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

**CONTRACT CHANGE NOTICE**

Change Notice Number **11**
to
Contract Number **071B3200152**

<table>
<thead>
<tr>
<th>CONTRACTOR</th>
<th>STATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>QLESS INC.</td>
<td></td>
</tr>
<tr>
<td>The Prado, 840 Greet St, Suite 301</td>
<td></td>
</tr>
<tr>
<td>Pasadena, CA 91101</td>
<td></td>
</tr>
<tr>
<td>Charlie Meyer</td>
<td></td>
</tr>
<tr>
<td>512-831-2089</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:charlie.meyer@qless.com">charlie.meyer@qless.com</a></td>
<td></td>
</tr>
<tr>
<td>CV0011284</td>
<td></td>
</tr>
<tr>
<td>Tom Cantrell</td>
<td>MDOS</td>
</tr>
<tr>
<td>517-636-5049</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:cantreellt@Michigan.gov">cantreellt@Michigan.gov</a></td>
<td></td>
</tr>
<tr>
<td>Jennifer Bronz</td>
<td>DTMB</td>
</tr>
<tr>
<td>(517) 249-0493</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:BronzJ@michigan.gov">BronzJ@michigan.gov</a></td>
<td></td>
</tr>
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</table>

**CONTRACT SUMMARY**

**CUSTOMER FLOW MANAGEMENT**

<table>
<thead>
<tr>
<th>INITIAL EFFECTIVE DATE</th>
<th>INITIAL EXPIRATION DATE</th>
<th>INITIAL AVAILABLE OPTIONS</th>
<th>EXPIRATION DATE BEFORE</th>
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<tbody>
<tr>
<td>September 13, 2013</td>
<td>September 12, 2018</td>
<td>2 - 1 Year</td>
<td>September 30, 2019</td>
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<table>
<thead>
<tr>
<th>PAYMENT TERMS</th>
<th>DELIVERY TIMEFRAME</th>
</tr>
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<tbody>
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<td></td>
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<table>
<thead>
<tr>
<th>ALTERNATE PAYMENT OPTIONS</th>
<th>EXTENDED PURCHASING</th>
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</thead>
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<tr>
<td>☐ P-Card</td>
<td>☐ Yes</td>
</tr>
<tr>
<td>☐ PRC</td>
<td>☜ No</td>
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<td>☐ Other</td>
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<table>
<thead>
<tr>
<th>MINIMUM DELIVERY REQUIREMENTS</th>
</tr>
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</table>

<table>
<thead>
<tr>
<th>DESCRIPTION OF CHANGE NOTICE</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>OPTION</th>
<th>LENGTH OF OPTION</th>
<th>EXTENSION</th>
<th>LENGTH OF EXTENSION</th>
<th>REVISED EXP. DATE</th>
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<tbody>
<tr>
<td>☒</td>
<td>6 months</td>
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<td>March 31, 2020</td>
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<table>
<thead>
<tr>
<th>CURRENT VALUE</th>
<th>VALUE OF CHANGE NOTICE</th>
<th>ESTIMATED AGGREGATE CONTRACT VALUE</th>
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</thead>
<tbody>
<tr>
<td>$4,261,318.38</td>
<td>$534,145.83</td>
<td>$4,795,464.21</td>
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**DESCRIPTION**

Effective 9/26/2019, 6 months of 2nd option year available on this contract is hereby exercised. The revised contract expiration date is 03/30/2020. Please note the Contract Administrator has been changed to Jennifer Bronz. All other terms, conditions, specifications, and pricing remain the same. Per DTMB Contractor and Agency agreement, DTMB Central Procurement Services approval, and State Administrative Board approval 09/12/2019.
<table>
<thead>
<tr>
<th>Phase</th>
<th>Start Date</th>
<th>End Date</th>
<th># of Locations</th>
<th>Annual Software per Location</th>
<th>Annual Software</th>
<th>Support &amp; Command Center per Location</th>
<th>Support &amp; Command Center per Location</th>
<th>Hardware Maintenance</th>
<th>Total</th>
</tr>
</thead>
<tbody>
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Forecasted SMS usage fees (this is a forecast for the renewal not actuals)

Usage: $35,000, 6 months

**Total:** $210,000.00

**Total:** $534,145.83
# CONTRACT CHANGE NOTICE

**Change Notice Number 10**

to

Contract Number **071B3200152**

<table>
<thead>
<tr>
<th>CONTRACTOR</th>
<th>STATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qless Inc.</td>
<td>Tom Cantrell</td>
</tr>
<tr>
<td>The Prado, 840 Greet St</td>
<td>DOS</td>
</tr>
<tr>
<td>Pasadena, CA 91101</td>
<td>517-636-5049</td>
</tr>
<tr>
<td>Charlie Meyer</td>
<td>Marcy Sims</td>
</tr>
<tr>
<td>512-831-2089</td>
<td>DTMB</td>
</tr>
<tr>
<td><a href="mailto:charlie.meyer@qless.com">charlie.meyer@qless.com</a></td>
<td>(517) 275-1132</td>
</tr>
<tr>
<td>CV0011284</td>
<td><a href="mailto:simsm4@michigan.gov">simsm4@michigan.gov</a></td>
</tr>
</tbody>
</table>

## CONTRACT SUMMARY

### CUSTOMER FLOW MANAGEMENT

<table>
<thead>
<tr>
<th>INITIAL EFFECTIVE DATE</th>
<th>INITIAL EXPIRATION DATE</th>
<th>INITIAL AVAILABLE OPTIONS</th>
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</thead>
<tbody>
<tr>
<td>September 13, 2013</td>
<td>September 12, 2018</td>
<td>2 - 1 Year</td>
<td>September 12, 2018</td>
</tr>
</tbody>
</table>

### PAYMENT TERMS

□ P-Card

□ Direct Voucher (DV)

□ Other

☒ Yes

□ No

### DELIVERY TIMEFRAME

□ P-Card

□ Direct Voucher (DV)

□ Other

☒ Yes

□ No

### ALTERNATE PAYMENT OPTIONS

### EXTENDED PURCHASING

☒ Yes

□ No

## MINIMUM DELIVERY REQUIREMENTS

### DESCRIPTION OF CHANGE NOTICE

<table>
<thead>
<tr>
<th>OPTION</th>
<th>LENGTH OF OPT</th>
<th>EXTENSION</th>
<th>LENGTH OF EXTENSION</th>
<th>REVISED EXP. DATE</th>
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<td>1 year</td>
<td>☐</td>
<td></td>
<td>September 30, 2019</td>
</tr>
</tbody>
</table>

