk. A successful Issues Management process ensures that issues are documented and managed across the project consistently, and that timely and effective resolution and communication occur. The early detection and resolution of issues is a key project management role, and provides for open communication channels and aggressive approach by the Dewpoint/s2a Team. Issues are documented in the weekly project status reports, reviewed at each project status meeting, and continually documented, tracked and communicated throughout the lifecycle of the project in the Issues Tracking Log.

Once an issue is identified, and the issue management process is invoked, the Dewpoint/s2a Project Manager ensures the issue is evaluated to determine any immediate impact to scope or schedule. The Dewpoint/s2a Team reviews each issue and assigns an owner, while the Dewpoint/s2a Project Manager continues to track the issue until it has been resolved. If it is determined that in order for the issue to be resolved a change must be made to either scope, or schedule, the Change Management process will be invoked.

Escalation Process

In some instances, it may become necessary to invoke escalation procedures, even if the issues can be resolved by the project team. The Dewpoint/s2a Project Manager may escalate those issues when visibility to MDIT and MDCH senior management is appropriate. In these situations, the Dewpoint/s2a Team will use its best professional judgment to ensure appropriate communication to resolve issues, regardless of categorization, occurs within the MDIT and MDCH governing processes.

Phase 2 Issue Management

The PCO's methodology will support continuous issues management and facilitate cross-functional team communication for issue resolution. The use of a tracking log – part of a project management tool set to be implemented during the PCO implementation – will provide for a mechanism to document, track and manage resolution. This log will provide a framework for gathering the data necessary to evaluate areas of concern and track the resolution of those areas. Key information gathered about each issue includes:

- Unique issue identification number
- Date the issue was opened
- Assigned owner to the issue
- Priority assignment
- Issue description
- Estimated resolution date
- Issue status

1.402 Risk Management

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



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

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

The Contractor shall provide the tool to track risks. The Contractor shall work with the State and allow input into the prioritization of risks. The Contractor is responsible for identification of risks for each phase of the project. Mitigating and/or eliminating assigned risks shall be the responsibility of the Contractor. The State will assume the same responsibility for risks assigned to them.

The Contractor will apply a proactive risk management approach invoked during the build of the Scope of work and will continue throughout the execution of Phase 1, as well as the execution of the PCO. The successful implementation of Phase 1 and the PCO depends on the diligence of the Dewpoint/s2a project team to manage all potential threats to its delivery. The approach the Dewpoint/s2a Team will implement for risk management is a process which includes four subdivisions: Risk Planning, Risk Assessment, Risk Analysis and Risk Handling.

During the Risk Planning component, project risk factors will be assessed by identifying and documenting them. The project team members and other stakeholders will identify initial risks and assumptions. Issues and risks will be captured and documented for further analysis. Throughout the project lifecycle, the project team will continue to identify and document risks as they are identified. Risk Assessment will entail in the project team assessing the identified and documented risks in order to create a ranking. A risk value will be calculated using the probability and impact ratings. The higher the risk value, the higher the probability for managing the risk. The Contractor's Project Manager will facilitate a review of the risks and will determine if the risk should be accepted, mitigated, or avoided, and develop a risk management plan, as appropriate. The high-level risks are identified, assessed and documented in the Risk Identification List. The Risk Identification List provides a general evaluation of the broad degree of risk that the project faces, based on the overall project characteristics. The high-level assessment will identify risk items, quantify the risk, and determine how to respond throughout the project life cycle.

Project characteristics to be given consideration in the assessment include, but are not limited to:

- Business related
- Application compatibility
- Overall readiness
- Size of implementation
- Assessment and Readiness findings
- Deviations
- Pilot findings
- User readiness
- Available resources

Although all risks are part of the risk management plan, those risks that have a high- or medium-level of risk exposure require documented project risk action and contingency plans. During Risk Analysis, a risk action plan is created to describe the actions to be taken to eliminate or minimize the impact. The contingency plan outlines the plan of action to be taken if the risk cannot be prevented or minimized. After the High Level Assessment is completed using the Risk Identification List, a determination of how to respond to the risk must be made. There are four alternatives to handling a risk: MITIGATE – Mitigate the risk by potentially revising the scope, budget and timing ACCEPT – Accepting the risk by doing nothing (typically for low risk items) AVOIDANCE – Eliminate the cause of the risk event through alternative methods. TRANSFER – Realigning the responsibility of the risk. Risk Handling entails the creation of a risk mitigation plan for each of the identified



risks. Risk Handling includes determining what steps the Dewpoint/s2a Team can take to avoid or mitigate the risk, determining which steps should be included in the project schedule, assigning an owner and target dates, and monitoring of the risk status and mitigation steps. If the risk event occurs, and changes to cost, schedule, or scope are required, the Change Management Process will be invoked.

1.403 Change Management

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

If a proposed contract change is approved by the Agency, the Contract Administrator shall submit a request for change to the Department of Management and Budget, Purchasing Operations Buyer, who shall make recommendations to the Director of Purchasing Operations regarding ultimate approval/disapproval of change request. If the DMB Purchasing Operations Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the Purchasing Operations Buyer will issue an addendum to the Contract, via a Contract Change Notice. **If Contractor provides products or services prior to the issuance of a Contract Change Notice by DMB Purchasing Operations, Contractor may 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 shall employ the change control methodologies to justify changes in the processing environment, and to ensure those changes shall not adversely affect performance or availability.

Throughout the life of a project, new requirements may be discovered, contracted deliverables may change, and sometimes reasons to make adjustments to the scope of work are identified. Although change is inevitable, a structured Change Management process, when implemented properly and executed consistently, can aide in setting, managing, and more importantly, meeting, stakeholder expectation. The rigorous implementation of a Change Management process is an essential component in controlling the scope of the project, and it is the ultimate responsibility of the Contractor’s Project Manager to insure that change is properly managed throughout the lifecycle. Managing changes to the baseline project schedule is accomplished by incorporating only vital changes, which are documented and approved through the change control process. This is an iterative process which is triggered through the submission of change requests.

Change Requests

The purpose of a Change Request is to document, track, and control any changes to the contract or adjustments to the agreed-upon scope of work for the project. A change may or may not impact the cost or schedule of the project. The Change Request process provides a documented trail of changes, and provides information for the assessment of time, resource availability, and cost impact of the change (if any). Change Requests may also be used to document the removal of functionality or a reduction in cost.

The Contractor Project Manager or project team members will submit a Change Request under the following circumstances:

- Changes relative to a project schedule variance
- Changes relative to project revenue or cost variance
- Change relative to potentially missed project schedule milestones
- Change that has significant impact on the project scope
- Changes relative to significant technology considerations
- Changes that have significant impact on the project contract

Notice of Decision Request

An additional scope control mechanism that will be employed by the Contractor is the Notice of Decision (NOD) Request process. Lack of information or indecision may have a major impact on the project schedule and team productivity. The NOD Request form is a formal mechanism to highlight critical decisions that need to



be made so that the project can proceed. The NOD Request records the request and assigns responsibility for obtaining the information or making the decision. NOD Requests may be used for both external and internal issues. The NOD Request is not intended to be used to document every project decision. For example, day-to-day operational decisions will be documented in meeting minutes and action lists.

The NOD Request is used to:

Ensure the project team is provided with information necessary to maintain the schedule;

Encourage the client and Contractor to make decisions effectively and within an acceptable time frame

Provide a formal record of critical project decisions, thereby minimizing the time spent revisiting old decisions.

Phase 2 – PCO Change Management

The PCO team will implement a rigorous change control process to provide MDIT and MDCH with the data necessary to make an informed decision about accepting or rejecting change that brings together input from key stakeholders, and measures the impact against the MiHIN priorities. The PCO will ensure the selected system vendor will employ the change control tools to manage change during the implementation. These tools include a Change Management Plan, Change Requests, Change Log, Notice of Decision documents, and interaction with the Change Control Review Board.

1.500 Acceptance

1.501 Criteria

The following criteria will be used by the State to determine acceptance of the deliverables provided under this contract:

A. General Deliverables

1. All tasks listed under 1.104 Work and Deliverable is completed.
2. Training for users and administrators is complete and to the State Project Manager's satisfaction.
3. Knowledge transfer to agency staff has progressed throughout the life of the project and staff are fully prepared to move the project ahead with minimal to no Contractor support.

B. Document Deliverables - Documents include, but are not limited to plans, design documents, project schedules, user guides, and procedure manuals.

1. Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Article 1.302.
2. Requirements documents are reviewed and updated throughout the development process to assure requirements are delivered in the final product.
3. Draft documents are not accepted as final deliverables.
4. MDCH and MDIT will review business documents within 30 days.
 - a. Approvals will be written and signed by both the MDCH and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Vendor.
 - c. After issues are resolved or waived, the Vendor will resubmit documents for approval within 30 days of receipt.
5. Both MDIT and MDCH Project Managers will review technical documents within 30 days.
 - a. Approvals will be written and signed by both the MDCH and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Vendor.
 - c. After issues are resolved or waived, the Vendor will resubmit documents for approval within 30 days of receipt.
6. Both the MDCH and Project Managers will review project documents within 30 days.
 - a. Approvals will be written and signed by both Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Vendor.
 - c. After issues are resolved or waived, the Vendor will resubmit documents for approval within 30 days of receipt.

C. Service Deliverables - Services include, but are not limited to MiHIN architecture and RFP development, PCO services, and training.



1. The services will be accepted in accordance with the requirements of the contract.
2. Both the MDCH and MDIT will review a Request for Approval of Services within a mutually agreed upon timeframe from completion or implementation.
 - a. Approvals will be written and signed by both the MDCH and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit a Request for Approval of Services for approval within 30 days of receipt.
3. The services will be accepted in accordance with the requirements of the contract. Both the MDCH and MDIT staff are properly trained and supplied with the proper tools and documentation to support, upgrade, monitor, operate, and configure the application in accordance with the requirements of this contract and the accepted Vendor's proposal.

The Contractor Project Manager will, in cooperation with the project team and State of Michigan MDIT/MDCH Project Managers, establish a project environment to enable on-time delivery of Tasks 1-4 as defined in this RFP. This project environment will entail the early definition of roles and responsibilities, the establishment of project governance, and the completion of a detailed project plan that contains not only the project schedule, but the entire State of Michigan PMM document set. This document set contains components for the effective management of all aspects of the project, including resources, communication, issues, quality, risks, etc. The detailed project schedule will encompass the work needed to fulfill the scope and meet project milestones, provide an input to generate graphical metrics status, as well as foster open communication regarding the general health of the project.

As a function of the PCO, the Contractor will develop the strategies for implementing clear channels of communication by identifying and defining the various communication elements required for effective oversight of the vendor implementation. While additionally defining the measures, media, audiences and processes by which the selected implementation vendor communicates with the PCO and other team members.

Communication items and functions may include (but are not limited to):

- Creation and dissemination of project announcements
- Facilitation of releases and status meetings
- Management and dissemination of issue and risk Logs
- Management of Change Requests
- Facilitating communication across stakeholders and among vendors
- Managing relationships with other State agencies and contractors

1.502 Final Acceptance

Phase I tasks shall be accepted as completed with the completion and release of the Implementation Project RFP and the selection of an Implementation Contractor

Phase II tasks shall be accepted as completed at the implementation of the HIE solution.

1.600 Compensation and Payment

1.601 Compensation and Payment

Method of Payment

Phase 1 is a fixed price deliverable. Phase 2 shall be a fixed monthly rate per staff.

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 MDIT Contract Administrator with the reduced prices within fifteen (15) Business Days [or other appropriate time period] of the reduction taking effect. – OR – Contractor shall send updated prices to the State [quarterly/semi-annually].



Statements of Work and Issuance of Purchase Orders

- Unless otherwise agreed by the parties, each Statement of Work shall 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) shall 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.

Phase I payment of invoices will be based upon the table below identifying the successful completion of Phase I deliverables.

Phase 1 Deliverables	Payment based on percent (%) of Phase 1 Contract value
Milestone 1 - HIE Phase 1 Project Planning	\$69,868.72 (10 %)
Milestone 2 - Early Adopter Technical Environment Analysis.	\$139,737.44 (20%)
Milestone 3 - SOM System Technical Environment Analysis.	\$139,737.44 (20 %)
Milestone 4 – Detailed Technical Architecture Report and Plan for statewide HIE Infrastructure.	\$139,737.44 (20%)
Milestone 5 – Develop a Request for Proposal for a statewide HIE Infrastructure.	\$139,737.44 (20 %)
Milestone 6 - Completion of the State of Michigan MiHIN HIE Joint Evaluation Committee (JEC) consulting deliverables	\$69,868.72 (10 %)
Total	\$698,687.20 (100%)

Invoicing

Contractor shall submit properly itemized invoices to “Bill To” Address on Purchase Order. 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 shall be returned to Contractor for correction and reissue.

1.602 Holdback – Deleted N/A



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of five (5) years beginning _____ through _____. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

Options to Renew

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to 2 additional one-year periods.

2.003 Legal Effect

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

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.004 Attachments & Exhibits

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

2.005 Ordering

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown; however, the Contractor will be required to furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.006 Order of Precedence

The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract, which may be modified or amended only by a formal Contract amendment.



2.007 Headings

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of the Contract.

2.008 Form, Function & Utility

If the Contract is for use of more than one State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.009 Reformation and Severability

Each provision of the Contract is severable from all other provisions of the Contract and, if one or more of the provisions of the Contract is declared invalid, the remaining provisions of the Contract remain in full force and effect.

2.010 Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

2.011 No Waiver of Default

If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.012 Survival

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section

2.020 Contract Administration

2.021 Issuing Office

This Contract is issued by the Department of Management and Budget, Purchasing Operations, Michigan Department of Information Technology and Michigan Department of Community Health (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The Purchasing Operations Contract Administrator for this Contract is:

Joann M. Klasko
Buyer
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
KlaskoJ@michigan.gov
517-241-7233

2.022 Contract Compliance Inspector

The Director of Purchasing Operations directs the person named below, or his or her designee, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. **Monitoring Contract activities does not imply the authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract. Purchasing Operations is the only State office**



authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract. The Contract Compliance Inspector for this Contract is:

Sara Williams
Department of Information Technology
Chandler Building
300 E. Michigan Avenue
Lansing, MI 48913
Email:Williamss11@michigan.gov

2.023 Project Manager

The following individuals will oversee the project:

For the Department of Information Technology:

Scot Ellsworth
Romney Building
111 Capital Avenue
Lansing, MI 48913
Email: EllsworthS@michigan.gov

For the Department of Community Health:

Laura Rappleye
Capital View
201 Townsend Street
Lansing, MI 48909
Email: RappleyeL@michigan.gov

2.024 Change Requests

The State reserves the right to request from time to time any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the Services/Deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

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

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

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



- (1) Change Request at State Request
If the State should require Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").
- (2) Contractor Recommendation for Change Requests:
Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.
- (3) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.
- (4) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").
- (5) No proposed Change must be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Purchasing Operations.
- (6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 Notices

Any notice given to a party under the Contract must be deemed effective, if addressed to the party as addressed below, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

State:

State of Michigan
Purchasing Operations
Attention: Joann Klasko
Mason Building, 2nd Floor
530 W. Allegan
PO Box 30026
530 West Allegan
Lansing, Michigan 48933

Contractor:

Dewpoint, Inc.
Attention: Jennifer Kwapis
1921 East Miller Road, Suite B
Lansing, Michigan 48911



Either party may change its address where notices are to be sent by giving notice according to this Section.

2.026 Binding Commitments

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in the Contract. Contractor may change the representatives from time to time upon written notice.

2.027 Relationship of the Parties

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors must be or must be deemed to be an employee, agent or servant of the State for any reason. Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.028 Covenant of Good Faith

Each party must act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.029 Assignments

Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under the Contract that all payments must be made to one entity continues.

If the Contractor intends to assign the contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

2.030 General Provisions

2.031 Media Releases

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and Contract or project to which it relates shall not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 Contract Distribution

Purchasing Operations retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

**2.033 Permits**

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.034 Website Incorporation

The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

2.035 Future Bidding Preclusion

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP; it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP

2.036 Freedom of Information

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

2.037 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

2.040 Financial Provisions**2.041 Fixed Prices for Services/Deliverables**

Each Statement of Work or Purchase Order issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.042 Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

2.043 Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in this Contract.

2.044 Invoicing and Payment – In General

(a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.



- (b) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.
- (c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.
- (d1) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

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

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

2.045 Pro-ration

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

2.046 Antitrust Assignment

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

2.047 Final Payment

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

2.048 Electronic Payment Requirement

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



2.050 Taxes

2.051 Employment Taxes

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes.

2.052 Sales and Use Taxes

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

2.060 Contract Management

2.061 Contractor Personnel Qualifications

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

2.062 Contractor Key Personnel

- (a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.
- (b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.
- (c) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor’s removal of Key Personnel without the prior written consent of the State is an unauthorized removal (“Unauthorized Removal”). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel’s employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material



breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.

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

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

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

2.064 Contractor Personnel Location

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

2.065 Contractor Identification

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

2.066 Cooperation with Third Parties

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

2.067 Contract Management Responsibilities

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

The Contractor will provide the Services/Deliverables directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables.



Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

2.068 Contractor Return of State Equipment/Resources

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

2.070 Subcontracting by Contractor

2.071 Contractor full Responsibility

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

2.072 State Consent to delegation

Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, Purchasing Operations has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

2.073 Subcontractor bound to Contract

In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. A list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract is attached.

2.074 Flow Down

Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, and 2.200** in all of its agreements with any Subcontractors.

2.075 Competitive Selection

The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.



2.080 State Responsibilities

2.081 Equipment

The State will provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

2.082 Facilities

The State must designate space as long as it is available and as provided in the Statement of Work, to house the Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). The Contractor must have reasonable access to, and unless agreed otherwise by the parties in writing must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

2.090 Security

2.091 Background Checks

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit>. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI DATA Security Requirements

Contractors with access to credit/debit card cardholder data must adhere to the Payment Card Industry (PCI) Data Security requirements. Contractor agrees that they are responsible for security of cardholder data in their possession. Contractor agrees that data can ONLY be used for assisting the State in completing a transaction, supporting a loyalty program, supporting the State, providing fraud control services, or for other uses specifically required by law.

Contractor agrees to provide business continuity in the event of a major disruption, disaster or failure.



The Contractor will contact the Department of Management and Budget, Financial Services immediately to advise them of any breaches in security where card data has been compromised. In the event of a security intrusion, the Contractor agrees the Payment Card Industry representative, or a Payment Card Industry approved third party, will be provided with full cooperation and access to conduct a thorough security review. The review will validate compliance with the Payment Card Industry Data Security Standard for protecting cardholder data.

Contractor agrees to properly dispose sensitive cardholder data when no longer needed. The Contractor will continue to treat cardholder data as confidential upon contract termination.

The Contractor will provide the Department of Management and Budget, Financial Services documentation showing PCI Data Security certification has been achieved. The Contractor will advise the Department of Management and Budget, Financial Services of all failures to comply with the PCI Data Security Requirements. Failures include, but are not limited to system scans and self-assessment questionnaires. The Contractor will provide a time line for corrective action.

2.100 Confidentiality

2.101 Confidentiality

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below), which is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. "Confidential Information" excludes any information (including this Contract) that is publicly available under the Michigan FOIA.

2.102 Protection and Destruction of Confidential Information

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

2.103 Exclusions

Notwithstanding the foregoing, the provisions in this Section will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of



confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104 No Implied Rights

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.105 Respective Obligations

The parties' respective obligations under this Section must survive the termination or expiration of this Contract for any reason.

2.110 Records and Inspections

2.111 Inspection of Work Performed

The State's authorized representatives must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

2.112 Examination of Records

For seven years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

2.113 Retention of Records

Contractor must maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114 Audit Resolution

If necessary, the Contractor and the State will meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.



2.115 Errors

If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four invoices. If a balance remains after four invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the contract, whichever is earlier.

In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.

2.120 Warranties

2.121 Warranties and Representations

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under neither this Contract, nor their use by the State will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.
- (i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
- (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately



represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.

- (l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
- (m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.
- (n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Management and Budget, Purchasing Operations.

2.122 Warranty of Merchantability

Goods provided by Contractor under this agreement shall be merchantable. All goods provided under this Contract shall be of good quality within the description given by the State, shall be fit for their ordinary purpose, shall be adequately contained and packaged within the description given by the State, shall conform to the agreed upon specifications, and shall conform to the affirmations of fact made by the Contractor or on the container or label.

2.123 Warranty of Fitness for a Particular Purpose

When the Contractor has reason to know or knows any particular purpose for which the goods are required, and the State is relying on the Contractor's skill or judgment to select or furnish suitable goods, there is a warranty that the goods are fit for such purpose.

2.124 Warranty of Title

Contractor shall, in providing goods to the State, convey good title in those goods, whose transfer is right and lawful. All goods provided by Contractor shall be delivered free from any security interest, lien, or encumbrance of which the State, at the time of contracting, has no knowledge. Goods provided by Contractor, under this Contract, shall be delivered free of any rightful claim of any third person by of infringement or the like.

2.125 Equipment Warranty

RESERVED

2.126 Equipment to be New

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

2.127 Prohibited Products

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless Purchasing Operations has approved a change order pursuant to **Section 2.024**.



2.128 Consequences for Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, the breach may be considered as a default in the performance of a material obligation of this Contract.

2.130 Insurance

2.131 Liability Insurance

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims that may arise out of or result from the Contractor’s performance of services under the terms of this Contract, whether the services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain under this Contract.

All insurance coverage provided relative to this Contract/Purchase Order is PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance must be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.

The insurers selected by Contractor must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract must be issued by companies that have been approved to do business in the State.

See www.michigan.gov/dleg.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor’s policy contains higher limits, the State must be entitled to coverage to the extent of the higher limits.

The Contractor is required to pay for and provide the type and amount of insurance checked below:

- 1. Commercial General Liability with the following minimum coverage:
 \$2,000,000 General Aggregate Limit other than Products/Completed Operations
 \$2,000,000 Products/Completed Operations Aggregate Limit
 \$1,000,000 Personal & Advertising Injury Limit
 \$1,000,000 Each Occurrence Limit

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor’s business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- 3. Workers’ compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor’s domicile. If a self-insurer provides the



applicable coverage, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees’ activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision must not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

- 4. Employers liability insurance with the following minimum limits:
 \$100,000 each accident
 \$100,000 each employee by disease
 \$500,000 aggregate disease
- 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars (\$1,000,000.00) with a maximum deductible of fifty thousand dollars (\$50,000.00).
- 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.
- 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.
- 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

2.132 Subcontractor Insurance Coverage

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

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DMB Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the “Certificates”). The Certificate must be on the standard “accord” form or equivalent. **The Contract Number or the Purchase Order Number must be shown on the Certificate Of Insurance To Assure Correct Filing.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The



notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insured under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and must not be construed; to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

2.140 Indemnification

2.141 General Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

2.142 Code Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

2.143 Employee Indemnification

In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

2.144 Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.



In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

2.145 Continuation of Indemnification Obligations

The Contractor's duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

2.146 Indemnification Procedures

The procedures set forth below must apply to all indemnity obligations under this Contract.

- (a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.



- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

If the Contractor breaches the contract, and the State in its sole discretion determines that the breach is curable, then the State will provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

2.152 Termination for Cause

- (a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State
- (b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.
- (c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.
- (d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

2.153 Termination for Convenience

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.



2.154 Termination for Non-Appropriation

- (a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State must terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).
- (b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.
- (c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 Termination for Criminal Conviction

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

2.156 Termination for Approvals Rescinded

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

2.157 Rights and Obligations upon Termination

- (a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.
- (b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and



Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

- (c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

Any termination of this Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

2.160 Termination by Contractor

2.161 Termination by Contractor

If the State breaches the Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate this Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract, (ii) breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.160** before it terminates the Contract.

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed **90** days. These efforts must include, but are not limited to, those listed in **Sections 2.141, 2.142, 2.143, 2.144, and 2.145**.

2.172 Contractor Personnel Transition

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

2.173 Contractor Information Transition

The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless



otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

2.174 Contractor Software Transition

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

2.175 Transition Payments

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

2.176 State Transition Responsibilities

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

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.

2.180 Stop Work

2.181 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.150**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.130**.

2.182 Cancellation or Expiration of Stop Work Order

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

2.183 Allowance of Contractor Costs

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



2.190 Dispute Resolution

2.191 In General

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

2.192 Informal Dispute Resolution

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

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

(2) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.

(3) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(4) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.193.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 Injunctive Relief

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

2.194 Continued Performance

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



2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

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

2.202 Unfair Labor Practices

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

2.203 Workplace Safety and Discriminatory Harassment

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

2.204 Prevailing Wage

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

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

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



2.210 Governing Law

2.211 Governing Law

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

2.212 Compliance with Laws

Contractor shall comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

2.213 Jurisdiction

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.220 Limitation of Liability

2.221 Limitation of Liability

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The Contractor's liability for damages to the State is limited to two times the value of the Contract or \$500,000 which ever is higher. The foregoing limitation of liability does not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor is limited to the value of the Contract.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements that are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.



If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
 - (1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
 - (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.
- (c) Contractor must make the following notifications in writing:
 - (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DMB Purchasing Operations.
 - (2) Contractor must also notify DMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
 - (3) Contractor must also notify DMB Purchase Operations within 30 days whenever changes to company affiliations occur.

2.232 Call Center Disclosure

Contractor and/or all subcontractors involved in the performance of this Contract providing call or contact center services to the State must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of this Contract.

2.233 Bankruptcy

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance

2.241 Time of Performance

- (a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of **Section 2.241**, Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must



notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreement (SLA)

(a) SLAs will be completed with the following operational considerations:

- (1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
 - (2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
 - (3) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
 - (4) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
 - (i) Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
 - (ii) Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.
- (b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.
- (c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

2.243 Liquidated Damages

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and the State does not elect to exercise its rights under **Section 2.141**, the State is entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

Unauthorized Removal of any Key Personnel

It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.141**, the State may assess liquidated damages against Contractor as specified below.

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



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

2.244 Excusable Failure

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

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

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

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

2.250 Approval of Deliverables

2.251 Delivery of Deliverables

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



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

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

2.252 Contractor System Testing

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

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

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

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

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

2.253 Approval of Deliverables, In General

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

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



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

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

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

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

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

2.254 Process for Approval of Written Deliverables

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



additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.

2.255 Process for Approval of Custom Software Deliverables

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

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

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

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

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

2.256 Final Acceptance

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

2.260 Ownership

2.261 Ownership of Work Product by State

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

2.262 Vesting of Rights

With the sole exception of any preexisting licensed works identified in the SOW, the Contractor assigns, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and



international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any the Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon the State's request, the Contractor must confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

2.263 Rights in Data

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

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

2.264 Ownership of Materials

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

2.270 State Standards

2.271 Existing Technology Standards

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

2.272 Acceptable Use Policy

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

2.273 Systems Changes

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



2.280 Extended Purchasing

2.281 MiDEAL (Michigan Delivery Extended Agreements Locally)

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

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

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

2.282 State Employee Purchases

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

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

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

2.290 Environmental Provision

2.291 Environmental Provision

Energy Efficiency Purchasing Policy: The State seeks wherever possible to purchase energy efficient products. This includes giving preference to U.S. Environmental Protection Agency (EPA) certified 'Energy Star' products for any category of products for which EPA has established Energy Star certification. For other purchases, the State may include energy efficiency as one of the priority factors to consider when choosing among comparable products.

Environmental Purchasing Policy: The State of Michigan is committed to encouraging the use of products and services that impact the environment less than competing products. The State is accomplishing this by including environmental considerations in purchasing decisions, while remaining fiscally responsible, to promote practices that improve worker health, conserve natural resources, and prevent pollution. Environmental components that are to be considered include: recycled content and recyclables; energy efficiency; and the presence of undesirable materials in the products, especially those toxic chemicals which are persistent and bioaccumulative. The Contractor should be able to supply products containing recycled and environmentally preferable materials that meet performance requirements and is encouraged to offer such products throughout the duration of this Contract. Information on any relevant third party certification (such as Green Seal, Energy Star, etc.) should also be provided.

Hazardous Materials: For the purposes of this Section, "Hazardous Materials" is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state or local laws governing the protection of the public health, natural resources or the environment. This includes, but is not limited to, materials the as batteries and circuit



packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act.

- (a) The Contractor must use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State must provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State must advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor must immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.
- (b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State's convenience.
- (c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in a time as mutually agreed by the parties.
- (d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

Labeling: Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html

Refrigeration and Air Conditioning: The Contractor shall comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to this contract.

Environmental Performance: Waste Reduction Program - Contractor shall establish a program to promote cost-effective waste reduction in all operations and facilities covered by this contract. The Contractor's programs shall comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).

2.300 Deliverables

2.301 Software

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



2.302 Hardware

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

2.303 Equipment to be New

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

2.304 Equipment to be New and Prohibited Products

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless Purchasing Operations has approved a change order pursuant to **Section 2.024**.

2.310 Software Warranties

2.311 Performance Warranty

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

2.312 No Surreptitious Code Warranty

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

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

As used in this Contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code. Unauthorized Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

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



2.313 Calendar Warranty

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

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

2.314 Third-party Software Warranty

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

2.315 Physical Media Warranty

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

2.320 Software Licensing

2.321 Cross-License, Deliverables Only, License to Contractor

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

2.322 Cross-License, Deliverables and Derivative Work, License to Contractor

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

2.323 License Back to the State

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



and Derivative Works thereof, and (2) authorize or sublicense others from time to time to do any or all of the foregoing.

2.324 License Retained by Contractor

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

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

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

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

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

2.325 Pre-existing Materials for Custom Software Deliverables

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

2.330 Source Code Escrow

2.331 Definition

"Source Code Escrow Package" shall mean:

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

2.332 Delivery of Source Code into Escrow

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



2.333 Delivery of New Source Code into Escrow

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

2.334 Verification

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

2.335 Escrow Fees

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

2.336 Release Events

The Source Code Escrow Package may be released from escrow to the State, temporarily or permanently, upon the occurrence of one or more of the following:

- (a) The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;
- (b) The Contractor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Contractor to fail to meet its warranties and maintenance obligations in the foreseeable future;
- (c) The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.

2.337 Release Event Procedures

If the State desires to obtain the Source Code Escrow Package from the Escrow Agent upon the occurrence of an Event in this **Section**, then:

- (a) The State shall comply with all procedures in the Escrow Contract;
- (b) The State shall maintain all materials and information comprising the Source Code Escrow Package in confidence in accordance with this Contract;
- (c) If the release is a temporary one, then the State shall promptly return all released materials to Contractor when the circumstances leading to the release are no longer in effect.

2.338 License

Upon release from the Escrow Agent pursuant to an event described in this **Section**, the Contractor automatically grants the State a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support, update, have made, and create Derivative Works. Further, the State shall have the right to use the Source Code Escrow Package in order to maintain and support the Licensed Software so that it can be used by the State as set forth in this Contract.

2.339 Derivative Works

Any Derivative Works to the source code released from escrow that are made by or on behalf of the State shall be the sole property of the State. The State acknowledges that its ownership rights are limited solely to the Derivative Works and do not include any ownership rights in the underlying source code.

2.400 Other Provisions

2.411 Forced Labor, Convict Labor, or Indentured Servitude Made Materials

2.421 Knowledge of Child Labor for Listed End Products

**Attachment A – Subcontractor Information**

Strategic Alliance Advisors, Inc.

338 James Farm Road

Charlotte, VT 05445

Contact person: John K. Evans

Altarum Institute

3520 Green Court, Suite 300

Ann Arbor, MI 48105-1566

Contact person:

Laura Schwennesen

Senior Contract Administrator

734-302-4691

**Attachment B – Key Personal****Lead Project Manager**

Name: John Evans

Vendor: Strategic Alliance Advisors

Assistant Project Manager

Name: Amber Murphy

Vendor: Dewpoint

- Evaluates and recommends staff with appropriate skills for a project team.
- Coordinates the activities of a number of project team members: schedules work assignments, sets priorities, directs work, and addresses deviations from plans.
- Plans and executes communication plans for the good of the project team.
- Evaluates the work product of project team members.
- Maintains adherence to the project charter and scope document.
- Initiates completion of change control documents and insures that disposition is made before changes are made.
- Maintains the risk management document, risk and mitigation activities, keeping aware of the current risk status of a project and the need to employ mitigation measures.
- Maintains records of work completed and deliverables.
- Insures all program and system documentation is complete before approvals and payments are made.
- Is responsive to Quality Assurance staff.
- Help others adapt to new and unfamiliar concepts and tools and solve the most difficult barriers to the completion of their assignment.
- The project manager must have a minimum of three (3) years of recent project management experience and have demonstrated expert knowledge skills and abilities in project management.
- In addition, the individual must have three (3) years of professional experience directing information technology developers.
- The project manager must be familiar with the State of Michigan bidding process for IT Systems and Services.
- The project manager must provide prior PM experience on information technology projects of \$ 10 million or greater.
- The project manager must have experience on Health Information Technology projects.
- This position requires possession of a bachelor's degree with 21 semester (32 terms) credits hours in an information technology related major or equivalent information technology job experience. Possession of a certificate of completion of at least 20 days of project management training covering the topics: managing information technology projects; scheduling and cost control; software quality for project managers; software risk management; project leadership, management and communications. Prefer PMP Certification.

Lead Business Architect

Name: Mikhail Elias

Vendor: Strategic Alliance Advisors

Assistant Business Architect

Name: Rick Brady

Vendor: Dewpoint

- Provides analysis of user needs to determine functional and cross-functional requirements.
- Performs functional allocation to identify required tasks and their interrelationships. Identifies resources required for each task.



- Contributes to the design of architecture to include the software, hardware, and communications to support the total requirements and interfaces. Contributes to estimates for software development costs and schedule.
- Ensures systems are compatible with applicable Agency and Statewide standards.
- This position must have demonstrated experience with Health Information Technologies (HIT) and Health Information Exchanges (HIE).
- This position must have demonstrated knowledge of Regional Health Information Organizations (RHIO).
- This position must be familiar with State and Federal privacy and security policies.
- This position must be familiar with the State of Michigan Health Information Network (Conduit to Care).
- This position must be familiar with integration with the Health Care Enterprise (IHE) technical frameworks.
- This position must possess a strong knowledge of the technical challenges faced by large and small health care providers.
- This position must have knowledge of record locator service technology.
- This position must have knowledge of master patient index technology.
- This position must have knowledge of the nationally recognized HIT and HIE standards, protocols and certification processes
- This position must be familiar with Data Risk Management Strategies.
- This position requires at least two years experience in application development business architecture.
- This position requires at least three years experience in HIE functional requirements gathering

Lead Technical Architect

Name: Michael Gagnon

Vendor: Strategic Alliance Advisors

Assistant Technical Architect

Name: Samer Naser

Vendor: Dewpoint

- Provides analysis of user needs to determine functional and cross-functional requirements.
- Performs functional allocation to identify required tasks and their interrelationships. Identifies resources required for each task.
- Is responsible for the design of architecture to include the software, hardware, and communications to support the total requirements and interfaces. Contributes to estimates for software development costs and schedule.
- Ensures systems are compatible with applicable Agency and Statewide standards.
- Operates within the context of the State of Michigan – State Unified IT Environment (SUITE) process methodology.
- Facilitate current situation analysis and review current systems identified and impacted in the scope of the HIE.
- Provide technical architecture expertise to business and technical requirement sessions.
- Consult with designers on proper solution design and use of enterprise architecture components.
- This position must have at least three years demonstrated experience with Health Information Technologies (HIT) and Health Information Exchanges (HIE).
- This position must have demonstrated knowledge of Regional Health Information Organizations (RHIO).
- This position must be familiar with State and Federal privacy policies and security policies.
- This position must be familiar with the State of Michigan Health Information Network (Conduit to Care).
- This position must be familiar with integration with the Health Care Enterprise (IHE) technical frameworks.
- This position must possess a strong knowledge of the technical challenges faced by large and small health care providers.



- This position must have knowledge of record locator service technology.
- This position must have knowledge of master patient index technology.
- This position must have knowledge of the nationally recognized HIT and HIE standards, protocols and certification processes.
- This position must be familiar with Data Risk Management Strategies.
- This position requires at least five years experience in application development business architecture.

Technical Writer

Name: Sharon McLear

Vendor: Dewpoint

% of Time Allocated to Project: 100%

- This position shall be responsible for the writing of the RFI and RFP at the direction of the Technical and Business Architects and the state project team.
- This position must be familiar with HIT concepts
- This position must have experience with grant writing and or creating proposals for contractor response.

Project Scheduler

Name: Sharon McLear

Vendor: Dewpoint

% of Time Allocated to Project: 100%

- This position manages the schedule of activities and ensures that all necessary tasks are known and that all of their dependencies are well defined. The position creates a plan to ensure that all tasks can be performed on time and effectively
- This position creates regularly scheduled reports describing progress, shortfalls and opportunities to improve the schedule.
- This position requires 3 years of project scheduling experience.

The PCO Project Scheduler will develop and maintain the project schedules to support day-to-day tracking of the project. The Project Scheduler will provide support to the Lead Project Managers and perform many of the administrative tasks required to monitor and report on the status of the application releases. The project scheduler will gather input for not only the selected development vendor but will also gather alternative and objective information from the PCO staff as well.

Technical Control Manager

Name: Phillip Avery

Vendor: Dewpoint

% of Time Allocated to Project: 100%

- This position is directly responsible to the Project Manager and the state project team for ensuring that all necessary support activities are performed as needed.
- This position provides reports to the Project Manager and the state project team as to status, progress, issues and resolutions.
- This position requires a minimum of 3 years coordinating technical activities.

The Lead Technical Control Manager will provide overall management and oversight of infrastructure, resources, tasks and deliverables. This technical control team will work with the selected development vendor and business stakeholders to establish application standards as well as development practices to ensure performance and uniformity within the technical deliverables. The Technical Control Team will provide input into the Project Control Office. The Technical Control Team will review vendor proposed timelines and make recommendations to the PCO regarding the feasibility of projected resource requirements and timetables. The Technical Control team will also audit vendor deliverables for quality performance and adherence to standards.



Finally, the Technical Control Team will provide oversight to disaster recovery, business continuity strategies, implementation strategies and oversight into system and network operational support.

Lead DBA

Name: Brad Olsen

Vendor: Dewpoint

% of Time Allocated to Project: 100%

- This position is responsible, in conjunction with the Implementation Contractor, for setting up and maintaining databases for the testing environments and providing oversight of the Implementation Contractor's database configuration.
- This position requires a minimum of 3 years experience with the States Standard products in setting up, configuring, tuning and security setup for one of the standard database management systems (see 1.103).

Dewpoint will provide a senior DBA to provide overall oversight to the practices, policies and procedures utilized by the selected development vendor. The Dewpoint DBA will ensure the selected vendor is supplying a database system that is repeatable, secure, will scale with data growth and is efficient. Key to implementing a stable database instance is the ability to implement database structures and objects in a repeatable manner. The Dewpoint DBA will ensure that the database is created and updated through version approved database modification scripts which are tested in a development environment and implemented through a release process within a scheduled release window. Database objects and structure have a considerable impact on performance and application software. The Dewpoint DBA will ensure that the selected application vendor is utilizing impact analysis techniques to ensure that database modifications offer acceptable performance and do not negatively impact existing or proposed functionality. All requests for structure change will follow a documented formal procedure in which the requestor must satisfy audit requirements prior to being allowed to request a scripted change. The Dewpoint DBA will monitor the selected development vendor's code review and query performance optimization procedures. The Dewpoint DBA will ensure the vendor is optimizing query and database performance as a step in the system development lifecycle, and will monitor the test and production environments to ensure query performance meets expectations as tested and as deployed.

The Dewpoint DBA will work closely with the selected development vendor and the business to ensure proper capacity planning is in place and effective and data growth over time will utilize increasing amounts of storage. Proper planning and reporting will ensure the environment remains responsive and available for growth.

Lead Unix System Administrator

Name: Mike Gallagher

Vendor: Dewpoint

% of Time Allocated to Project: 100%

- This position is responsible, in conjunction with the Implementation Contractor, for the setup, configuration and maintenance of the servers required by the testing environment and for the oversight of the Implementation Contractor's server configuration.
- This position requires practical operational knowledge of Unix/Linux along with demonstrated shell scripting ability.
- This position requires a minimum of 3 years of Unix system administration experience.

Dewpoint will provide a senior Unix System Administrator to provide oversight to the practices, policies and procedures utilized by the selected development vendor and to serve as a liaison to the MDIT server team who will be supporting the server environments for the project. The system administrator will work closely with the business and the development team to help allocate a finite amount of system resources amongst various efforts. The administrator will proactively suggest alternative strategies for achieving project goals including virtualization, data reduction and fractional/ cyclical utilization of resources. Additionally, the administrator will work with the Office of Enterprise Security and MDIT server support staff to audit and respond to external audits to ensure the system environment is secure.

**Quality Assurance Analyst**

Name: Dana Green

Vendor: Altarum

% of Time Allocated to Project: 50%

Name: Vani Katta

Vendor: Altarum

% of Time Allocated to Project: 50%

- This position ensures the validity and accuracy of the deliverables produced by the MiHIN Implementation Contractor and verifies the accuracy and completeness of test data and scenarios; attests to the accuracy of test results; ensuring that the functional and technical requirements are achieved.
- This position requires experience with HIE system implementations
- This position requires knowledge of HIPAA privacy and security policies.
- This position requires experience in disaster recovery testing.
- This position should have experience with large scale data conversion projects with multiple system interfaces.
- This position should have experience in documenting business procedures, test plans, issues, change requests, and requirements.
- This position may also assist in resolving defects in the new system during implementation.

The Lead Quality Assurance Analyst will enable and ensure the selected development vendor is properly utilizing the templates and processes of the State of Michigan SEM process. Critical to the software development lifecycle at the State of Michigan is the Requirements Traceability matrix. The Lead Quality Assurance Analyst will ensure that the Requirements Traceability matrix properly reflects that:

- Each requirement is satisfied by a design.
- Each design has a granular software object which it will produce.
- Each module is unit tested.
- Each Design is system tested and each requirement has a user acceptance test.

The Lead Quality Assurance Analyst will also audit the various test scenarios to ensure the vendor has produced testing procedures which are accurate and stringent in order to minimize deviancies prior to production. The Lead Analyst will also monitor testing failure rates. High indices of failure indicate poor upstream process/delivery and root-cause analysis will occur during the course of the project.



Attachment C – Project Plan

ID	Task Name	Duration	Start	Finish	10 '09							Ma
					M	T	W	T	F	S	S	
1	MIHIN Technical Design & JEC	190 days	Mon 8/10/09	Fri 4/30/10								
2	Phase 1 - Initiation	32 days	Mon 8/10/09	Tue 9/22/09								
3	Facilities & access	10 days	Mon 8/10/09	Fri 8/21/09								
7	Plan for kickoff meeting	5 days	Mon 8/10/09	Fri 8/14/09								
8	Conduct Kickoff Meeting	1 day	Mon 8/17/09	Mon 8/17/09								
9	Define Roles & Responsibilities (PMM03)	5 days	Mon 8/10/09	Fri 8/14/09								
10	Define Governance model	25 days	Tue 8/18/09	Mon 9/21/09								
11	Understand HIE Commission Advisory role	10 days	Tue 8/18/09	Mon 8/31/09								
12	Define Project Steering Committee structure	10 days	Tue 8/18/09	Mon 8/31/09								
13	Gain understanding of MDCH environment	10 days	Tue 8/18/09	Mon 8/31/09								
14	Establish Vision, Mission, & guiding principles	15 days	Tue 8/18/09	Mon 9/7/09								
15	Determine meeting frequencies	1 day	Tue 9/1/09	Tue 9/1/09								
16	Establish Workgroups	10 days	Tue 9/8/09	Mon 9/21/09								
18	Create draft Communication Management Plan (PMM08)	1 day	Tue 9/22/09	Tue 9/22/09								
21	Conduct Stage exit review (DIT-0189)	1 day	Tue 9/22/09	Tue 9/22/09								
22	Phase 1 - Planning	46 days	Tue 8/18/09	Tue 10/20/09								
23	Set up project environment	46 days	Tue 8/18/09	Tue 10/20/09								
24	Develop final project schedule	11 days	Tue 8/18/09	Tue 9/1/09								
27	Create draft Project Management documents	2 days	Tue 9/1/09	Wed 9/2/09								
28	Project Charter	1 day	Tue 9/1/09	Tue 9/1/09								
29	Issues Management Plan	1 day	Wed 9/2/09	Wed 9/2/09								
30	Risk Management Plan (PMM06)	1 day	Wed 9/2/09	Wed 9/2/09								
31	Quality Management Plan (PMM07)	1 day	Wed 9/2/09	Wed 9/2/09								
32	Change Management Plan (PMM09)	1 day	Wed 9/2/09	Wed 9/2/09								
33	Develop performance measurement processes	20 days	Wed 9/23/09	Tue 10/20/09								
36	Conduct Stage exit review (DIT-0189)	0 days	Tue 10/20/09	Tue 10/20/09								
37	Phase 1 - Execution	57 days	Wed 9/23/09	Thu 12/10/09								
38	Task 1 - HIE Early Adopter Technical Environment Analysis	50 days	Wed 9/23/09	Tue 12/1/09								
39	Develop Technology Assessment (TA) tool	5 days	Wed 9/23/09	Tue 9/29/09								
40	Distribute TA	45 days	Wed 9/30/09	Tue 12/1/09								
41	Onsite requirements gathering	30 days	Wed 9/23/09	Tue 11/3/09								
42	Analyze results	10 days	Wed 9/23/09	Tue 10/6/09								



43	Statewide HIE Infrastructure RFI	51 days	Wed 9/23/09	Wed 12/2/09
44	Create Draft RFI	20 days	Wed 9/23/09	Tue 10/20/09
45	Conduct structured walk-thru	1 day	Wed 10/21/09	Wed 10/21/09
46	Obtain approval from Core HIE Solution Team	10 days	Thu 10/22/09	Wed 11/4/09
47	Coordinate & manage RFI response	20 days	Thu 10/22/09	Wed 11/18/09
48	Presentation to the SOM	1 day	Wed 12/2/09	Wed 12/2/09
49	Task 2 - SOM Systems Technical Environment Analysis	51 days	Wed 9/23/09	Wed 12/2/09
50	Develop surveys, interview content	5 days	Wed 9/23/09	Tue 9/29/09
51	Schedule & conduct surveys/interviews	30 days	Wed 9/30/09	Tue 11/10/09
52	Analyse & document results	10 days	Wed 9/23/09	Tue 10/6/09
53	Conduct structured walk-thru	1 day	Wed 12/2/09	Wed 12/2/09
54	Task 3 - Technical Plan for Statewide HIE Infrastructure	57 days	Wed 9/23/09	Thu 12/10/09
55	Business Architecture	25 days	Wed 9/23/09	Tue 10/27/09
56	Develop business/clinical use cases	10 days	Wed 9/23/09	Tue 10/6/09
57	Develop business/clinical measures	10 days	Wed 9/23/09	Tue 10/6/09
58	Assess clinical needs	10 days	Wed 9/23/09	Tue 10/6/09
59	Finalize business/clinical design	15 days	Wed 10/7/09	Tue 10/27/09
60	Technical Architecture	21 days	Wed 9/23/09	Wed 10/21/09
61	Develop System Design	10 days	Wed 9/23/09	Tue 10/6/09
62	Develop Technical Standards	10 days	Wed 9/23/09	Tue 10/6/09
63	Assess Standard Requirements	10 days	Wed 9/23/09	Tue 10/6/09
64	Finalize architecture plan	10 days	Wed 10/7/09	Tue 10/20/09
65	Conduct structured walk-thru	1 day	Wed 10/21/09	Wed 10/21/09
66	Present report and architecture plan to SOM (Conduct structured walk-thru)	0 days	Tue 10/27/09	Tue 10/27/09
67	Develop Request for Proposal (RFP)	57 days	Wed 9/23/09	Thu 12/10/09
68	Develop Draft RFP	32 days	Wed 9/23/09	Thu 11/5/09
69	Iterate & Finalize RFP	15 days	Fri 11/6/09	Thu 11/26/09
70	Receive DMB approval (conduct structured walk-thru)	10 days	Fri 11/27/09	Thu 12/10/09
71	Conduct Stage exit review (DIT-0189)	0 days	Thu 12/10/09	Thu 12/10/09
72	Phase 1 - Monitoring & Control	100 days	Fri 12/11/09	Thu 4/29/10
73	Task 4 - Assist SOM in the JEC	100 days	Fri 12/11/09	Thu 4/29/10
74	Assist with Vendor Selection	60 days	Fri 12/11/09	Thu 3/4/10
75	Assist SOM with vendor finalist site visits/reference checks	20 days	Fri 12/11/09	Thu 1/7/10
76	Assist SOM with final review and make recommendations	20 days	Fri 1/8/10	Thu 2/4/10
77	Assist SOM with final decision on vendor finalists	20 days	Fri 2/5/10	Thu 3/4/10
78	Assist with Develop preliminary Vendor Impl Plan	10 days	Fri 3/5/10	Thu 3/18/10
79	Assist SOM with creation of draft Vendor Impl Plan & Draft Training Plan	3 days	Fri 3/5/10	Tue 3/9/10
80	Assist SOM with final Impl Plan & Training Plan	3 days	Wed 3/10/10	Fri 3/12/10
81	Develop system implementation budget	4 days	Mon 3/15/10	Thu 3/18/10
82	Assist with Vendor Negotiation	30 days	Fri 3/19/10	Thu 4/29/10
83	Assist SOM as needed with initial Vendor Negotiation	10 days	Fri 3/19/10	Thu 4/1/10
84	Assist SOM as needed with final Vendor Negotiation	10 days	Fri 4/2/10	Thu 4/15/10
85	Assist SOM with final Vendor Recommendation	10 days	Fri 4/16/10	Thu 4/29/10
86	Conduct Stage exit review (DIT-0189)	0 days	Thu 4/29/10	Thu 4/29/10
87	Phase 1 - Closeout	1 day	Thu 4/29/10	Fri 4/30/10
88	Prepare closeout documents	1 day	Fri 4/30/10	Fri 4/30/10
89	Conduct Lessons Learned Meeting	1 day	Fri 4/30/10	Fri 4/30/10
90	Review Issues Log & develop action plans	1 day	Fri 4/30/10	Fri 4/30/10
91	Conduct Stage exit review (DIT-0189)	0 days	Thu 4/29/10	Thu 4/29/10
92	Receive sign-off	1 day	Fri 4/30/10	Fri 4/30/10

IHIN Optional Solutions



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Introduction

To date the development of approaches to statewide health information exchange (HIE) have been based on several key factors: understanding both the successful and the stalled experiences of other states; determining state-specific environmental factors that positively or negatively influenced progress; and studying recommendations and guidelines from Federal and other convening bodies.