**VALUE OF CHANGE NOTICE** $853,989.46

**ESTIMATED AGGREGATE CONTRACT VALUE** $4,261,318.38

### DESCRIPTION

Effective September 7, 2018, the parties have amended the Contract pursuant to the attached Change Notice 10, which (i) extends the term of the Contract until September 30, 2019, (ii) increases the aggregate contract value by $853,989.46, and (iii) amends certain sections of the Contract. All other terms, conditions, specifications, and pricing remain the same.
Change Notice No. 10 to Contract No. 071B3200152

This Change Notice No. 10 (this “Change Notice”) to Contract No. 071B3200152 (the “Contract”) is entered into this 7th day of September 2018 (the “Effective Date”), by and between the State of Michigan, Department of Technology, Management and Budget on behalf of the Michigan Department of State (collectively, the “State”) and Qless, Inc., a Delaware corporation (“Contractor”).

Agreement

The parties agree as follows:

1. **Renewal.** Pursuant to Section 2.002 of the Contract, the parties hereby mutually agree to extend the term of the Contract until September 30, 2019 (the “Term”).

2. **Payment and Pricing.** During the Term, the State will pay Contractor for all License Fees set forth on Attachment 1 in (2) two equal payment installments. The first payment installment will be due and owing within 45 days of the Effective Date, and the second payment installment will be due and owing six (6) months after the Effective Date, provided there is no early termination. The State will pay for all Usage Fees set forth on Attachment 1 monthly in arrears.

3. **Termination for Convenience.** Section 2.153 of the Contract is deleted in its entirety and replaced with the following:

   “2.153 Termination for Convenience

   The State may terminate this Contract without cause at any time, upon sixty (60) days advance written notice, effective at the end of the notice period. Upon termination, the State will have no obligation or liability to pay Contractor for any services, other than (i) services that were already rendered by Contractor, and were being charged in arrears, and (ii) transition services that the State engages Contractor to perform pursuant to Section 2.170 of the Contract."

4. **Termination for Cause.** Section 2.152 of the Contract is amended by adding the following sentence to the end of subsection (b)

   “Further, Contractor must refund any and all prepaid fees, pro-rated to the date of termination.”

5. **Service Level Agreement.** Attachment G to the Contract, the QLess Hosting and Support Service Level Agreement, is hereby deleted in its entirety, and replaced with Attachment 2 to this Change Notice.

6. **Entirety.** All terms, conditions, and specifications of the Contract not specifically modified in this Change Notice remain the same and in force and effect. The Contract, as modified by this
Change Notice, represents the entire agreement and understanding between the parties and supersedes all prior and contemporaneous proposals or other agreements, oral or written, and all other communications between the parties, relating to the subject matter of the Contract. Where conflicts arise between this Change Notice and the Contract, this Change Notice shall govern.

7. **Counterparts.** This Change Notice may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement and will become effective and binding upon the parties as of the Effective Date at such time as all the signatories hereto have signed a counterpart of this Change Notice. A signed copy of this Change Notice delivered by facsimile, e-mail or other means of electronic transmission (to which a signed PDF copy is attached) shall be deemed to have the same legal effect as delivery of an original signed copy of this Change Notice.
The State is interested in exercising the first option year of Contract 071B3200152. Please provide pricing for FY '19 broken down as follows:

Phase 1 Annual Maintenance (incl. one-time software & annual software, Qless Enterprise Support & Command Center and recurring hardware maintenance). For support, break out by cost for 7 super centers and 3 regular locations.

Phase 2 Annual Maintenance (incl. one-time software & annual software, Qless Enterprise Support & Command Center and recurring hardware maintenance).

Phase 3 Annual Maintenance (incl. one-time software & annual software, Qless Enterprise Support & Command Center and recurring hardware maintenance).

Phase 4 Annual Maintenance (incl. one-time software & annual software, Qless Enterprise Support & Command Center and recurring hardware maintenance).

Phase 5 Annual Maintenance (incl. one-time software & annual software, Qless Enterprise Support & Command Center and recurring hardware maintenance).

Monthly Invoices for all sites (should be 43 total for all of FY '19).

For Phase 1-5 Annual Maintenance, please quote coverage from September 13, 2018 thru September 30, 2019 as our current contract ends on September 12, 2018.

Forecasted usage fees (this is a forecast for the renewal not actuals): $360,000.00

$853,989.46

<table>
<thead>
<tr>
<th>Phase</th>
<th>Start Date</th>
<th>End Date</th>
<th># of Locations</th>
<th>Annual Software per location</th>
<th>Support &amp; Command Center per location</th>
<th>Hardware Maintenance</th>
<th>Total</th>
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<tr>
<td>Phase 1</td>
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$360,000.00

$853,989.46
Attachment 2 to Change Notice 10 to Contract No. 071B3200152
Service Level Agreement

1. Definitions. For purposes of this Attachment, the following terms have the meanings set forth below.

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

“Authorized Users” means all persons (individual or entity) authorized by the State to access and use the Software under this Contract.

“Availability” has the meaning set forth in Section 4(a).

“Availability Requirement” has the meaning set forth in Section 4(a).

“Available” has the meaning set forth in Section 4(a).

“Change Notice” means Change Notice 10 to the Contract.

“Contract” means Contract No. 071B3200152 bay and between the parties.

“Contractor Service Manager” has the meaning set forth in Section 3.1.

“Corrective Action Plan” has the meaning set forth in Section 5.6.

“Critical Service Error” has the meaning set forth in Section 5.4(a).

“Exceptions” has the meaning set forth in Section 4.2.

“Force Majeure Event” has the meaning set forth in Section 7.1.

“High Service Error” has the meaning set forth in Section 5.4(a).

“Hosted Services” has the meaning set forth in Section 2.1(a).

“License Fees” means the fees set forth in Attachment 1 to the Change Notice, pro-rated to a monthly basis.

“Low Service Error” has the meaning set forth in Section 5.4(a).

“Medium Service Error” has the meaning set forth in Section 5.4(a).