States that have demonstrated a commitment to HIE by investing substantial resources to develop strategies and technological approaches designed to achieve improvements in care and cost, have done so by engaging a cross section of organizations and individuals that represent key aspects of the healthcare delivery system.

The Obama Administration has supported this approach by identifying the specific kinds of organizations and representatives that a State or qualified State designated entity shall consult on HIE in the Required Consultation section of the ARRA.

Over the past four years we have been involved with developing statewide approaches to health information exchange in Vermont, Arkansas, Kansas, New Hampshire, New York and Michigan. Each of these efforts have started by employing an approach which engages stakeholders from different organizations who bring specific expertise in information technology, clinical delivery, healthcare payment/insurance, performance measurement and other unique aspects of the complex and evolving system of healthcare delivery. Each state has furthered that engagement by involving these stakeholders in a highly integrated approach to the key functional aspects of HIE by assigning them to governance, technology, finance, clinical care and performance measurement workgroups.

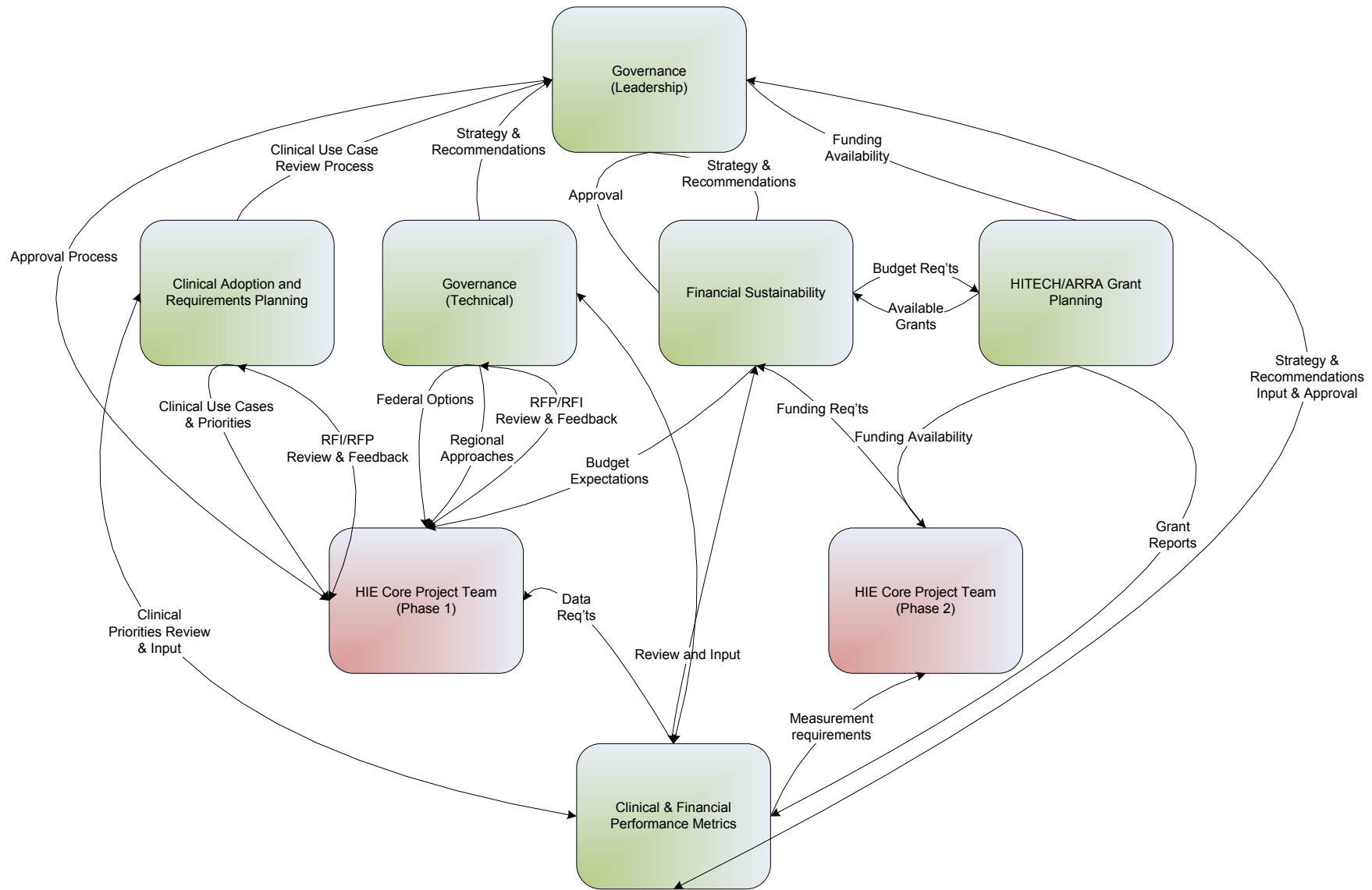
Our Governance Option includes the formation of a leadership team which we call our Governance Workgroup and a technical team which we call our Technical Workgroup. Workgroups for Finance, Clinical Adoption and Requirements Planning and Performance Measurement are included in their respective options.

In the State's RFP for a MIHIN Planning and Project Control Office vendor, there was a specific scope of work requested that did not require specific stakeholder work in the aforementioned areas within the Planning timeframe published. In our proposal, we responded directly to the planning work requested, however, we also identified some optional solution work that is consistent with other state HIE planning that we have done. By exercising these optional work areas, we believe the State of Michigan will receive both higher quality deliverables for the base planning tasks as well as greater stakeholder involvement and support for the entire project.

Solutions that Support Core Planning and PCO Work

Our team has identified 5 optional solutions that will compliment the portfolio of services requested in the RFP and bring about some industry best practices as the project progresses.

The diagram below outlines the integration and interdependency of each of these Workgroups with the HIE Core Project Team.



Optional Solution Integration with HIE Core Project Team



It is well recognized that an integrated approach to HIE optimizes the likelihood of success. Clinicians begin the effort by identifying the priorities for improving care whether that is at the bedside or in managing the health of a population. These priorities, or use cases, assist in driving the technological approach to functional solutions which in turn assist the funders and performance experts in quantifying the outcomes. These outcomes in turn assist those leading and governing the effort to communicate the value and benefit of HIE to the numerous audiences which have a stake in its long term success. These components are all critically interrelated and influence each step in the development of a statewide strategy. The stakeholder workgroups serve as the sounding board for what will and will not work across a particular state.

Given this nascent are of healthcare, it is our belief that statewide initiatives must ensure an integrated approach based on a high level of stakeholder engagement. It is our strong recommendation that the State of Michigan consider the following solutions as critical components of a more complete and integrated approach to HIE rather than as a group of stand-alone options.

Commitment and ownership of statewide approaches to HIE have translated into leadership at both the statewide and local level in addressing the difficult and often times daunting aspects of implementation, funding and communicating with consumers.

It is the combination of the requirements identified in the State of Michigan's RFP plus these solutions that will comprise a comprehensive and integrated methodology with the greatest opportunity for success.

Optional Solutions Summary

The options we outline will provide the State with the following benefits/value:

- The Governance Development solution will develop an integrated governance approach involving key stakeholders in addressing the key clinical, technical, financial and performance measurement aspects of HIE. This will address the comprehensive governance of the project. Once constituted, governance will have ultimate responsibility for monitoring the progress of the other workgroups, ensuring integration and approving the recommendations they produce.
- The Clinical Adoption and Requirements Planning option will focus on accelerating adoption of Health Information Technology in the State of Michigan in order to lower cost, improve quality and raise the overall satisfaction with care. The members of the Workgroup and its collaborators will be closely involved in preparing requirements for the emerging MiHIN technical infrastructure.
- The Workgroups associated with the Financial and Business Feasibility Planning option would have specific responsibility for quantifying the costs of sustainable HIE operations and developing approaches to funding them over the long term. It would also be responsible for understanding the guidelines, complexities, requirements and timing of the ARRA. The results of this Workgroup could accelerate adoption and HIE implementation at multiple levels across the state.
- The Workgroup responsible for developing Clinical and Financial Performance Metrics will enable efficient, high quality performance measurement reports that would not otherwise be available. The performance measurement plan will allow the reports that are required to support ARRA grant to be available on time to maximize funding to the State.
- The HITECH / ARRA Grant Planning option will contribute to maximizing the ARRA funding to the State. This Optional Solution has been structured to maximize savings for the State by having grant proposal development be on a case-by-case basis with prior approval from MDCH and MDIT to engage Dewpoint's assistance. Additionally, by leveraging the base PCO team and adding only incremental staffing as needed, the HIE / HIT project portfolio will be managed through a single team, providing savings to the State. To accommodate future State of Michigan needs, the PCO team can be leveraged by MDIT or the Economic Recovery Office to assist other grant portfolio development and tracking activities as required.

Challenges Yet to Come

Some of the challenges that lie ahead include issues related to rekindling regional stakeholder involvement, obtaining insurer financial support, integrating SOM technologies, dealing with competing approaches to statewide HIE infrastructure, and the timing and evolving nature of ARRA. The State of Michigan's Departments of Community Health and Information Technology and Dewpoint/s2a will need to approach these



challenges together, and as a team. Each group shares in the project's overall success yet individually must assume responsibility for different aspects of the initiative. The accompanying proposal is designed to identify both the activities and deliverables that constitute the responsibilities of Dewpoint/s2a as well as the identification of responsibilities sought from the State of Michigan. These responsibilities are represented as specific assumptions if the timeframe and requirements of the RFP are to be successfully met.

We look forward to together rising to the challenges ahead and believe that the attached proposal identifies the key components required to achieving success by providing an integrated an engaging role for key stakeholders across Michigan.

Optional Solution #1: Governance Development

Executive Summary

At the core of successful statewide health information exchange (HIE) is the development of an integrated governance approach to involving key stakeholders in addressing the key clinical, technical, financial and performance measurement aspects of HIE.

This solution addresses the over-arching governance of the project while the other solutions will address the aforementioned specific functional approaches to HIE which result in recommended actions to and decisions by governance. Once constituted, governance will have ultimate responsibility for monitoring the progress of the other workgroups, ensuring integration and approving the recommendations they produce.

To successfully implement this solution a group of activities and measurable deliverables have been developed upon which to judge progress and outcomes.

Approach

In order to respond to the challenges mentioned in the introductory portion of this proposal, an accelerated approach to establishing an initial public-private governance model is recommended. A listing of 'job descriptions' is provided at Appendix A which the State should consider when selecting participants. As identified in the Assumptions section below, the appointment of these individuals must occur rapidly in order for the project to achieve a level of integration while meeting the desired timetable.

Our approach will be based on the experience Mr. Evans gained leading the development of the statewide HIE for Vermont, serving as its first board chair and thereafter assisting the leadership of six community and statewide HIEs over the past four years to develop and implement governance. This hands-on experience will be complemented by the experience of Ms. Sue Frechette, whose work often features an innovative facilitation approach to guide executives and decision makers through rapid resolution of complex issues. She has had advanced training on large-scale facilitation processes, techniques and tools used to guide decision making. She has used this approach with clients in strategy development, change management, cross-functional department problem resolution and other areas where large groups of people with diverse agendas need to collaborate and agree upon solutions.

Major Deliverables

The major deliverables associated with this solution include:

- Identifying the scope of responsibility and authority that governance will be empowered to assume on behalf of the entire State of Michigan
- Performing education on the health information exchange (HIE) history specific to Michigan along with the successes and pitfalls of other statewide HIE efforts undertaken over the last five to ten years
- Developing mission, vision and guiding principles based on the Conduit to Care report and the regional planning and implementation initiatives started over the past several years
- Reviewing and 'refreshing' the Conduit to Care report based on input from the clinical, technical, financial and measurement workgroups in order that it serve as the SOM's roadmap and primary strategy document for meeting guidelines and pursuing funding under the ARRA
- Performing initial one on one stakeholder interviews designed to understand expectations, achieve maximum consensus and move toward rapid decision making
- Approve the clinical priorities for HIE over the next five years as recommended by the Clinical Workgroup



- Decide which regions and organizations are best positioned to serve as early adopters based on Technical Assessments and other key information provided by the Technical Workgroup
- Approve the results of the State of Michigan's Technical Environmental Analysis to be performed with the oversight of the Technical Workgroup
- Understand the provisions of the ARRA and how the ARRA Workgroup determines it to 'map' to the State of Michigan's past progress on HIE and what needs to occur going forward to optimize the SOM's ability to receive HIE funding
- Approve the Technical Plan for a statewide HIE Infrastructure as an integrated approach to centralized and regional functionality based on the NIHIN (National Health Information Network) and the recommendations of the Technical Workgroup
- Approve guidelines and requirements for stakeholder connectivity
- Approve guidelines and requirements for iterations of MiHIN web services
- Provide input to the State towards the Request for Information (RFI) and Request for Proposals (RFP) based on the recommendations of the Technical Workgroup's Technical Plan for a statewide HIE Infrastructure and the guidelines for funding under the ARRA
- Approve recommended Standards and Security policies
- Approve the recommendations of the Finance Workgroup's strategy and plan for allocating resources for obtaining stakeholder matching funds under the ARRA
- Approve the status of major implementation activities to include: project plan; risk management plan; quality plan; communications plan; and change control plan as applicable
- Develop and approve a model for long-term statewide HIE governance
- Approve the Finance Workgroup's recommendations for stakeholder criteria for financial sustainability, estimated cost of sustaining operations and recommendations for developing a statewide approach to financial sustainability
- Approve the Performance Measurement Workgroup's recommendations for gathering clinical and financial data needed to demonstrate the benefit of the interventions which result from deploying the Technical Plan's solutions

Benefits

This approach to governing the State of Michigan's Michigan Health Information Network and the Technical Design/Project Control Office project is proven. A similar and successful approach was undertaken with the Conduit to Care report in 2006. While the methodology has improved in effectiveness and efficiency over the past three years, and new tools have been developed to provide for more informed decision making, the approach has continually proven to successfully integrate the core functional aspects of HIE in numerous community and statewide HIE projects. The Dewpoint/s2a team has become well versed in applying the methodology in multiple settings across the United States and has confidence in the approach based on the successes it has produced.

Assumptions

The scope of decisions identified above represent the major aspects of HIE planning and implementation that must be decided on by governance. Our plan is to facilitate sound and prudent decision making by governance while working to expedite their work in order to ensure compliance with the timelines identified in the RFP. The following assumptions are made in order to ensure we have full support by the State of Michigan and we are able 'to hit the ground running' on governance. The State of Michigan will:

- Appoint individuals to comprise statewide HIE governance and arrange for the first meeting of this group to occur within two weeks of contract execution
- Provide governance and Dewpoint/s2a with a written document outlining governance responsibilities and decision making authority for this project to include as applicable: identification of a decision maker that governance reports to Communicate high level of time commitment (2 on-site meetings per month) and provide governance individuals with preparatory information to include: the Conduit to Care report; minutes of the HIT Commission and public hearings on HIE; an executive summary of the RFP for MiHIN and the PCO; and an executive summary of Dewpoint/s2a proposals (Dewpoint/s2a to provide on request)



Technical Workgroup

Executive Summary

Perhaps the most important factor of a successful HIE initiative is broad stakeholder involvement and active participation. We have found that an overall Governance approach that includes several functional workgroups creates an environment for long-term success by involving stakeholders from the beginning. Forming a Technical Workgroup with broad participation from Michigan HIE stakeholders, the State of Michigan, vendors and other technical resources is one of the keys to success for HIE initiatives.

This workgroup will be responsible for the development of technical and privacy and security deliverables for the statewide HIE effort and collaborating with the other workgroups to ensure that clinical and measurement capabilities are built into the infrastructure. This workgroup will provide feedback towards the Request for Information (RFI) and Request for Proposal (RFP), and the development of the HIE Infrastructure Plan.

Along with the core requirements there are several additional functions that will be required for the on-going success of the MiHIN efforts that this Technology Workgroup will do. This team will develop the privacy, security and patient consent policies, specifications and guidelines that will govern RHIO and the backbone systems. This team will also review the Connect Open Source NHIN architecture product as a potential solution for the Statewide Backbone and develop an independent RFP for this solution. Another function of the team will be to develop detailed specifications for the communication standards and protocols necessary for secure stakeholder to backbone communications.

Finally this team will have an on-going function of working with the Clinical Requirements and Performance Measurement Workgroups to develop the necessary infrastructure components to deploy clinical and analytical solutions. The analytical functions will require designing a data collection mechanism, a translation function and a data warehouse. The actual design of these solutions would be done by a small working group comprised of the State, consultants and perhaps vendors. But the Technical Workgroup will play a crucial role in helping shape the direction of the work and ensuring that whatever is developed is compatible with the RHIOs. Workgroup members will also be the liaisons to the RHIOs for validation, development and testing.

For example in one of our projects the technical workgroup has developed a design and detailed specification for deploying a statewide web service for integrating with Surescripts/RxHub for requesting medication data. This service will be made available to any RHIO or backbone application that needs this data. Another example of a service that Michigan may decide to deploy is a statewide MPI and the appropriate specifications for doing "subject discovery" (patient inquiry) across regions.

Approach

We strongly recommend that the Governance model includes the formation of a Technical Workgroup which will collaborate with the other workgroups to develop deliverables and advise the State on the recommended technical approach to meeting the State's HIE requirements.