“Resolve” has the meaning set forth in Section 5.4(b).

“Scheduled Downtime” has the meaning set forth in Section 4.3.
“Scheduled Uptime” means the total minutes in the Service Period minus any time allowed for Exceptions.

“Service Availability Credits” has the meaning set forth in Section 4.6(a).

“Service Error” means any failure of any Hosted Service to be Available or otherwise perform in accordance with this Attachment.

“Service Level Credits” has the meaning set forth in Section 5.5.

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

“Service Period” has the meaning set forth in Section 4(a).

“Software” has the meaning set forth in the Contract.

“Software Response Time” has the meaning set forth in Section 4.4.

“Software Support Services” has the meaning set forth in Section 5.

“State Service Manager” has the meaning set forth in Section 3.2.

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

“Support Request” has the meaning set forth in Section 5.4(a).

“Support Service Level Requirements” has the meaning set forth in Section 5.4.

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

“Usage Fees” means the monthly usage fees set forth on Attachment 1 to this Change Notice.

2. Services.

2.1 Services. Throughout the Term, Contractor will, in accordance with all terms and conditions set forth in the Contract and this Attachment, provide to the State and its Authorized Users the following services:

(a) the hosting, management and operation of the Software and other services for remote electronic access and use by the State and its Authorized Users ("Hosted Services");

(b) the Software Support Services set forth in Section 5 of this Attachment; and
3. Personnel

3.1 Contractor Personnel for the Hosted Services. Contractor will appoint a Contractor employee to serve as a primary contact with respect to the Services who will have the authority to act on behalf of Contractor in matters pertaining to the receipt and processing of Support Requests and the Software Support Services (the “Contractor Service Manager”). The Contractor Service Manager will be considered Key Personnel under the Contract.

3.2 State Service Manager for the Hosted Services. The State will appoint and, in its reasonable discretion, replace, a State employee to serve as the primary contact with respect to the Services who will have the authority to act on behalf of the State in matters pertaining to the Software Support Services, including the submission and processing of Support Requests (the “State Service Manager”).

4. Service Availability and Service Availability Credits.

(a) Availability Requirement. Contractor will make the Hosted Services Available, as measured over the course of each calendar month during the Term and any additional periods during which Contractor does or is required to perform any Hosted Services (each such calendar month, a “Service Period”), at least 99.9% of the time, excluding only the time the Hosted Services are not Available solely as a result of one or more Exceptions (the “Availability Requirement”). “Available” means the Hosted Services are available and operable for access and use by the State and its Authorized Users over the Internet in material conformity with the Contract. “Availability” has a correlative meaning. The Hosted Services are not considered Available in the event of a material performance degradation or inoperability of the Hosted Services, in whole or in part. The Availability Requirement will be calculated for the Service Period as follows: Actual Uptime ÷ Scheduled Uptime x 100 = Availability.

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

   (a) failures of the State’s or its Authorized Users’ internet connectivity;

   (b) failure of the State’s or its Authorized User’s electrical power; and

   (c) Scheduled Downtime as set forth in Section 4.3.

(c) Scheduled Downtime. Contractor will make reasonable attempts to notify the State at least twenty-four (24) hours in advance of all scheduled outages of the Hosted Services in whole or in part (“Scheduled Downtime”). All such scheduled outages will: (a) last no longer than five (5) hours; (b) be scheduled between the hours of 12:00 a.m. and 5:00 a.m., Eastern Time; and (c) occur no more frequently than once per week; provided that Contractor may request the State to approve extensions of Scheduled Downtime above five (5) hours, and such approval by the State may not be unreasonably withheld or delayed.
4.4 **Software Response Time.** Software response time, defined as the interval from the time the end user sends a transaction to the time the server sends a response ("Software Response Time"), must be less than two (2) seconds for 98% of all transactions. Unacceptable response times shall be deemed to make the Software and Hosted Services unavailable and will count against the Availability Requirement. Contractor will measure system latency against all user transactions using data from its web server log to track Software Response Time. Data regarding Software Response Time will be stored for at least thirty (30) days and provided to the State upon request or through an automated retrieval process or report.

4.5 **Service Availability Reports.** Within thirty (30) days after the end of each Service Period, Contractor will provide to the State a report describing the Availability and other performance of the Hosted Services during that calendar month as compared to the Availability Requirement. The report must be in electronic or such other form as the State may approve in writing and shall include, at a minimum: (a) the actual performance of the Hosted Services relative to the Availability Requirement; and (b) if Hosted Service performance has failed in any respect to meet or exceed the Availability Requirement during the reporting period, a description in sufficient detail to inform the State of the cause of such failure and the corrective actions the Contractor has taken and will take to ensure that the Availability Requirement are fully met.

4.6 **Remedies for Service Availability Failures.**

(a) If the actual Availability of the Hosted Services is less than the Availability Requirement for any Service Period, such failure will constitute a Service Error for which Contractor will issue to the State the following credits on the License Fees payable for the Hosted Services provided during the Service Period ("Service Availability Credits"):

<table>
<thead>
<tr>
<th>Availability</th>
<th>Credit of Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥99.9%</td>
<td>None</td>
</tr>
<tr>
<td>&lt;99.9% but ≥99.0%</td>
<td>5%</td>
</tr>
<tr>
<td>&lt;99.0% but ≥95.0%</td>
<td>15%</td>
</tr>
<tr>
<td>&lt;95.0%</td>
<td>50%</td>
</tr>
</tbody>
</table>

(b) Any Service Availability Credits due under this Section 4.6 will be applied in accordance with Section 6 of this Attachment, and may be waived by the State.

(c) If the actual Availability of the Hosted Services is less than the Availability Requirement in any two (2) of four (4) consecutive Service Periods, then, in addition to all other remedies available to the State, the State may terminate the Contract on written notice to Contractor with no liability, obligation or penalty to the State by reason of such termination.
5. **Support and Maintenance Services.** Contractor will provide Hosted Service maintenance and support services (collectively, “Software Support Services”) in accordance with the provisions of this Section 5. The Software Support Services are included in the Services, and Contractor may not assess any additional fees, costs or charges for such Software Support Services.

5.1 **Support Service Responsibilities.** Contractor will:

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

   (b) for Critical Service Errors provide unlimited telephone support 24 hours a day, seven days a week;

   (c) any Service Error other than Critical Service Error provide unlimited telephone support 6:00 am until 7:00 pm, Eastern Time (ET);

   (d) provide unlimited online support 24 hours a day, seven days a week;

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

   (f) respond to and Resolve Support Requests as specified in this Section 5.

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

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

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

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

      (i) confirming (or disconfirming) the outage by a direct check of the associated facility or facilities;

      (ii) if Contractor’s facility check in accordance with clause (i) above confirms a Hosted Service outage in whole or in part: (A) notifying the State in writing pursuant to the procedures set forth herein that an outage has occurred, providing such details as
may be available, including a Contractor trouble ticket number, if appropriate, and time of outage; and (B) working all problems causing and caused by the outage until they are Resolved as Critical Service Errors in accordance with the Support Request Classification set forth in Section 5.4, or, if determined to be an internet provider problem, open a trouble ticket with the internet provider; and

(iii) notifying the State that Contractor has fully corrected the outage and any related problems, along with any pertinent findings or action taken to close the trouble ticket.

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

(a) all updates, bug fixes, enhancements, Maintenance Releases, which will be announced to the State 24 hours in advance;

(b) all New Versions and Major Releases to the software/Hosted Services, which Contractor shall consult with the State and is required to receive State approval prior to modifying or upgrading Hosted Services; and

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

5.4 Support Service Level Requirements. Contractor will correct all Service Errors and respond to and Resolve all Support Requests in accordance with the required times and other terms and conditions set forth in this Section 5.4 ("Support Service Level Requirements"), and the Contract.

(a) Support Requests. The State Service Manager will notify Contractor of support requests for Service Errors by email, telephone or such other means as the parties may hereafter agree to in writing (each a “Support Request”). Both parties will mutually agree to classify the Support Request in accordance with the descriptions set forth in the chart below.

<table>
<thead>
<tr>
<th>Support Request Classification</th>
<th>Description:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical Service Error</td>
<td>(a) Issue affecting entire system or single critical production function;</td>
</tr>
<tr>
<td>Any Service Error Comprising or Causing any of the Following Events or Effects</td>
<td></td>
</tr>
<tr>
<td>Service Error</td>
<td>Description</td>
</tr>
<tr>
<td>--------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| **High Service Error** | (a) A Critical Service Error for which the State has received, within the Resolution time for Critical Service Errors, a work-around that the State has accepted in writing;  
                      (b) Primary component failure that materially impairs system’s performance;  
                      (c) Data entry or access is materially impaired on a limited basis; or  
                      (d) performance issues of severe nature impacting critical processes. |
| **Medium Service Error** | An isolated or minor Error in the system that meets any of the following requirements:  
                          (a) does not significantly affect system functionality;  
                          (b) can or does impair or disable only certain non-essential system functions; or  
                          (c) does not materially affect the State's use of the system. |
| **Low Service Error** | Request for assistance, information, or services that are routine in nature.                                                                                                                                 |

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

<table>
<thead>
<tr>
<th>Support Request Classification</th>
<th>Service Level Metric (Required Response Time)</th>
<th>Service Level Metric (Required Resolution Time)</th>
<th>Service Level Credits (For Failure to Respond to any Support Request Within the Corresponding Response Time)</th>
<th>Service Level Credits (For Failure to Resolve any Support Request Within the Corresponding Required Resolution Time)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical Service Error</td>
<td>Contractor shall acknowledge receipt of a Support Request within fifteen (15) minutes.</td>
<td>Contractor shall Resolve the Support Request as soon as practicable and no later than three (3) hours after Contractor's receipt of the Support Request. If the Contractor Resolves the Support Request by way of a work-around accepted in writing by the State, the severity level assessment will be reduced to a High Service Error.</td>
<td>An amount equal to 10% of the then current monthly License Fees, which may be waived by the State.</td>
<td>An amount equal to 10% of the then current monthly License Fees, which may be waived by the State.</td>
</tr>
<tr>
<td>Service Level</td>
<td>Acknowledgment Timeframe</td>
<td>Resolution Timeframe</td>
<td>Penalties</td>
<td></td>
</tr>
<tr>
<td>---------------</td>
<td>--------------------------</td>
<td>----------------------</td>
<td>-----------</td>
<td></td>
</tr>
<tr>
<td>High Service Error</td>
<td>Contractor shall acknowledge receipt of a Support Request or, where applicable, the State's written acceptance of a Critical Service Error work-around, within thirty (30) minutes.</td>
<td>Contractor shall Resolve the Support Request as soon as practicable and no later than one (1) business day after Contractor's receipt of the Support Request or, where applicable, the State's written acceptance of a Critical Service Error work-around.</td>
<td>An amount equal to 7% of the then current monthly License Fees, which may be waived by the State.</td>
<td></td>
</tr>
<tr>
<td>Medium Service Error</td>
<td>Contractor shall acknowledge receipt of the Support Request within twenty four (24) hours.</td>
<td>Contractor shall Resolve the Support Request as soon as practicable and no later than fifteen (15) Business Days after Contractor's receipt of the Support Request.</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Low Service Error</td>
<td>Contractor shall acknowledge receipt of the Support Request within forty-eight (48) hours.</td>
<td>Contractor shall Resolve the Support Request as soon as practicable and no later than thirty (30) Business Days after</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

N/A = Not Applicable
(c) **Escalation.** With respect to any Critical Service Error Support Request, until such Support Request is Resolved, Contractor will escalate that Support Request within sixty (60) minutes of the receipt of such Support Request by the appropriate Contractor support personnel, including, as applicable, the Contractor Service Manager and Contractor’s management or engineering personnel, as appropriate.

5.5 **Support Service Level Credits.** Failure to achieve any of the Support Service Level Requirements for Critical and High Service Errors will constitute a Service Level Failure for which Contractor will issue to the State the corresponding service credits set forth in Section 5.4(b) ("Service Level Credits") in accordance with Section 6 of this Attachment.