This workgroup can be modeled on similar teams that have been formed in other states. This workgroup would be rather large with participation from each regional HIE and several other members including State of Michigan DIT and DCH, consultant facilitators and also vendors. If vendors are to be included then it must be made clear to them that they are there as collaborators not to promote their products.

The core Technical Workgroup would meet twice a month, once in person and once via conference call. In addition there would be small sub-workgroups to develop the deliverables. These sub-workgroups would meet as needed and be comprised of at least one staff member from the state, a consultant facilitator/expert, one or more team members and possibly vendor representatives.

We strongly recommend the use of a collaboration tool such as Workzone or Central Desktop for all Governance activities. In addition there must be a conference call capability and preferably a web conferencing product such as WebEx or GoToMeeting.

Deliverables



- Participation providing feedback to the base project team towards the development of the State HIE Infrastructure Plan
- Work with the Clinical Adoption and Requirements Workgroup to ensure that the Infrastructure Design can meet the clinical requirements
- Work with the Clinical and Financial Performance Metrics Workgroup to ensure that the Infrastructure Design can meet the analytical requirements
- Provide input to the base project team towards the early adopter technical assessment.
- Updating the technical and security portions of the Conduit to Care report to serve as the SOM's roadmap and primary strategy document for meeting guidelines
- Review of the Connect Open Source NHIN architecture product as a potential solution for the Statewide Backbone and, as desired by the State, develop an independent RFI for this solution
- Development of protocol standards for stakeholder to Backbone communication
- Develop security standards for secure node communications
- Collaborate with the Governance Workgroup to develop privacy and consent policies for statewide use
- Collaborate with the Clinical Adoption and Requirements Workgroup to develop a plan for Backbone web services
- Develop the specifications, standards and design the web services
- Collaborate with Clinical and Financial Metrics Workgroup to build data collection, normalization, translation and reporting capabilities

Benefits

Forming the Technical Workgroup will allow the State to manage the technology design, acceptance and rollout process for both the Backbone infrastructure and the interaction with the stakeholders. This model centralizes control for the system design, protocols and standards development, privacy and security policies and statewide web services while inviting broad stakeholder participation and comments. In addition, by involving members from each RHIO or early adopter you ensure better communications with regional efforts, create increased acceptance of the proposed solutions and improve your chances for successful backbone integration.

While you might think that creating a Technical Workgroup to manage the technical infrastructure delivery would slow the process down, it actually creates an environment that allows stakeholders to voice their opinions early and thus creates more acceptance of the proposed solutions. These team members also will need to participate in the development of the local specifications since they will have to implement them. This also allows regional efforts to move along in a coordinated fashion with the statewide efforts and helps eliminate some duplicate services. The key to managing the process is to have a solid project plan, perform the detailed technical work in small teams led by the State but continually include the full team for comments, review and acceptance.

Resources

- The state will need to provide technical staff for this project. We expect to need at least .5 project manager, .5 system architect and 1.0 analyst
- Dewpoint/s2a will provide additional hours from Michael Gagnon, Lead Technical Architect, Samer Nasser, Technical Architect, our technical writer, administrative support and we will require a new technical resource with specialization in designing web services and system interfaces

Assumptions

- The consultants would facilitate the workgroup but should not be the chairs (see Team Membership below)
- Participation by RHIO members or other stakeholders in the workgroup are in-kind
- A web-based collaboration tool will be required. We recommend Workzone
- A teleconference line and web conferencing capability such as WebEx or Go-To-Meeting will be required



Optional Solution #2: Clinical Adoption and Requirements Planning

Executive Summary

The Clinical Adoption and Requirements Planning Workgroup will focus on accelerating adoption of Health Information Technology in the State of Michigan in order to lower cost, improve quality and raise the overall satisfaction with care. The Workgroup members will seek to maximize the value derived from integrated and interoperable HIT by focusing stakeholders on tackling the highest-priority needs.

The Workgroup and its extended set of collaborators will be closely involved in preparing requirements for the emerging MiHIN technical infrastructure. Members will collaborate with other Workgroups to produce a number of key work products, including domain analyses, functional and quality of service requirements and evaluation metrics and methodologies.

Workgroup responsibilities will include:

Communication

- Define and communicate a vision for a modernized healthcare delivery system through contributions to the next revision of the *Conduit to Care* report.
- Communicate with State-wide stakeholders regarding the MiHIN vision and roadmap for evolution of the healthcare delivery system and the MiHIN infrastructure.
- Communicate the value to clinicians of adoption of interoperable HIT based on a clear articulation of the problems solved and expected benefits in terms of efficiency and quality of care.
- Produce a series of targeted whitepapers and concept notes to articulate key messages to stakeholders, including: value proposition; privacy, security and consent policies; and strategies for overcoming barriers to adoption.

Collaboration

- Collaborate with the Evaluation Workgroup on quantitative analysis of target health conditions, and design and development of the appropriate quality metrics and measurement processes
- Collaborate with the Technical Workgroup on requirements review, feasibility and verification and validation activities
- Collaborate with privacy advocates, legal/compliance experts, and IT security specialists to ensure the MiHIN technical infrastructure appropriately safeguards patient security and privacy
- Establish a channel partnership strategy in order to identify and collaborate with key public and private sector stakeholders capable of accelerating adoption of integrated, interoperable HIT within the State of Michigan.

Clinical Adoption

- Design and execute upon a clinical adoption model to drive adoption of integrated, interoperable HIT within the State of Michigan.
- Establish a clinical adoption strategy based on market segmentation and analysis to effectively target stakeholders.
- Develop and communicate to stakeholders a set of value propositions to promote adoption targeted to each identified market segment.
- Develop strategies to overcoming objections and other barriers to adoption confronting stakeholders in each specific market segment.
- Prepare a series of whitepapers and concept notes covering a range of key topics in order to engage stakeholders and promote adoption.

Requirements Development

- Collaborate with representative stakeholders from across the State of Michigan to identify the highest-priority health and healthcare delivery system problems impacting the delivery of care.
- Conduct a detailed analysis of the high-priority health problems, including rigorous and systematic qualitative and quantitative analysis of the magnitude, prevalence and impact of target health conditions.



- Articulate high-level solutions to the identified health problems; for each proposed solution, participate in the development of functional and non-functional requirements, including preparation of a detailed set of use cases and test cases.
- Ensure that the initiative is focused on solving the highest-priority health problems and maximizing value to stakeholder by preparing qualitative and quantitative documentation of the expected benefits of each proposed solution.
- Establish the scope of work and prioritization of requirements for near-term development of the MiHIN technical infrastructure as well as prepare a longer-term strategic roadmap based on the identified high-priority health problems.
- Develop and validate privacy and security policies and requirements and verify these requirements are correctly implemented by the technical solution.
- Participate in reviewing and providing feedback for the Request for Information (RFI) and Request for Proposal (RFP) for selection of a MiHIN Infrastructure Vendor.

Approach

The Defined Processes relating to requirements development outlined below result from over ten years of iterative refinement in projects directly focused on development of health information interoperability systems. The proposed approach is intended to align with and integrate into the SUITE methodology adopted by the MDIT, and employs practices consistent with CMM Level 3 or higher capability levels for the process areas described here.

The processes outlined for problem definition, analysis, prioritization and requirements development are intended to support production of high-quality work products through rapid cycles of iterative elaboration in each area outlined below. It is well-suited for the 90-day timeframe for Phase 1 of the initiative.

Problem Definition

During analysis, health problems should be defined using a standardized, repeatable methodology.

Documentation should use standardized terminology wherever possible to describe the participating actors and scenarios. The workgroup will establish and maintain a glossary of definitions and actors in the healthcare delivery system in order to standardize the language used in problem definition and analysis.

Problems should principally be defined in terms of the health problem affecting the population (i.e. residents of Michigan suffer from a high rate of re-hospitalizations due to poor continuity of care).

Problem Analysis

High quality Problem Analysis is critical to success of an undertaking of this kind. The outputs of Problem Analysis drive virtually all downstream activities. All work undertaken must be against a well-defined and measurable set of target health problems.

Unless problems are well-articulated, interventions are at risk of not correctly targeting the contributory mechanism, and thus being suboptimal in terms of effective or efficiency. Solution developers risk designing suboptimal or inappropriate interventions without a well articulated and rigorous set of analytical artifacts.

Problem Analysis requires both qualitative and quantitative techniques:

- Qualitative: interviews with stakeholders to accurately characterize the problem and conduct appropriate level of analysis
- Quantitative: measuring the impact of the problem, using reliable sources with full traceability; quantitative analysis focuses on key metrics such as financial cost and burden of morbidity/mortality.

Problem analysis requires some amount of modeling to assess differential impacts: how are the burdens distributed across stakeholders?

The two principle forms of analysis are:

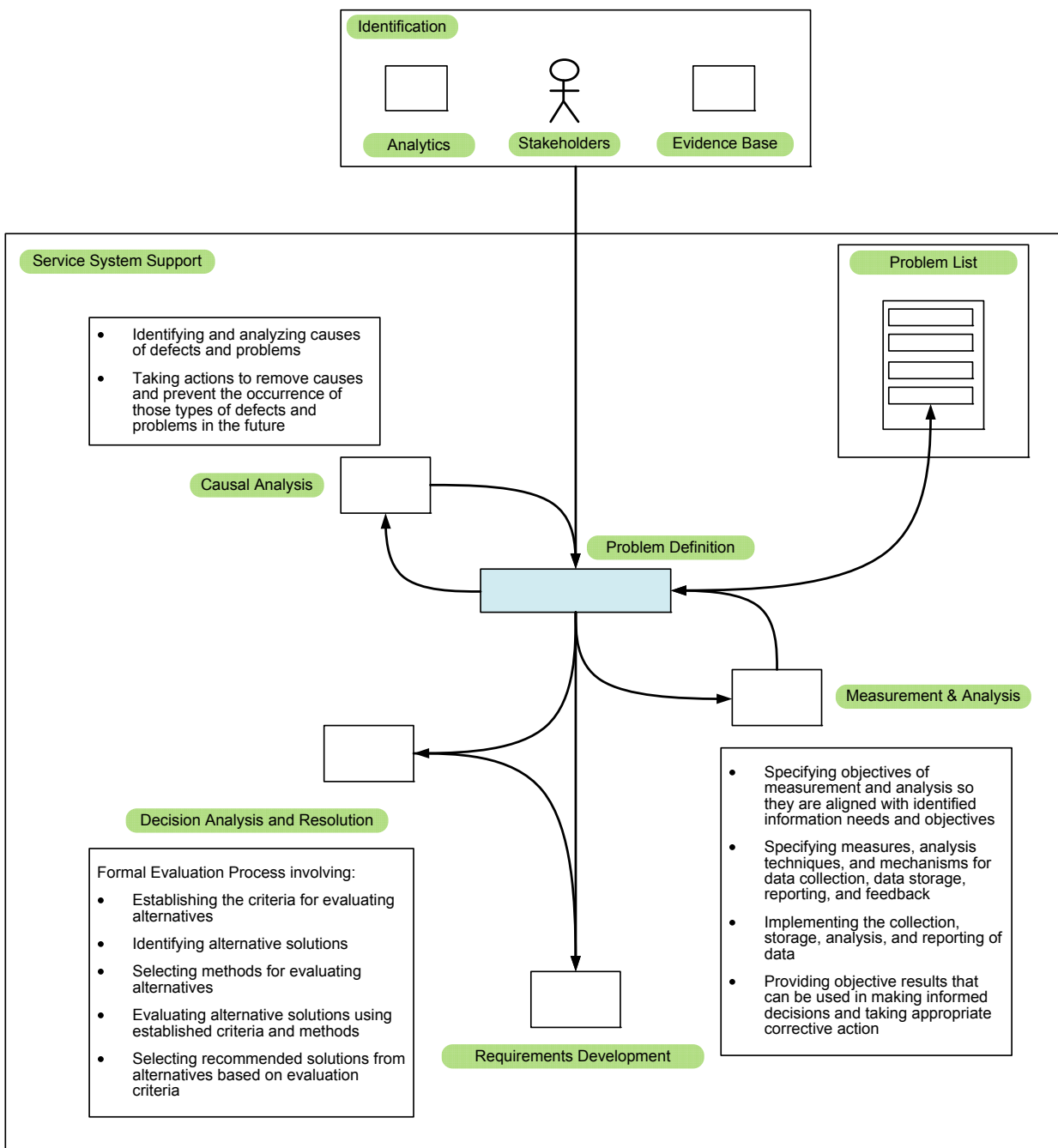
Causal Analysis: Problems need to be characterized using techniques such as root cause analysis in order to clearly establish the underlying mechanisms and contributing factors. It is expected that any given high-level problem can be decomposed into a number of finer-grained contributory problems. Likewise, problems may be associated with a number of related problems that form a cluster or constellation. Problem documentation should explicitly identify relationships between problems, and the precise type of relationship.



Measurement & Analysis: Problems need to be quantified using primary data sources where available, and supplemented by findings from research where appropriate. Each target health problem has to be objectively measurable using unambiguous metrics. The measurement process must be well-defined and transparent. The metrics used to perform problem analysis are critical artifacts and need to be clearly articulated and measurable using well-defined processes. Such metrics must be reviewed and validated by all stakeholders. Problems may be classified by the system of interest:

Primary Problems: Problems affecting the health of the population – these are health problems directly affecting the population, and do not reflect structural attributes of the healthcare delivery system; these are the primary drivers of the work to be performed.

Secondary Problems: Problems affecting the delivery of health care services – structural problems affecting care delivery, which contribute to the primary health problems of the population; these are problems that are targeted through the implementation of technical solutions, but are not the primary drivers of the work to be performed.





Prioritization

What are the highest priority health problems facing the State of Michigan? Appropriate prioritization requires a high-quality process for analyzing the health problems.

Decision Analysis and Resolution: The prioritization protocol must be well-defined and transparent to all stakeholders. Prioritization must incorporate the quantitative metrics produced during the analysis phase to characterize the magnitude of the target health problem.

Prioritization occurs independently from feasibility analysis and scoping. Technical feasibility dictates which problems are addressable in any given development cycle, but not the criticality of the underlying problems. The priority of a problem does not change in the event it is technically infeasible to solve during a given project.

Scoping

Health problems are multi-factorial. A lot of health problems identified in the provider setting do not yield biomedical solutions delivered through the traditional healthcare delivery system. Enhancing surveillance capabilities within the front-line provider setting may be instrumental in enabling coordinated response, but the intervention may involve stakeholders beyond the healthcare sector.

Key questions: What is the process of establishing which health problems are in-scope? What are the boundaries of the system of interest?

Example: An outbreak of food poisoning is detected by the provider tier. The response requires coordinated planning and action by parties across multiple industry sectors.

Example: A cancer cluster arising from environmental contamination requires coordinated planning and action by multiple parties.

Example: Problems of medication adherence may result from a multi-factorial set of socioeconomic problems; the solution may require coordination across multiple stakeholders.

The converse is also true; an effective clinical response to health problems may likewise require coordinated input from stakeholders across multiple sectors.

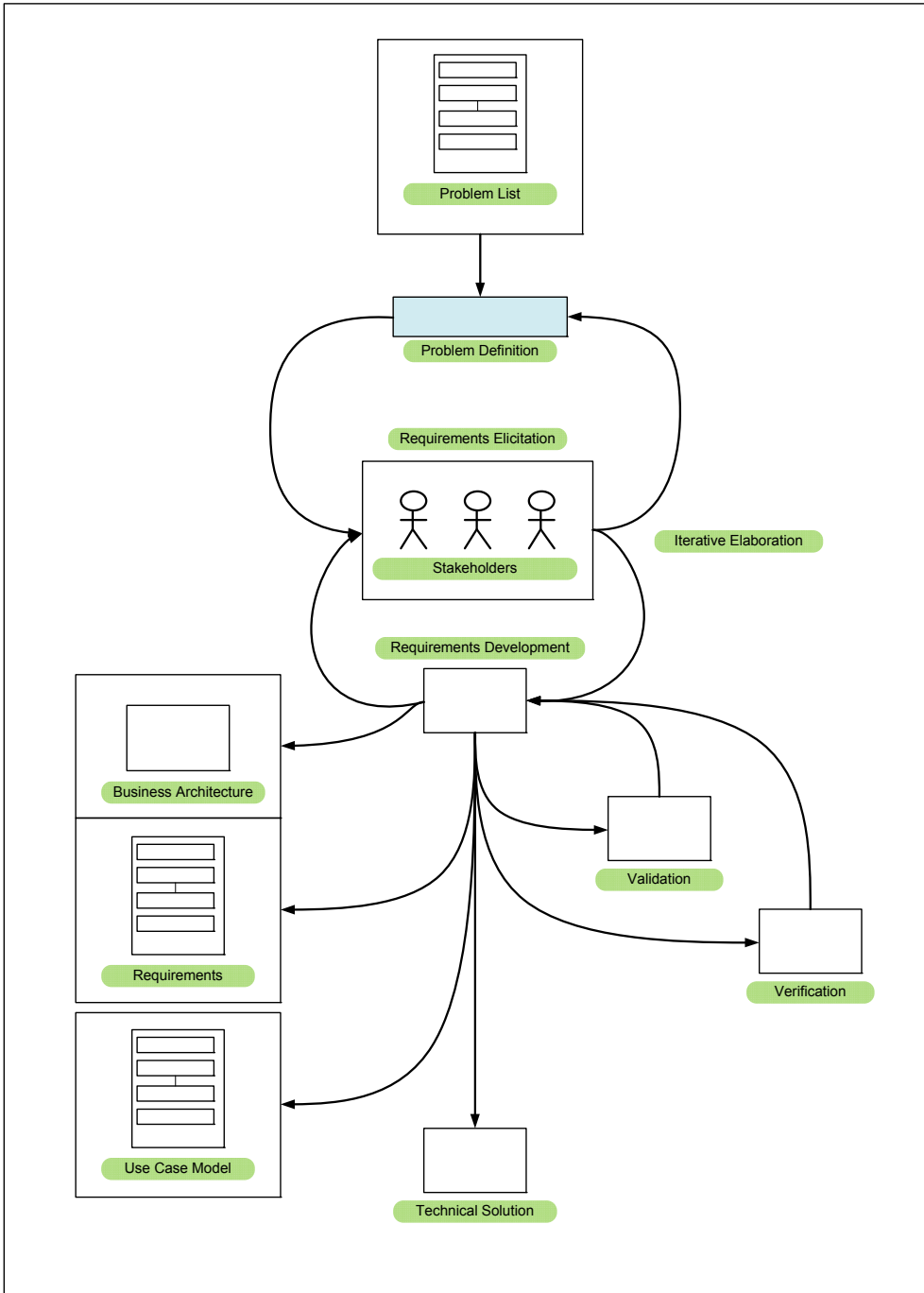
It is important to distinguish the processes of problem analysis and causal analysis from the processes of scoping. While system under development may be constrained in scope with respect to design implementation, it is still important to establish a clear causal mechanism with respect to the problem being addressed.