5.6 **Corrective Action Plan.** If two or more Critical Service Errors occur in any thirty (30) day period during (a) the Term or (b) any additional periods during which Contractor does or is required to perform any Hosted Services, Contractor will promptly investigate the root causes of these Service Errors and provide to the State within five (5) Business Days of its receipt of notice of the second such Support Request an analysis of such root causes and a proposed written corrective action plan for the State’s review, comment and approval, which, subject to and upon the State’s written approval, shall be a part of, and by this reference is incorporated in, the Contract as the parties’ corrective action plan (the "Corrective Action Plan"). The Corrective Action Plan must include, at a minimum: (a) Contractor’s commitment to the State to devote the appropriate time, skilled personnel, systems support and equipment and other resources necessary to Resolve and prevent any further occurrences of the Service Errors giving rise to such Support Requests; (b) a strategy for developing any programming, software updates, fixes, patches, etc. necessary to remedy, and prevent any further occurrences of, such Service Errors; and (c) time frames for implementing the Corrective Action Plan. There will be no additional charge for Contractor’s preparation or implementation of the Corrective Action Plan in the time frames and manner set forth therein.

6. **Availability and Support Service Level Credits.** Contractor acknowledges and agrees that any credits assessed under this Service Level Agreement: (a) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from not meeting the Availability Requirement or the Support Service Level Requirement, which would be impossible or very difficult to accurately estimate; and (b) may, at the State’s option, be credited or set off against any Usage Fees or License Fees payable to Contractor under this Contract or be payable to the State upon demand if no such fees remain payable to Contractor. Credits may not exceed the total amount of License Fees that would be payable for the relevant Service Period in which the credits are assessed. Further, the State may only assess one type of credit for a single event, meaning, the State cannot assess both a Service Availability Credit and a Service Level Credit for the same event causing the applicable credit.
7. Force Majeure.

7.1 Force Majeure Events. Subject to Section 7.3, neither party will be liable or responsible to the other party, or be deemed to have defaulted under or breached the Contract, for any failure or delay in fulfilling or performing any term hereof, when and to the extent such failure or delay is caused by: acts of God, flood, fire or explosion, war, terrorism, invasion, riot or other civil unrest, embargoes or blockades in effect on or after the date of the Contract, national or regional emergency, or any passage of law or governmental order, rule, regulation or direction, or any action taken by a governmental or public authority, including imposing an embargo, export or import restriction, quota or other restriction or prohibition (each of the foregoing, a “Force Majeure Event”), in each case provided that: (a) such event is outside the reasonable control of the affected party; (b) the affected party gives prompt written notice to the other party, stating the period of time the occurrence is expected to continue; (c) the affected party uses diligent efforts to end the failure or delay and minimize the effects of such Force Majeure Event.

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

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

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

(i) shutdowns, disruptions or malfunctions of Contractor Systems or any of Contractor’s telecommunication or internet services other than as a result of general and widespread internet or telecommunications failures that are not limited to the Contractor Systems; or

(ii) the delay or failure of any Contractor Personnel to perform any obligation of Contractor hereunder unless such delay or failure to perform is itself by reason of a Force Majeure Event.
## CONTRACT CHANGE NOTICE

Change Notice Number **9**  

to  
Contract Number **071B3200152**

### CONTRACTOR

<table>
<thead>
<tr>
<th>Qless Inc.</th>
<th>The Prado, 840 Greet St</th>
<th>Pasadena, CA 91101</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charlie Meyer</td>
<td>512-831-2089</td>
<td><a href="mailto:charlie.meyer@qless.com">charlie.meyer@qless.com</a></td>
</tr>
<tr>
<td>CV0011284</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### STATE

<table>
<thead>
<tr>
<th>Tom Cantrell</th>
<th>DOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>517-636-5049</td>
<td><a href="mailto:cantrellt@Michigan.gov">cantrellt@Michigan.gov</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marcy Sims</th>
<th>DTMB</th>
</tr>
</thead>
<tbody>
<tr>
<td>(517) 275-1132</td>
<td><a href="mailto:simsm4@michigan.gov">simsm4@michigan.gov</a></td>
</tr>
</tbody>
</table>

---

### CONTRACT SUMMARY

CUSTOMER FLOW MANAGEMENT FOR SECRETARY OF STATE OFFICES

<table>
<thead>
<tr>
<th>INITIAL EFFECTIVE DATE</th>
<th>INITIAL EXPIRATION DATE</th>
<th>INITIAL AVAILABLE OPTIONS</th>
<th>EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 13, 2013</td>
<td>September 12, 2018</td>
<td>2 - 1 Year</td>
<td>September 12, 2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PAYMENT TERMS</th>
<th>DELIVERY TIMEFRAME</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ALTERNATE PAYMENT OPTIONS</th>
<th>EXTENDED PURCHASING</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ P-Card</td>
<td>☐ Direct Voucher (DV)</td>
</tr>
<tr>
<td>☐ Other</td>
<td>☐ Yes</td>
</tr>
<tr>
<td>☒ No</td>
<td></td>
</tr>
</tbody>
</table>

### MINIMUM DELIVERY REQUIREMENTS

### DESCRIPTION OF CHANGE NOTICE

<table>
<thead>
<tr>
<th>OPTION</th>
<th>LENGTH OF OPTION</th>
<th>EXTENSION</th>
<th>LENGTH OF EXTENSION</th>
<th>REVISED EXP. DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>September 12, 2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CURRENT VALUE</th>
<th>VALUE OF CHANGE NOTICE</th>
<th>ESTIMATED AGGREGATE CONTRACT VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,305,337.42</td>
<td>$101,991.50</td>
<td>$3,407,328.92</td>
</tr>
</tbody>
</table>

### DESCRIPTION

Effective 5/31/2018, the parties add funding for annual maintenance not previously accounted for in contract for year 1 4/8/2014 - 4/7/2015 of $101,991.50. All other terms, conditions, specifications and pricing remain the same, per contractor, agency, DTMB Procurement and State Administrative Board approval.
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 **8**
to
Contract Number **071B3200152**

<table>
<thead>
<tr>
<th>CONTRACTOR</th>
<th>STATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qless Inc.</td>
<td>Tom Cantrell</td>
</tr>
<tr>
<td>The Prado, 840 Greet St</td>
<td>DOS 517-636-5049</td>
</tr>
<tr>
<td>Pasadena, CA 91101</td>
<td><a href="mailto:cantreilt@Michigan.gov">cantreilt@Michigan.gov</a></td>
</tr>
<tr>
<td>Charlie Meyer</td>
<td>Jarrod Barron</td>
</tr>
<tr>
<td>512-831-2089</td>
<td>(517) 284-7045</td>
</tr>
<tr>
<td><a href="mailto:charlie.meyer@qless.com">charlie.meyer@qless.com</a></td>
<td><a href="mailto:barronj1@michigan.gov">barronj1@michigan.gov</a></td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Customer Flow Management for Secretary of State Offices</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INITIAL EFFECTIVE DATE</strong></td>
</tr>
<tr>
<td>-----------------------------</td>
</tr>
<tr>
<td>September 13, 2013</td>
</tr>
</tbody>
</table>

**PAYMENT TERMS**
N/A

**DELIVERY TIMEFRAME**
N/A

**ALTERNATE PAYMENT OPTIONS**
- Direct Voucher (DV)
- Other
- ☐ Yes
- ☒ No

**MINIMUM DELIVERY REQUIREMENTS**
N/A

**DESCRIPTION OF CHANGE NOTICE**

<table>
<thead>
<tr>
<th>OPTION</th>
<th>LENGTH OF OPTION</th>
<th>EXTENSION</th>
<th>LENGTH OF EXTENSION</th>
<th>REVISED EXP. DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td></td>
<td></td>
<td></td>
<td>September 12, 2018</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CURRENT VALUE</th>
<th>VALUE OF CHANGE NOTICE</th>
<th>ESTIMATED AGGREGATE CONTRACT VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,784,719.11</td>
<td>$520,618.31</td>
<td>$3,305,337.42</td>
</tr>
</tbody>
</table>

**DESCRIPTION**
Effective 1/9/2018, the parties add funding for Phase 5 enhancements. All other terms, conditions, specifications and pricing remain the same, per contractor, agency, DTMB Procurement and State Administrative Board approval.
### Michigan Department of State
### Customer Flow Management System Projection Template (Phase 5)

<table>
<thead>
<tr>
<th></th>
<th>Per Unit</th>
<th>Number of Units</th>
<th>Year 1 (12/12/17 - 9/12/18)</th>
<th>Year 2 - FY19 (9/12/18-9/12/19)</th>
<th>Year 3 - FY20 (9/12/19-9/12/20)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong># of Months</strong></td>
<td></td>
<td></td>
<td>9</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td><strong>Enter # of Units</strong></td>
<td></td>
<td></td>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Hardware</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freestanding Touchscreen Kiosk</td>
<td>$1,400.00</td>
<td>26</td>
<td>$36,400</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Epson Thermal Printer</td>
<td>$375.00</td>
<td>26</td>
<td>$9,750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LCD Monitor - 60 inch</td>
<td>$1,500.00</td>
<td>13</td>
<td>$19,500</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Qstick for Monitor</td>
<td>$500.00</td>
<td>13</td>
<td>$6,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>One-Time Hardware Cost Total</strong></td>
<td></td>
<td></td>
<td>$72,150</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Annual Hardware Maintenance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Annual Hardware Maintenance Total</strong></td>
<td>$0.00</td>
<td>13</td>
<td>Waived</td>
<td>$14,430</td>
<td>$14,863</td>
</tr>
<tr>
<td><strong>One-Time Software License Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Per Office One-Time Software License Total</strong></td>
<td>$19,033.20</td>
<td>13</td>
<td>$247,432</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Office Annual Software Licenses and Enterprise Support &amp; Command Center</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Annual Software Licenses, per office</td>
<td>$6,799</td>
<td>13</td>
<td>$66,291.71</td>
<td>$66,292</td>
<td>$66,292</td>
</tr>
<tr>
<td>QLess Enterprise Support &amp; Command Center</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All other centers (includes County Plus Branches)</td>
<td>$2,500</td>
<td>13</td>
<td>$24,375.00</td>
<td>$24,375</td>
<td>$24,375</td>
</tr>
<tr>
<td><strong>Hardware Installation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Installations &amp; Branch Office Moves/Remodels, per office</td>
<td>$1,500</td>
<td>13</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Account Setup</strong></td>
<td></td>
<td></td>
<td>$3,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total for equipment, maintenance, &amp; licenses</strong></td>
<td></td>
<td></td>
<td>$449,248</td>
<td>$105,097</td>
<td>$105,530</td>
</tr>
<tr>
<td><strong>Monthly Invoices estimate</strong></td>
<td>$ 610</td>
<td>13</td>
<td>$71,370</td>
<td>$95,160</td>
<td>$95,160</td>
</tr>
<tr>
<td><strong>Total Cost per year for an additional 13 branches</strong></td>
<td></td>
<td></td>
<td>$520,618</td>
<td>$200,257</td>
<td>$200,690</td>
</tr>
</tbody>
</table>

### Breakdown:
- **20% upon award**
  - Invoice Date: $89,849.66
  - Notes: Now: Upon PO MDOS will request expedited payment upon delivery of invoice
- **50% on installation**
  - Invoice Date: $224,624.16
  - Notes: 3/8/2018 MDOS will approve right away, and request payment upon delivery of invoice
- **30% once the phase is completed**
  - Invoice Date: $134,774.49
  - Notes: 4/8/2018 MDOS will approve right away, and request payment upon delivery of invoice

**Invoice Date:**
- $89,849.66 3/8/2018
- $224,624.16 3/8/2018
- $134,774.49 4/8/2018

**Notes:**
- MDOS will request expedited payment upon delivery of invoice
- MDOS will approve right away, and request payment upon delivery of invoice
# Michigan Department of State
## Customer Flow Management System Projection Template (Phase 5)

<table>
<thead>
<tr>
<th>Hardware</th>
<th>Per Unit</th>
<th>Number of Units</th>
<th>Year 1 (12/12/17 - 9/12/18)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freestanding Touchscreen Kiosk</td>
<td>$1,400.00</td>
<td>26</td>
<td>$36,400.00 $7,280.00 $18,200.00 $10,920.00</td>
</tr>
<tr>
<td>Epson Thermal Printer</td>
<td>$375.00</td>
<td>26</td>
<td>$9,750.00 $1,950.00 $4,875.00 $2,925.00</td>
</tr>
<tr>
<td>LCD Monitor - 60 inch</td>
<td>$1,500.00</td>
<td>13</td>
<td>$19,500.00 $3,900.00 $9,750.00 $5,850.00</td>
</tr>
<tr>
<td>Qstick for Monitor</td>
<td>$500.00</td>
<td>13</td>
<td>$6,500.00 $1,300.00 $3,250.00 $1,950.00</td>
</tr>
<tr>
<td><strong>One-Time Hardware Cost Total</strong></td>
<td></td>
<td></td>
<td><strong>$72,150.00 $14,430.00 $36,075.00 $21,645.00</strong></td>
</tr>
<tr>
<td>Annual Hardware Maintenance</td>
<td></td>
<td></td>
<td><strong>Waived</strong></td>
</tr>
<tr>
<td><strong>Annual Hardware Maintenance Total</strong></td>
<td>$0.00</td>
<td>13</td>
<td><strong>Waived</strong></td>
</tr>
</tbody>
</table>