Solution Concept

The design artifacts used document business solutions to the identified problems must maintain bidirectional traceability. A desirable outcome is having the ability to decouple downstream processes by establishing separate units of work for each target problem and solution set.

At this stage, all solution thinking has to be as nontechnical as possible; the desired technical implementation is referred to as simply the 'system', without reference to any design or implementation considerations.

Solutions should be described in terms of the interactions between actors and the system.



A solution must not reference the concept of an MPI, RLS, EHR, PHR, Edge Server or network – this is an important best practice that applies to any solution concepts submitted to or developed by the Workgroup. Any given problem can yield multiple solution approaches; stakeholders should be encouraged to develop multiple alternative solutions. Solutions should be defined independently for each defined problem; at this stage, solutions should not attempt to identify commonalities across multiple problems.

Solution Impact Statement

A clear statement of the impact of the proposed solution should be prepared along with the solution definition. The impact statement should define any constraints on scope and applicability – what portion of the target population will the solution address? The impact statement should quantify the expected magnitude of the benefit in terms of the metrics established as part of the problem definition. The impact statement must cite credible evidence (i.e. from reliable primary source data, the research literature) to support the claim regarding expected magnitude.



Requirements Development

Once a high-level solution concept has been approved, the solution may be elaborated with respect to a detailed approach. Solutions must be elaborated using a formal use case methodology. Each solution must be articulated in reference to the participating actors in the healthcare system.

Each solution should be documented using a use case model, using one or more business use cases to describe the solution. The workgroup will establish and maintain a catalog of actors participating in the health system .

Within the use case documentation, all non-human information intermediaries must be referred to as 'the system' (i.e. 'the patient will use the system to schedule an appointment with the clinician') – there should be no further elaboration of the type of system involved.

The use case documentation will include documentation of the success pathway by which the goal of the use case will be achieved – the main flow of events. The main flow of events must be documented in the active voice from the perspective of the participating actor; actors must be registered in the actor catalog maintain by the workgroup. The use case documentation may optionally include one or more alternate flow of events. Once a solution has been documented satisfactorily, it is sent to the Technical Workgroup for review. This is an iterative process that involves close collaboration with the Technical Workgroup membership.

Major Deliverables

Deliverables relating to the clinical adoption plan include the following:

- Updates to the Conduit to Care report
- Targeted whitepapers and concept notes on topics to be determined by the Workgroup
- Clinical adoption model
- Market segmentation and analysis
- Targeted value propositions
- Strategies for overcoming objections and other barriers to adoption
- Channel partnership strategy

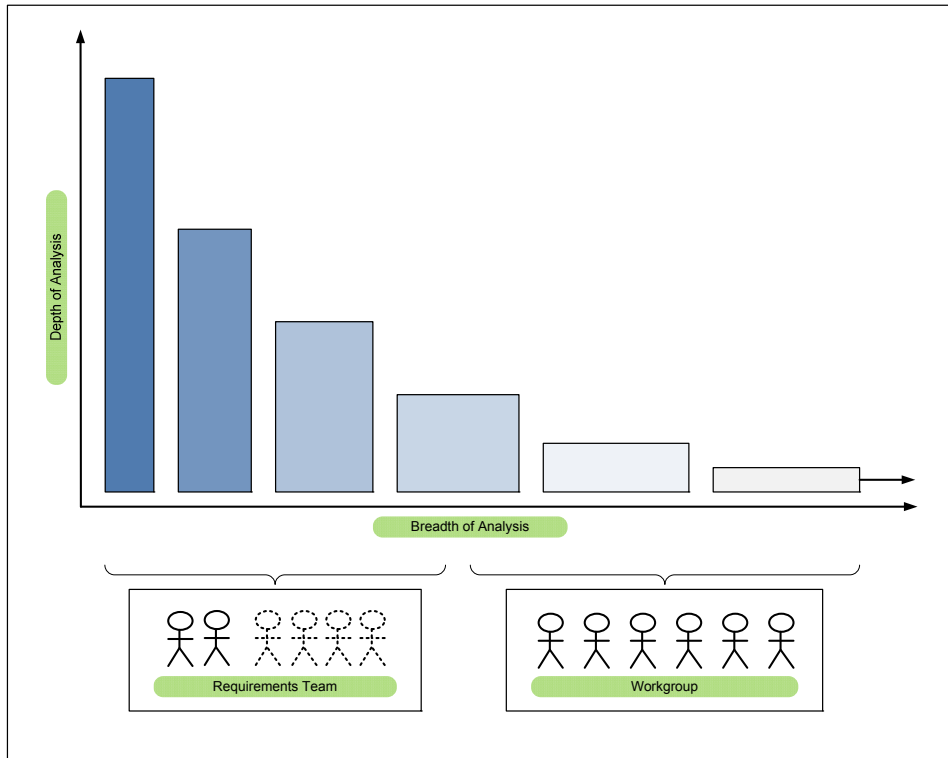
Deliverables relating to requirements development include the following:

- Stakeholder interviews
- Problem definition and analysis
- Problem prioritization and scoping
- Domain Analysis and Models
- Solution Concept and Impact Statements
- Functional and Quality of Service Requirements
- Use Case Models and Test Cases
- Business Architecture
- Provide input to the State and the base project team as it relates to the RFI and RFP

Scope of Work

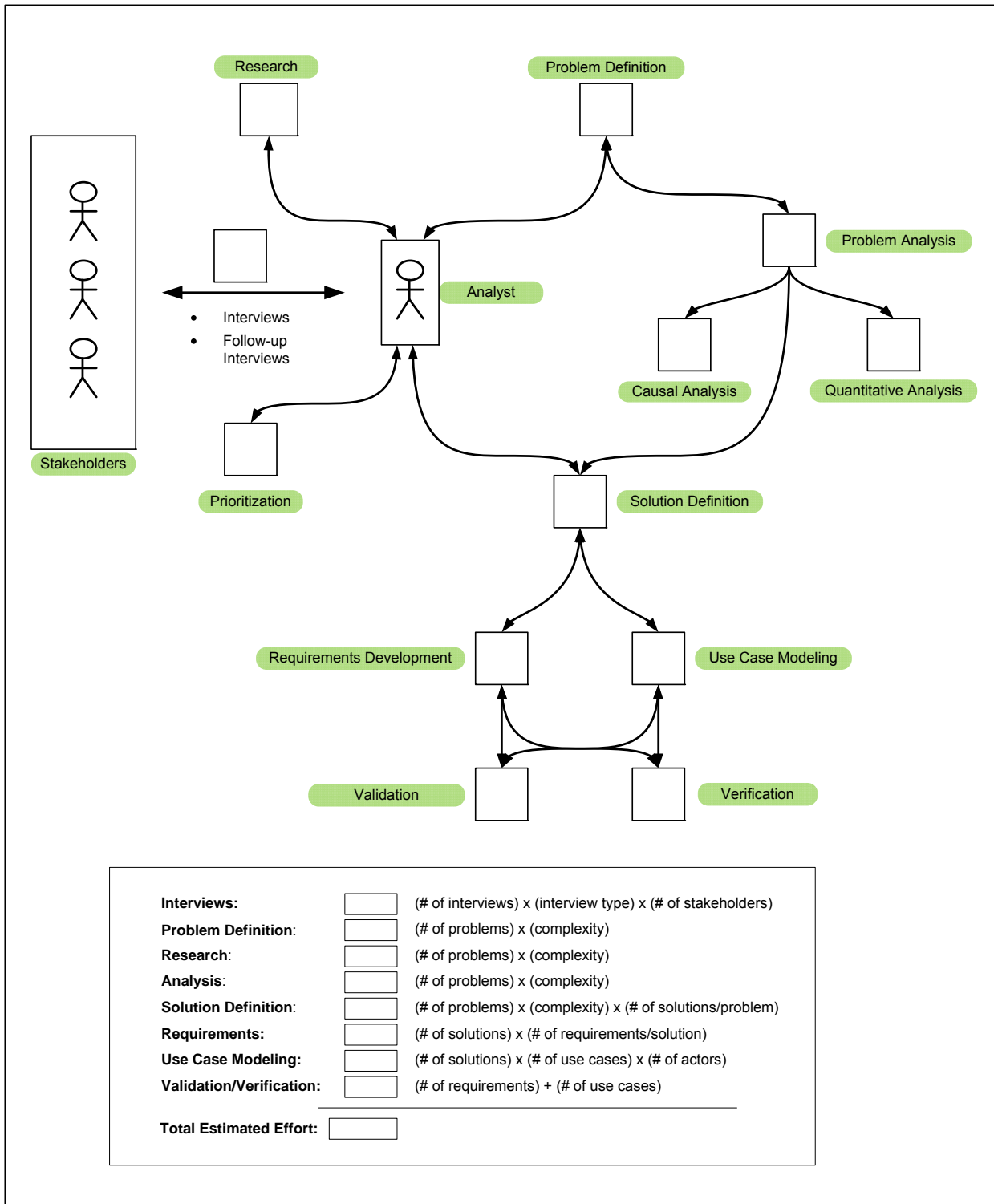
The scope of the deliverables, and specifically the work products relating to domain analysis and requirements development, will be determined by the availability of resources, hours allocated and the timeline for delivery. The current project plan calls for delivery of key requirements-related artifacts relatively early, creating both a scope and schedule risk.

The methodology we outlined above employs defined processes to support delivery of high-quality work products regardless of team size. The team is able to deliver increasingly greater depth and breadth of analysis and requirements based on time and resources available.



The work of the requirements team is supplemented – but not replaced by the Workgroup. Since Workgroup members are not trained analysts, they may be able to offer greater breadth – but shallower depth – of analysis to complement the more detailed analysis of the core team.

The following quantitative project estimation model may be used to determine scope of work:



Benefits

High quality requirements are universally acknowledged as the single-most critical success factor underlying any IT initiative. The top reasons for project failures all relate to failures involving requirements. The quality of the processes used in requirements development and management directly affects the outcome of the work products, as well as all the downstream activities.

High capability levels in these process areas are essential for state-wide interoperability initiatives given the expectation that the infrastructure will serve as a network platform for an entire state-wide healthcare delivery system.

**Assumptions**

- Due to the timeframe involved, the Workgroup will convene and begin work at the very start of the project.
- Due to the scheduling of delivery of key work products early in the project, the Workgroup will meet weekly for the first two months, and bimonthly thereafter.
- Because Workgroup deliverables are on the critical path for the overall project, any delay may impact the schedule of delivery or quality of artifacts required for preparation of the vendor RFI, RFP and Technical Plan.
- Participant by stakeholders in the Workgroup will be generally be considered in-kind work. We propose compensation for workgroup participants who would otherwise incur a loss of income from participation, such as clinicians employed in private practice.

Workgroup Requirements

- We recommend that the State of Michigan identify a Project Manager (50% FTE) and a Requirements Analyst/Manager (100% FTE) for participation in the Workgroup. This is important in ensuring good coordination, knowledge-sharing and a smooth transition upon conclusion of the engagement.
- Dewpoint/s2a will provide additional hours for Mikhail Elias, Lead Business Architect and Rick Brady, Business Architect; we are requesting an additional technical resource on a limited basis for work relating to service analysis and modeling.
- The Workgroup will use an online collaboration system. All work products shall be maintained under configuration management.
- The Workgroup will require teleconferencing and web-conferencing facilities.



Optional Solution #3: Financial and Business Feasibility Planning

Executive Summary

One of the most difficult challenges facing community and statewide health information exchange efforts is financial sustainability. Regardless of whether it is rural or urban setting, whether it is a state population of 15 million or a community of 500,000, whether it is an environment of high technology or one of strong economic base, the ability to fund the long term financial requirements of sustaining HIE operations is a challenge.

At the same time, the ability to mobilize data has been thwarted because investments in information technology by healthcare organizations have significantly lagged behind other industries. Hospital electronic health record adoption stands at 1.5% nationally and physician practice electronic medical record adoption approximates 4% across the United States.

At an address on HIE at the HIT Symposium held at the Massachusetts Institute of Technology in July, 2009, Dr. David Blumenthal, recently appointed head of the Office of the National Coordinator for HIT stated: "EMRs will be core to physician competency and be a critical tool along with the stethoscope", and further stated "if we can't mobilize information, then one can't be a competent physician in the 21st century".

Over the next several years the United States will make its largest investment in HIT and HIE ever. Designed to serve as tools to drive healthcare reform, the latest projections for ARRA investment in HIT and HIE approximate \$36 billion in the form of incentives, loans and grant funding.

Dewpoint/s2a have developed a dual approach to addressing the financial aspects of HIE given the opportunities in the ARRA by recommending two separate Workgroups. One Workgroup would have specific responsibility for understanding the guidelines, complexities, requirements and timing of the ARRA, regardless of funding source, and that solution is under the ARRA option. The second, a Finance Workgroup, would focus on the Financial aspects of HIE in Michigan by developing a budget that could be submitted as part of any short-term funding proposal to include ARRA, but most importantly this Workgroup would be involved in quantifying the costs of sustainable HIE operations and developing approaches to funding them over the long term.

Approach

The State of Michigan is well positioned to begin developing approaches to HIE sustainability. The strategies, technical phases and funding recommendations that were implemented as a result of the Conduit to Care report constitute tangible evidence of a statewide approach to HIE. The experiences of the regional planning and implementation efforts provide critical learning upon which to build long term viable solutions. The opportunities under the ARRA come at a time when despite the economic downturn, the State of Michigan may stand to substantially benefit from the investments made in HIE over the past several years.

To a great extent, the challenge to the State of Michigan is three fold: 1) to develop a competitive approach to maximizing its ability to receive ARRA funding; 2) to engage stakeholders across the State to support the financial matching requirements contained in the ARRA and 3) to develop an approach to sustaining the on-going cost of HIE after ARRA funding has been expended. The major deliverables listed below represent the work that will be done to address these latter two challenges.

The Finance Workgroup will influence the first challenge by overseeing the development of a statewide HIE budget but will assume primary responsibility for the second and third stated challenges which are more directly linked to engaging statewide stakeholders in HIE both through short term funding and longer term, less grant dependent sustainability.

Dewpoint/s2a propose the involvement of two individuals with experience quantifying expected reductions in cost from HIE, quantifying expected costs of sustainability and experience developing creative approaches to funding those costs over the long term. These individuals include Mr. John Evans and Mr. Steve Neal, who collectively bring experience from both a statewide and community HIE level in Michigan.

Major Deliverables

The major deliverables associated with this solution include:



- Establishing the scope of responsibility, breadth of decision making and workgroup processes
- Reviewing the regional HIE planning and implementation business plans and identifying the key factors for sustaining operations at the local level, resulting in recommendations to Governance on early adopters based on regional business models
- Perform education on ARRA matching fund requirements
- Perform education on ARRA funding budget requirements
- Develop and recommend to Governance a statewide strategy and allocation of resources for achieving \$1 match from stakeholders in order to receive a \$10 match by ARRA which in turn may be returned to stakeholders in the form of investments in regional and statewide HIE infrastructure
- Identify Federal funding requirements under ARRA specific to developing a budget to accompany the updated/refreshed Conduit to Care report
- Identify and quantify preliminary cost estimates for funding the deployment of the statewide/regional architecture based on responses to the RFI and RFP
- Work with the Performance Measurement workgroup to identify quantifiable measurements for the impact of HIE interventions and further recommend financial related measures to Governance for inclusion in responses to ARRA budgetary funding
- Based on budget requirements under ARRA and cost estimates for sustaining HIE operations, develop a framework, preliminary assumptions, and recommend to Governance a budget for submission for HIE funding under ARRA
- Perform education on statewide approaches to financial sustainability
- Identify stakeholder expectations for financial sustainability and develop and recommend to Governance criteria designed to evaluate options
- Develop and recommend to Governance statewide business model assumptions for financial sustainability based on other state approaches, stakeholder expectations/criteria and the costs of on-going operations

Benefits

Over the past two years, the SOM invested in HIE planning and implementation efforts which were required to develop business models prior to consideration for additional funding. A mix of funding sources was identified in some of the formal business models and they became part of the on-going discussions regarding sustainability by regions that did not develop formal plans. These sources included hospitals, physicians, SOM Medicaid, Blue Cross and Blue Shield of MI, Priority Health, non hospital/physician providers and others. These efforts have in essence been placed on hold for several reasons, to include funding.

The advent of the ARRA presents an opportunity for the SOM to be competitive for HIE funding given the aforementioned investments and progress. The Finance Workgroup will substantially benefit the current environment by seeking to re-engage regional efforts in collectively competing for ARRA funding and to contribute through required fund matching. The quantification of on-going costs and the development of an associated budget together with success in reengaging regional HIE efforts could position the State to be very competitive for ARRA funds and assist in both funding components of the centralized aspects of a technical architecture as well as 'return' some of the funds obtained through stakeholder matches to support the regional aspects of implementing a technical architecture.

In effect, the work of the Finance Workgroup could accelerate adoption and HIE implementation at multiple levels across the state. The Dewpoint/s2a team is eager to assist the SOM with these opportunities.

Assumptions

The scope of recommendations identified above represent the major finance related tasks needing to be accomplished in order to develop a competitive approach to maximizing Michigan funding under ARRA funding, engaging stakeholders across the State to support the financial matching requirements contained in the ARRA and to develop an approach to sustaining the on-going cost of HIE after ARRA funding has been expended.

Our plan is to facilitate sound and prudent decision making by finance while working to expedite their work in order to ensure timely recommendations to Governance in order to comply with the timelines identified in the



RFP. The following assumptions are made in order to ensure we have full support by the State of Michigan and we are able 'to hit the ground running' on finance. The State of Michigan will:

- Utilize the listing of 'job descriptions' provided at Appendix A in selecting participants
- Appoint individuals to comprise the finance workgroup and arrange for the first meeting of this group to occur within one month of contract execution
- Communicate a high level of time commitment to individuals appointed to the finance workgroup individuals and provide them with preparatory information to include: the Conduit to Care report; an executive summary of the RFP for MiHIN and the PCO; and an executive summary of Dewpoint/s2a proposals (Dewpoint/s2a to provide on request)



Optional Solution #4: Development Services for Clinical and Financial Performance Metrics

Executive Summary

Like many states, Michigan has been working aggressively toward HIT/HIE/EMR in an effort to improve quality of care and decrease costs within the health care system. There is general agreement that health information technology and exchange can support efforts to reduce growth in healthcare costs and improve value for healthcare dollars, however, there are significant challenges in measuring the performance of HIT/HIE implementation. Despite these challenges, performance measurement is critical. The value of large investments from public and private sources in terms of cost and quality needs to be demonstrated. Changes in patient outcomes and administrative costs will support physician EMR adoption. Performance measurement will serve as the foundation for optimizing the EMR incentive payments to Michigan providers afforded through the American Recovery and Reinvestment Act of 2009 (ARRA). S2a has done significant performance measurement work over the past 4 years. Our performance measurement approach is to identify, select or develop measures that tie to objectives, reflect clinical priority, are based on scientific acceptability, present meaningful information to different stakeholders, and are feasible to implement.

Performance measurement services may include:

- Establishing baseline measures in order to facilitate comparison studies and trending over time;
- Identifying the most effective types of measures – structure (EMR implemented), process (A1C ordered on diabetics) or outcome (average A1C for diabetics in panel), or a combination – to achieve specific measurement objectives;
- Leveraging of existing, nationally endorsed measures;
- Collaborating with stakeholders to gain consensus on measurement objectives, selection and/or development;
- Creating technical specifications enabling automated production of performance measures using standard claims and EMR data
- Creating stand-alone or supplemental qualitative measurement programs to gain insight, lessons learned, consumer experiences, provider sentiment, etc.;
- Developing measurement programs that can be used for different purposes such as educating providers, advising policy formulation, reprioritizing funds, etc.; and
- Aligning performance measures with incentive payments available through the ARRA

While health information exchange is a relatively nascent area of healthcare, measuring the performance of systems and interventions is even less documented and empirical data does not exist for most use cases. However, as states like Michigan make significant investments in HIT and HIE, they must consider measuring the benefit derived in order to justify its priority to tax-paying citizens, to providers that need to use the system to drive the benefits, and to payers and employers that receive an economic benefit and should be considered as primary funders. S2a has developed performance measures that can assist in measuring and quantifying these benefits and provide the necessary justification for current and future investments based on improvements in quality, satisfaction and cost. For this optional solution, Dewpoint and s2a will look to work with either the University of Michigan or Michigan State University for subject matter expertise and valuable input on clinical and financial performance metrics considered. As needed, Dewpoint will work with the performance metrics solutions team to do analytical modeling of key metrics utilizing industry-leading SAS technology currently in use by the Michigan Department of Community Health or other analytical technology as requested by the State.



Approach

Performance Measurement Plan: The s2a team will work with the state to identify candidates, establish and train the Performance Measurement Work Group. This group will be charged with selecting performance measures in three categories:

- Measures to support ARRA funding – each grant requires specific reporting and tracking to support ongoing grant funding
- Meaningful use – to be used to support ARRA incentives to MI physicians who service the Medicaid population
- Other MI specific measures – other measures (financial, structures, qualitative, etc.) aligned with MI priorities

Once selected, the measures will be defined and specified. This information will be used to identify necessary data and data sources, as well as to submit data requirements to the Financial and Business Feasibility Planning Workgroup and the Clinical Adoption and Requirements Planning Workgroup. (John and Sue)

Our plan is to facilitate a series of highly structured Workgroup sessions. Research will be conducted, information will be gathered and drafts of deliverables will be prepared in advance. During the facilitated sessions, the Workgroup will review, revise, validate and finalize the deliverables. We find this approach is highly collaborative, builds ownership and buy-in among these stakeholders and make effective use of Workgroup members' time and consulting dollars.

Approach for Performance Measures updates: The ONC will be issuing guidance and regulations regarding performance measures, reporting and tracking to support various ARRA grants. This team will need to work closely with the ARRA team to ascertain that all required measures are included in the plan. The ONC is also working to develop a definition of 'Meaningful Use,' a series of performance measures that will be used as the basis for incentive payments to providers to promote adoption of EHRs and the use of HIE. These performance measures will be used by MI to manage the incentive payments to MI providers who service the Medicaid population. The definition of Meaningful Use will continue to evolve for the initial incentive year (2011) as well as be updated for 2013 and 2015 as the ONC intends to 'raise the bar' on use of EHR over time. The s2a team will guide the workgroup in the development of a process to manage these updates in an efficient and productive manner.

Tasks and Deliverables

Task 1: Work with the state to identify and select the members of the Performance Measurement Workgroup

Task 2: Provide the new Performance Measurement Workgroup with training on performance measures, ARRA requirements, and the Workgroup charter and schedule for Year 1

Deliverable:

1. A Performance Measurement Workgroup trained in its objectives and approach

Task 3: The s2a team will identify potential measures for use in the 3 categories based on our deep knowledge of the ARRA requirements and MI-specific objectives. Measures will also be identified that will support the work of the Clinical Adoption and Financial Sustainability Workgroups. Using a facilitated session, the s2a team will guide the Workgroup toward the selection of the Performance Measures to be used in the initial year.

Task 4: Based on the selected performance measures, the S2a team will gather the definitions and specifications of existing, standardized measures and develop drafts of the definitions and specifications (including data requirements) for up to 8 additional MI-specific measures. The s2a team will then use a series of facilitated Workgroup session to further refine the list of performance measures for inclusion in the plan and finalize the definition and specifications. From this list, we will create the data requirements for performance measurement. These data requirements will be provided to the Technical Governance Workgroup for inclusion into infrastructure design specifications.

Task 5: The s2a team will guide the Performance Measurement Workgroup in the compilation of a draft Performance Measurement Plan. This draft will be reviewed with the Clinical Adoption and Requirements Planning and Financial Sustainability Workgroups for feedback as well as Governance for comments and



approval. The s2a team will use a facilitated session and guide the Workgroup in the development of the final Performance Management Plan incorporating feedback received from the Governance, Clinical Adoption and Requirements Planning and Financial Sustainability Workgroups Deliverables:

1. A Performance Measurement plan, including performance measures, definitions, and specifications.
2. Performance measurement data requirements to be submitted to the Technical Governance workgroup

Task 6: We will guide the Performance Measurement Workgroup in the development of an approach and process to continuously monitor updates on performance measures related to ARRA. This work will require close integration with the ARRA grant Workgroup to monitor changes in reporting and tracking requirements to support grant funding.

Deliverable:

1. Process for monitoring changes in required performance measures related to updated federal guidelines regarding grant reporting/tracking and meaningful use related to ARRA funding.

Benefits

Aligning the timeframe for the development of a performance measurement plan with the start of Phase 1 will enable efficient, high quality performance measurement reports that would not otherwise be available. A delayed start would result in expensive add-ons and new data elements to the HIE infrastructure in the near future and would necessitate the use of expensive resources to manually compile large volumes of data from different sources for early reporting. Since performance measurement is required in order to receive ARRA grants, the performance measurement plan will allow the reports that are required to support ARRA grants are available on time to maximize funding to the state. Additionally, since success breeds success, early reporting of successes and improving performance measures will support MI's overall HIE goals.

Potential activities and resources

The PM Workgroup will likely need to meet once a month for the first 12 months (resource requirements for this intensity of work are in the matrix). Years 2-5, the PM Workgroup will likely need to meet 4-6 times per year and require 30-50% of year 1 resources. These projects will be required during year 2:

- Monitoring ARRA for performance measurement requirements and changes will be required through 2015
- Updating the plan will be required
 - New grants will likely come with new reporting/tracking requirements
 - Meaningful use measures will be updated every 2 years ("raising the bar")
 - Based on early findings, MI will likely want to measure performance in new areas (e.g. why physician adoption rates are so different in different regions)

Other key activities

- There will be several projects that will serve beneficial to the state of Michigan that should be considered in years 2-5. We recommend these projects (and potentially others) be prioritized early in year 2. Depending upon the number of and specific projects selected, resource requirements would be 30-70% of year 1
 - Produce baseline measures – a select group of performance measures will be produced based on data available at the time and evolving as data becomes available to serve as the baseline against other key measures indicating progress. This would require identifying the data that is available and the options available for producing the reports at a current point in time.
 - Using the data to support clinical adoption – once data becomes available, data on adoption rates, outcomes, quality improvement efficiency and cost may be helpful to drive and accelerate adoption of HIT among MI providers
 - Using data to address questions – Is the investment on HIT having an impact on the quality of healthcare in MI?

Assumptions

- The target size of the PM Workgroup will be 10 individuals with specific skills as described in roles in the appendix



- The scope of the Performance Measurement Plan includes up to 35 Meaningful Use measures for 2011, up to 4 measures to support ARRA grant funding and up to 8 other measures unique to MI needs and priorities.
- The PM Workgroup will recommend measures and data required for producing reports. However, the actual production of the reports will be done by a state or state-designated agency.
- Contact will be made with the University of Michigan and/or Michigan State University to provide specific expertise in developing the methodologies for data collection as well as to provide analysis and analytics expertise. We believe grant funding will cover this costs, however, to be conservative, we estimate a .5 FTE to provide these services
- Measures will be selected from nationally endorsed sources of measures: NQF, Hospital Quality Alliance, Healthy People 2020, CMS Reporting Hospital Quality Data for Annual Payment Update (RHQDAPU), CMS Physician Quality Reporting Initiative (PQRI), Joint Commission Core Measures, NCQA Healthcare Effectiveness Data and Information Set (HEDIS) measures, or AMA Physician Consortium for Performance Improvement (PCPI) measures for physicians
- Up to 8 measures that are Michigan specific will be defined and specified



Optional Solution #5: HITECH/ARRA Grant Planning

Executive Summary

We will assist MDCH to address funding and sustainability of current and future HIT and HIE backbone projects made possible by Recovery Act funding. We will provide leadership and direction to the State in development and management of their portfolio of HIT investments ensuring a comprehensive, balanced and impactful approach. We will provide assistance to this effort by providing means for MDCH to manage their portfolio of ARRA-funded projects. An automated ARRA dashboard can be provided for MDCH to see at a glance the status of their grant activities.

Deliverables and activities include:

- *Monitoring emerging funding opportunities* – requirements for and definitions of funding opportunities included in ARRA are being developed by a variety of committees and agencies at the federal level. The team will monitor and synthesize this stream of information and evaluate and modify each project within MDCH as needed.
- *Create a compilation of possible projects so the State is ready to respond at short notice* – the MDCH has developed an initial list of projects for possible submission for federal ARRA funding. The team will continue to develop and refine this list.
- *Development of proposal materials including proposal templates* – the Dewpoint team will work to refine proposal materials in anticipation of very short turnaround time for responses to ARRA opportunities.

Approach

Supplemental Policy and Legislative Analysis: The Dewpoint team will work closely with the State to monitor federal developments regarding ARRA funding as they occur to supplement the formal communication that MDCH receives on an ongoing basis. Dewpoint will analyze and summarize the information gained and distribute updates to MDCH and MDIT and others to maximize planning and coordination both on a federal and state government level.

Project Portfolio Management: The Dewpoint team will work with the PCO to establish a review schedule of projects for potential funding through ARRA. At least monthly, the project portfolio will be reviewed for priority, integration with current HIT infrastructure, and alignment with new grant opportunities. Once grant dollars are received through the State of Michigan, Dewpoint will provide assistance to MDCH and MDIT by extending the established Phase 2 PCO framework to include the monitoring and reporting of progress against federal grant requirements.

Assistance with Grant Development: Dewpoint will contract with a federal grant writer with in-depth understanding of the needs, processes and techniques of federal grant guidelines for different agencies (NIH, HHS, ONC, HRSA) to assist MDCH, MDIT, and the Governor's Economic Recovery Office as needed with grant writing.

Tasks and Deliverables

Task 1: Monitor all discussions during the Office of the National Coordinator Policy and Standards Committee and Sub-Committee meetings. Contact federal personnel as needed for clarification.

Task 2: Analyze organizations within Michigan working towards HIE planning to create a distribution list of key internal stakeholders for coordination opportunities.

Task 3: Create a communications/distribution approach for updates to include monthly updates via e-mail to the State monthly as well as urgent alerts as needed.

Deliverables:

1. A communication strategy to enable prompt distribution of new information at the federal level pertaining to ARRA grants
2. A written update distributed monthly that provides timely updates from federal proceedings as it relates to the short list of HIE topics of interest to the State of Michigan.
3. Urgent alerts will be provided as needed via email to a predetermined email distribution list.

Task 4: Establish a process for reporting recipient reports to HHS as mandated by ARRA:



Task 5: Create a process for review of HIT project portfolio with PCO to continuously re-prioritize and balance project portfolio and align with grant opportunities. Publish a HIE / HIT Compliance portfolio report that reflects grant project health and progress towards project goals.

Deliverables:

1. Reporting structure created and confirmed with MDCH, MDIT, and the Economic Recovery Office for HIE / HIT grants
2. Process for evaluation of grant portfolio established within PCO

Task 6: Dewpoint will provide strategic planning assistance to DCH and MDIT as it relates to understanding the “hooks” and dependencies of specific grants available from the federal government to maximize the State of Michigan’s overall grant strategy.

Task 7: Dewpoint will contract the services of a professional federal grant writer to provide grant application development as needed by MDCH and MDIT. For grant opportunities identified during this period of the agreement, Dewpoint will provide the State assistance with:

- Support grant proposal development, assist in developing project detail, and related material.
- Review grant application with the the Governance team and State designated contacts for completeness.
- Aid the state in identifying necessary Project Director (PD) or Principal Investigator (PI) for the grants.

Deliverables:

1. Completed grant applications submitted to MDCH and MDIT for review and submittal.

Benefits

Although significant funding is will be available through ARRA grants to support the planning and implementation of HIE toward widespread EMR adoption, the grant process and requirements are complex and evolving rapidly. MI will be competing with essentially all other states for grants that will become available through different agencies, including the Office of the National Coordinator for Health Information Technology, the Health Resources and Services Administration, the Agency for Healthcare Research and Quality, the Centers of Medicare & Medicaid Services, the Centers for Disease Control and Prevention, and the Indian Health Service. Each agency will support grants toward a different overall HIT goal, and each grant will have different grant writing requirements as well as different reporting and tracking requirements. Although details are not yet available through ONC, turnaround times will likely be aggressive. The key benefit of integrating the ARRA Optional Solution with Phase 1 and the other Optional Solution is to maximize ARRA funding to the State. The HIE / HIT project portfolio will be managed by the Dewpoint PCO to provide integrated planning and tracking of the MIHIN backbone implementation and related HIE / HIT projects receiving federal funding through the State of Michigan.