**One-Time Software License Costs**

| Per Office One-Time Software License Total | $19,033.20 | 13 | $247,431.60 | $49,486.32 $123,715.80 $74,229.48 |

**Office Annual Software Licenses and Enterprise Support & Command Center**

| Per Office One-Time Software License Total | $6,799 | 13 | $66,291.71 | $13,258.34 $33,145.86 $19,887.51 |
| QLess Enterprise Support & Command Center | $2,500 | 13 | $24,375.00 | $4,875.00 $12,187.50 $7,312.50 |

**Hardware Installation**

| Installations & Branch Office Moves/Remodels, per office | $1,500 | 13 |

**Account Setup**

| Account Setup | $3,000 | 13 | $39,000.00 | $7,800.00 $19,500.00 $11,700.00 |

**Total for equipment, maintenance, & licenses**

|              | $449,248.31 | $89,849.66 | $224,624.16 | $134,774.49 |

**Breakdown:**

- 20% upon award: $89,849.66
- 50% on installation: $224,624.16
- 30% once the phase is completed: $134,774.49

**Total**:

|              | $449,248.31 |
# CONTRACT CHANGE NOTICE

Change Notice Number 7

to

Contract Number **071B3200152**

<table>
<thead>
<tr>
<th>CONTRACTOR</th>
<th>STATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qless Inc.</td>
<td>Tom Cantrell</td>
</tr>
<tr>
<td></td>
<td>The Prado, 840 Greet St</td>
</tr>
<tr>
<td></td>
<td>Pasadena, CA 91101</td>
</tr>
<tr>
<td></td>
<td>Charlie Meyer</td>
</tr>
<tr>
<td></td>
<td>512-831-2089</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:charlie.meyer@qless.com">charlie.meyer@qless.com</a></td>
</tr>
<tr>
<td></td>
<td>*****5885</td>
</tr>
</tbody>
</table>

## CONTRACT SUMMARY

<table>
<thead>
<tr>
<th>INITIAL EFFECTIVE DATE</th>
<th>INITIAL EXPIRATION DATE</th>
<th>INITIAL AVAILABLE OPTIONS</th>
<th>EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 13, 2013</td>
<td>September 12, 2018</td>
<td>2 - 1 Year</td>
<td>September 12, 2018</td>
</tr>
</tbody>
</table>

**PAYMENT TERMS**

NA

**DELIVERY TIMEFRAME**

NA

**ALTERNATE PAYMENT OPTIONS**

- P-Card
- Direct Voucher (DV)
- Other

**EXTENDED PURCHASING**

- Yes
- No

**MINIMUM DELIVERY REQUIREMENTS**

NA

## DESCRIPTION OF CHANGE NOTICE

<table>
<thead>
<tr>
<th>OPTION</th>
<th>LENGTH OF OPTION</th>
<th>EXTENSION</th>
<th>LENGTH OF EXTENSION</th>
<th>REVISED EXP. DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NA</td>
<td></td>
<td></td>
<td>September 12, 2018</td>
</tr>
</tbody>
</table>

**CURRENT VALUE**

$2,531,267.33

**VALUE OF CHANGE NOTICE**

$253,451.78

**ESTIMATED AGGREGATE CONTRACT VALUE**

$2,784,719.11

**DESCRIPTION**

Effective February 2, 2016, this contract is increased by $253,451.78 to accommodate the implementation of Phase IV cost associated with customer flow management kiosks for six additional sites. All other terms, conditions, specifications and pricing remain the same, per contractor/agency agreement and DTMB Procurement approval.
<table>
<thead>
<tr>
<th>Hardware</th>
<th>Phase</th>
<th>Kiosk Model</th>
<th>Qty</th>
<th>Cost</th>
<th>Extended Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4</td>
<td>Gen 2s = Countertop Style, Includes; Elo Touch Screen Monitor, Integrated PC3 Fit PC, and Epson Thermal Printer</td>
<td>12</td>
<td>$2,275.00</td>
<td>$27,300.00</td>
</tr>
<tr>
<td>Monitors</td>
<td>4</td>
<td>49&quot; LCD Monitor with Qstick</td>
<td>6</td>
<td>$1,950.00</td>
<td>$11,700.00</td>
</tr>
</tbody>
</table>

**Total Hardware Cost:** $39,000.00

**Annual Hardware Maintenance**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th>Qty</th>
<th>Cost</th>
<th>Extended Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/8/2016-4/8/2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4/8/2017-4/8/2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waived First Year (4/8/17-4/8/18)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4/8/2018-9/12/2018</td>
<td></td>
<td></td>
<td>6</td>
<td>$1,247.02</td>
<td>$3,211.08</td>
</tr>
</tbody>
</table>

**Software Licenses One Time Cost**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th>Qty</th>
<th>Cost</th>
<th>Extended Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
<td></td>
<td></td>
<td>$19,033.20</td>
<td>$114,199.20</td>
</tr>
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</table>

**Annual Software Licenses**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th>Qty</th>
<th>Cost</th>
<th>Extended Cost</th>
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</thead>
<tbody>
<tr>
<td>4/8/2016-4/8/2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4/8/2017-4/8/2018</td>
<td></td>
<td></td>
<td>6</td>
<td>$6,799.00</td>
<td>$40,794.00</td>
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<tr>
<td>Full Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4/8/2018-9/12/2018</td>
<td></td>
<td></td>
<td>6</td>
<td>$6,799.00</td>
<td>$16,997.50</td>
</tr>
<tr>
<td>Prorated 5 MO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Enterprise Support and Command Center**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th>Qty</th>
<th>Cost</th>
<th>Extended Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/8/2016-4/8/2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4/8/2017-4/8/2018</td>
<td></td>
<td></td>
<td>6</td>
<td>$2,500.00</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>Full Year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4/8/2018-9/12/2018</td>
<td></td>
<td></td>
<td>6</td>
<td>$2,500.00</td>
<td>$6,250.00</td>
</tr>
<tr>
<td>Prorated 5 MO</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Account Set up**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th>Qty</th>
<th>Cost</th>
<th>Extended Cost</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
<td></td>
<td></td>
<td>$3,000.00</td>
<td>$18,000.00</td>
</tr>
</tbody>
</table>