This Optional Solution has been structured to maximize savings for the State by having grant proposal development be on a case-by-case basis with prior approval from MDCH and MDIT to engage Dewpoint’s assistance. Additionally, by leveraging the base PCO team and adding only incremental staffing as needed, the HIE / HIT project portfolio will be managed through a single team, providing savings to the State. To accommodate future State of Michigan needs, the PCO team can be leveraged by MDIT or the Economic Recovery Office to assist other grant portfolio development and tracking activities as required.

Activities and Resources

We anticipate grant opportunities will be forthcoming for at least 4 years. However, the team will need to continue to monitor additional grant opportunities and draft grants as opportunities arise. ARRA requires a few studies to determine progress, barriers, etc. More grant funding will likely be available based on the results of these studies during years 3-5.



Assumptions

- The Dewpoint project team will receive information from MDCH and the Michigan Economic Recovery Office to contact grant recipients as needed to help monitor the State's HIE / HIT grant portfolio for continued alignment and compliance reporting.
- While the Dewpoint team will provide regular grant compliance reports on the Michigan HIE / HIT project portfolio to MDCH, MDIT, and the Economic Recovery Office, it is the State of Michigan's responsibility to complete federal reporting requirements.
- Policy analysis and communication will be performed as it relates to HIE and HIT initiatives that tie into the updated Conduit to Care.
- Grant proposal development requires pre-approval from the State

Grant portfolio management will be performed by the PCO staff. As the PCO grows and assumes oversight responsibility of more than one vertical, the scope of the PCO may transform into a Program Management Office, where a Program Manager oversees the management of the office, and project managers are assigned by vertical. As projects are added for PMO oversight and management, staffing levels and allocation rates of project managers will need to be evaluated to ensure that the appropriate levels are maintained. Staffing may need to be adjusted to reflect Project Managers by vertical, as well as Project Leads assigned to each project type within that vertical, depending on the scope, size and complexity of the projects. Subsequently, project types may need to be further broken down.



Appendix A – Job Descriptions

Optional Solution # 1: GOVERNANCE WORKGROUP JOB DESCRIPTIONS

1. Chief Medical Officer of a major healthcare system that still provides clinical care
2. Senior leadership from BCBS of Michigan
3. Representative of patient or consumer organization
4. Physician representative of a Federally Qualified Health Center
5. Representative of a major self-insured Michigan employer
6. Senior representative of MDIT
7. Senior representative of MDCH
8. Public Health representative
9. Representative of a Michigan University/Health Professional school
10. Non-physician clinician
11. Hospital CEO that was or is involved in a regional HIE effort
12. Major hospital CIO that was or is involved in a regional HIE effort
13. Clinical researcher
14. Physician involved in direct patient care delivery from a practice with an EMR

Optional Solution # 1: Technical Workgroup

We recommend that the Technical Workgroup is comprised of the following roles and skills:

- Lead Technical Architect - Consultant Facilitator (1)
- Co-Chairs; One from the State and one from a stakeholder organization (2) preferably CIOs
- Members from each RHIO; preferably technical staff who are very familiar with their system architectures (9)
- State of Michigan (MDIT) system architect (1)
- Department of Community Health (1)
- Medicaid technical staff member (1)
- Other staff (non voting)
 - State Technical Staff
 - Consultant Technical Staff
 - Vendor Staff

Optional Solution # 2: CLINICAL ADOPTION & REQUIREMENTS PLANNING WORKGROUP JOB DESCRIPTIONS

The target Workgroup size is approximately ten members. Transitions of care represents a high-priority focus of HIE initiatives.

Recommended Membership

The Workgroup members should represent leadership from across the healthcare delivery system; we encourage the inclusion of a diversity of viewpoints to ensure a balanced representation of stakeholder needs.

Recommendations for Workgroup composition:

- Co-Chairs (2) – From the State of Michigan and from a stakeholder organization (preferably a clinician or clinician informaticist)
- Consultant Facilitator (1) – Lead Business Architect
- Senior Representative from the Department of Community Health
- Representatives from Provider Organizations: Hospitals, Group Practices, Small Office Practices; these members should represent multiple practice settings and clinician roles
- Representative from a Population or Public Health Agency
- Representative from a Michigan Medicaid Health Plan
- Health Services Researcher
- Representative from a Quality Improvement Organization
- Union Representative
- Representative from a Patient or Consumer Organization
- Representative from a Rural Healthcare Provider



- Representative from a Visiting Nurse Agency
- Other Staff (non-voting): State and Consultant Project Team Members

Optional Solution # 3: Functional Job Titles needing representation on the HIE Finance Workgroup

1. CFO of a comprehensive health system from an urban, competitive market (either this position or #2 needs to have been part of an HIE regional planning or implementation effort).
2. CFO/CEO of a rural health system with little or no direct competition (per above, either this position or #1 needs to have been part of an HIE regional planning or implementation effort).
3. Representative from selected vendor who is a product specialist and has hands on experience mining transaction data from established HIE implementations – from executive reporting to trend analysis, to detailed, and disaggregated reporting.
4. Hospital based executive responsible for outreach, physician relationship management, regional collaborations, and marketing.
5. Representative from BCBS, preferably finance person.
6. Representative from Priority Health or second non-BCBS payer.
7. Representative from Medicaid Office.
8. Practice manager for “large” multi-specialty group practice in urban/competitive market.
9. Hospital based IT executive with experience building a hospital centric/proprietary “HIE” information infrastructure.
10. Individual from Senator Stabenow’s office.

Optional Solution # 4: Functional Job Titles needing representation on the Performance Measurement Finance Workgroup

The members of the Performance Management Workgroup will need to be executives who have a strategic view of the value of measures in healthcare from diverse perspectives as well as the ability to work with significant detail, including data elements required for performance reporting. It is not necessary to only include individuals who embrace HIE/HIT. Individuals with different views are welcome. However, those with negative or strong views against HIT or a known single agenda will slow team progress. We suggest 10 people representing different regions in MI comprise this Workgroup. Suggested representative organizations:

1. Larger hospital with experience with EHR
2. Community hospital without EHR
3. Large state-wide payer
4. Smaller regional payer
5. State Medicaid representative
6. State public health representative
7. State recovery office representative
8. Practicing physician
9. Understand health disparities in MI
10. Quality organization

Necessary areas of expertise within these organizations:

- Representing research community
- Privacy and security
- State of MI data resources
- Hospital data resources
- Physician office resources
- Payer data resources
- Pharmacy data/CPOE
- EHRs

Optional Solution #5: HITECH/ARRA Grant Planning

A Workgroup is not proposed for this solution.



Appendix B - Deliverables and Staffing Chart

The link below will provide a deliverables and staffing chart for each of the five solutions.

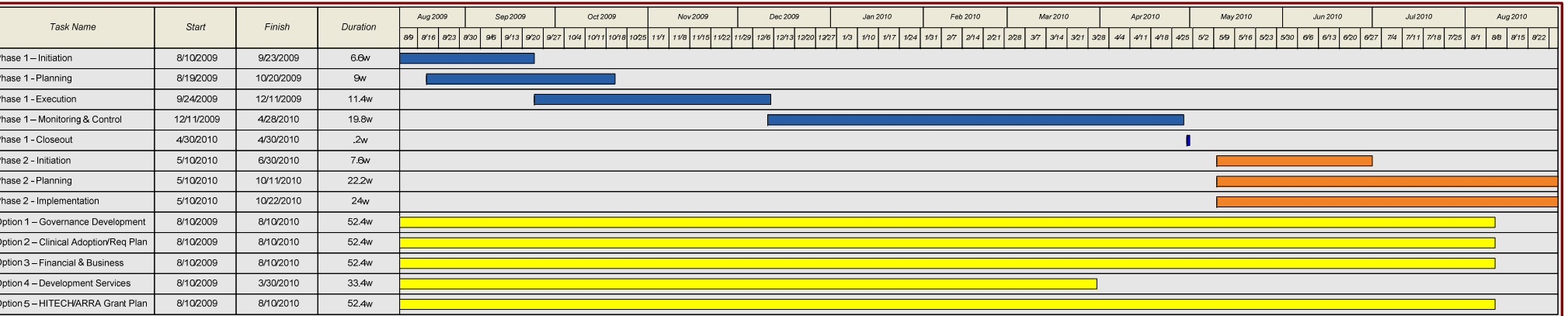


Deliverables Matrix

Attachment F – Contractor Staff Work Schedule Response to Orals Questions, 6/18/2009

Appendix C – Project Timeline with Optional Solutions

The project timeline shows the impact to the overall project schedule. A link for this plan is also provided below the chart.



MIHIN Project
Timeline

**Attachment F – Contractor Staff Work Schedule
Response to Orals Questions, 6/18/2009**

Attachment E - Cost Tables (BAFO Pricing Response)

Phase 1:

Staffing Category	Firm Fixed Hourly Rate	Est. Hrs (for the phase)¹	Extended Price
Project Manager (s2a)	335.3	520	\$ 174,356.00
Project Manager (Dewpoint)	117.5	430	\$ 50,525.00
Business Architect (s2a-Mikhail)	235	520	\$ 122,200.00
Business Architect (s2a-Shaun)	535.3	104	\$ 55,671.20
Business Architect (Dewpoint)	125	326	\$ 40,750.00
Technical Architect (s2a)	245	624	\$ 152,880.00
Technical Architect (Dewpoint)	117.5	326	\$ 38,305.00
Technical Writer	80	800	\$ 64,000.00
...List Any Other(s)			
Phase 1 Estimated Cost/Month	N/A	3650	\$ 698,687.20

Phase 2:

Phase 2 Monthly cost - First 24 months

Staffing Category	Firm Fixed Hourly Rate	Est. Hrs (Monthly)	Extended Price
Project Manager (s2a)	335.3	60	\$ 20,118.00
Project Manager (Dewpoint)	120	100	\$ 12,000.00
Business Architect (s2a-Mikhail)	240	60	\$ 14,400.00
Business Architect (Dewpoint)	130	100	\$ 13,000.00
Technical Architect (s2a)	245	60	\$ 14,700.00
Technical Architect (Dewpoint)	120	100	\$ 12,000.00
Scheduler	80	160	\$ 12,800.00
Technical Control Manager	120	160	\$ 19,200.00

**Attachment F – Contractor Staff Work Schedule
Response to Orals Questions, 6/18/2009**

Lead DBA	95	160	\$ 15,200.00
Lead Unix Administrator	95	160	\$ 15,200.00
HIE Quality Analyst	155	160	\$ 24,800.00
...List Any Other(s)			
Phase II Estimated Cost/Month	N/A	1120	\$ 173,418.00

Phase 2 - Month 25 to the end of contract

Staffing Category	Firm Fixed Hourly Rate	Est. Hrs (Monthly)	Extended Price
Project Manager (s2a)	335.3	30	\$ 10,059.00
Project Manager (Dewpoint)	120	130	\$ 15,600.00
Business Architect (s2a-Mikhail)	240	30	\$ 7,200.00
Business Architect (Dewpoint)	130	130	\$ 16,900.00
Technical Architect (s2a)	245	30	\$ 7,350.00
Technical Architect (Dewpoint)	120	130	\$ 15,600.00
Scheduler	80	160	\$ 12,800.00
Technical Control Manager	120	160	\$ 19,200.00
Lead DBA	95	160	\$ 15,200.00
Lead Unix Administrator	95	160	\$ 15,200.00
HIE Quality Analyst	155	160	\$ 24,800.00
...List Any Other(s)			
Phase II Estimated Cost/Month	N/A	1120	\$ 159,909.00

Base Project Pricing Summary:

Phase 1 (6 months) - \$698,687.20

Phase 2 (first 24 months) - \$4,162,032.00 (\$173,418.00 per month)

Phase 2 (remaining 30 months) - \$4,797,270.00 (\$159,909.00 per month)

Total Base Contract Price - \$9,657,989.20

Attachment F – Contractor Staff Work Schedule Response to Orals Questions, 6/18/2009

The State of Michigan has requested that the Dewpoint/s2a Team clarify the allocation of resources for the execution of the project. In order to demonstrate that Dewpoint has created the following tables that allocates the percentage of time per resources at the summary task level.

Phase 1	Resources							
	J. Evans (PM Lead)	A. Murphy (PM)	M. Elias (BA Lead)	S. Grannis (BA 1)	R. Brady (BA 2)	M. Gagnon (TA Lead)	S. Naser (TA 1)	Technical Writer
<i>Initiation</i>	50	50	50	0	50	50	50	0
<i>Planning</i>	50	50	50	5	45	60	40	100
<i>Execution</i>								
Task 1 - HIE Early Adopter Environment Analysis	70	30	50	10	40	70	30	100
Task 2 - SOM Systems Technical Environment Analysis	60	40	50	10	40	40	60	100
Task 3 - Technical Plan for Statewide HIE Infrastructure	60	40	70	15	15	80	20	100
Prepare/Review/Write/Issue RFI/RFP	50	50	75	5	20	60	40	100
<i>Monitoring</i>								
Task 4 - Assist SOM in the JEC	60	40	70	10	20	80	20	0
<i>Closeout</i>	50	50	50	0	50	50	50	0
Total % Allocation	56%	44%	58%	7%	35%	61%	39%	100%

Phase 2	J. Evans (PM Lead)	A. Murphy (PM)	Project Scheduler	M. Elias (BA Lead)	R. Brady (BA 1)	M. Gagnon (TA Lead)	S. Naser (TA 1)	QA Analyst	Technical Control Mgr	Lead DBA	Unix Admin
	Initiation (includes facilities and access, establish steering committee and change control board, set up project environment)	40	60	100	50	50	50	50	100	100	100

**Attachment F – Contractor Staff Work Schedule
Response to Orals Questions, 6/18/2009**

Phase 2	J. Evans (PM Lead)	A. Murphy (PM)	Project Scheduler	M. Elias (BA Lead)	R. Brady (BA 1)	M. Gagnon (TA Lead)	S. Naser (TA 1)	QA Analyst	Technical Control Mgr	Lead DBA	Unix Admin
Planning (includes select early adopter stakeholders, create draft project management documentation, develop project management reports, finalize project schedule, training and knowledge transfer)	20	80	100	55	45	60	40	100	100	100	100
Execution (includes support technical environment preparation, assist vendor with SoM documents, support SoM system design activities, support hardware and software procurement, system build activities, system implementation planning and testing, consent guidelines and policies)	50	50	100	35	65	40	60	100	100	100	100
Control (system go-live, PARE, performance measurement plan)	20	80	100	20	80	20	80	100	100	100	100
Closeout (lessons learned, formal sign-off)	50	50	100	20	80	20	80	100	100	100	100
Total % Allocation	36	64	100	36	64	38	62	100	100	100	100



Additionally, the State requested that the Dewpoint/s2a Team clarify the percentage of time that the s2a Team will spend in the State of Michigan. Dewpoint has created the following table to demonstrate the anticipated time on site for the s2a resources. Also please note that the Dewpoint team is based in Lansing MI and is planning to be onsite at the State of Michigan as required. The blended rate for the s2a resources assumes that approximately 67% of their time will be spent on site at the State of Michigan.

Anticipated Travel For MiHIN Project Phase I

Week	Days	Trips
Week 1	3	1
Week 2	3	1
Week 3	3	1
Week 4	3	1
Week 5	0	0
Week 6	3	1
Week 7	0	0
Week 8	3	1
Week 9	0	0
Week 10	3	1
Week 11	0	0
Week 12	3	1
Week 13	0	0
Week 14	0	0
Week 15	3	1
Week 16	0	0
Week 17	3	1
Week 18	0	0
Week 19	3	1
Week 20	0	0
Week 21	0	0
Week 22	3	1
Week 23	0	0
Week 24	3	1



Pricing

The following pricing for this project is based on the scope developed in the preceding sections. Any extensions or change of service that affect the project in terms of resources, scope, or time will be handled through a change request form. These changes may impact the cost of the project.

The table below provides a summary of the pricing associated with each of the options. Please note that this pricing has been calculated based on the first 12 months of the project. Additional funding for each of these options beyond the first 12 months is difficult to calculate because the requirements for these workgroups in years 2-5 of this contract are to determine at this time.

Option	Price
Governance Development	
<i>-Leadership</i>	\$ 216,457
<i>-Technical</i>	\$ 295,048
Clinical Adoption and Req'ts Development	\$ 213,896
Financial and Business Feasibility Planning	\$ 172,025
Financial and Performance Metrics	\$ 91,118
HiTech / ARRA Grant Planning *	\$ 123,253
	\$ 1,111,797
* Grant Writing Services will be provided on a case-by-case basis at \$105/hr	

Please note; Dewpoint requires that a planning session occur within the first two weeks of the project to discuss the optional solutions selected by the State for a review of vendor and State responsibilities and timelines. As an output of the planning meeting with the State, the master Phase 1 and Phase 2 project schedule (and pricing) will be adjusted and provided back to the State for approval as a part of the initial project planning milestones.