**Total:** $223,451.78
STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
PROCUREMENT

CHANGE NOTICE NO. 6

to

CONTRACT NO. 071B3200152

between

THE STATE OF MICHIGAN

and

Qless Inc.
The Prado, 840 Greet St
Pasadena CA, 91101

NAME & ADDRESS OF CONTRACTOR

Charlie Meyer
512-831-2089

Charlie.meyer@qless.com

Qless Inc.
The Prado, 840 Greet St
Pasadena CA, 91101

NAME & ADDRESS OF CONTRACTOR

Charlie Meyer
512-831-2089

Charlie.meyer@qless.com

Qless Inc.
The Prado, 840 Greet St
Pasadena CA, 91101

PRIMARY CONTACT

EMAIL

Charlie.meyer@qless.com

Qless Inc.
The Prado, 840 Greet St
Pasadena CA, 91101

STATE CONTACTS

AGENCY

NAME

PHONE

EMAIL

DTMB

Tom Cantrell

517-636-5049

cantrellt@Michigan.gov

DTMB

Simon Baldwin

(517) 284-7000

BaldwinS@michigan.gov

DESCRIPTION: Customer Flow Mng

INITIAL EFFECTIVE DATE

INITIAL EXPIRATION DATE

INITIAL AVAILABLE OPTIONS

EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW

September 13, 2013

September 12, 2018

2 - 1 Year

September 12, 2018

PAYMENT TERMS

DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS

☐ P-card

☐ Direct Voucher (DV)

☐ Other

☐ Yes

☒ No

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE

EXERCISE OPTION?

LENGTH OF OPTION

EXERCISE EXTENSION?

LENGTH OF EXTENSION

REVISED EXP. DATE

☐

N/A

☐

N/A

September 12, 2018

CURRENT VALUE

VALUE OF CHANGE NOTICE

ESTIMATED AGGREGATE CONTRACT VALUE

$2,069,757.89

$461,509.44

$2,531,267.33

DESCRIPTION: Effective 12/01/2016, This Contract is increased by $461,509.44 to accommodate the increase in variable cost associated with this Contract. All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency agreement, DTMB Procurement approval and State Administrative Board approval on July 12, 2016.
**Variable Cost Table:**

<table>
<thead>
<tr>
<th># of Offices</th>
<th>10</th>
<th>10</th>
<th>10</th>
<th>10</th>
<th>10</th>
<th>10</th>
<th>13.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoice #</td>
<td>3320</td>
<td>3455</td>
<td>3456</td>
<td>3457</td>
<td>3551</td>
<td>3598</td>
<td>3617</td>
</tr>
<tr>
<td>TOTALS</td>
<td>$12,572.35</td>
<td>$8,280.31</td>
<td>$6,212.89</td>
<td>$5,262.92</td>
<td>$6,170.01</td>
<td>$8,978.84</td>
<td>$9,183.77</td>
</tr>
<tr>
<td>Average Cost Per Office</td>
<td>$1,257.24</td>
<td>$828.03</td>
<td>$621.29</td>
<td>$526.29</td>
<td>$617.00</td>
<td>$897.88</td>
<td>$680.28</td>
</tr>
</tbody>
</table>

The Average Variable Cost below reflects 6 additional offices that were added per Change Notice 5.

<table>
<thead>
<tr>
<th># of Offices</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
<th>18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoice #</td>
<td>3714</td>
<td>3772</td>
<td>3816</td>
<td>3892</td>
<td>3962</td>
<td>4046</td>
<td>4047</td>
<td>4142</td>
</tr>
<tr>
<td>TOTALS</td>
<td>$12,718.36</td>
<td>$10,817.70</td>
<td>$10,073.13</td>
<td>$9,930.04</td>
<td>$12,245.13</td>
<td>$12,011.07</td>
<td>$10,995.93</td>
<td>$11,126.49</td>
</tr>
<tr>
<td>Average Cost Per Office</td>
<td>$706.58</td>
<td>$600.98</td>
<td>$564.83</td>
<td>$559.62</td>
<td>$551.67</td>
<td>$680.29</td>
<td>$667.28</td>
<td>$610.89</td>
</tr>
</tbody>
</table>

Average Variable Cost Per Office

$686.77

x 24 Offices

$16,482.48

x 28 Months

$461,509.44
### STATE OF MICHIGAN
### DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
### PROCUREMENT

#### CHANGE NOTICE NO. 5

to

CONTRACT NO. 071B3200152

between

THE STATE OF MICHIGAN

and

Qless Inc.

Charlie Meyer

charlie.meyer@qless.com

The Prado, 840 Greet St

Pasadena CA, 91101

512-831-2089

*******5885

---

### STATE CONTACTS

<table>
<thead>
<tr>
<th>AGENCY</th>
<th>NAME</th>
<th>PHONE</th>
<th>EMAIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROGRAM MANAGER / CCI</td>
<td>DTMB</td>
<td>Tom Cantrell</td>
<td>517-636-5049</td>
</tr>
<tr>
<td>CONTRACT ADMINISTRATOR</td>
<td>DTMB</td>
<td>Simon Baldwin</td>
<td>(517) 284-7000</td>
</tr>
</tbody>
</table>

### CONTRACT SUMMARY

**DESCRIPTION:** Customer Flow Mng

<table>
<thead>
<tr>
<th>INITIAL EFFECTIVE DATE</th>
<th>INITIAL EXPIRATION DATE</th>
<th>INITIAL AVAILABLE OPTIONS</th>
<th>EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 13, 2013</td>
<td>September 12, 2018</td>
<td>2 - 1 Year</td>
<td>September 12, 2018</td>
</tr>
</tbody>
</table>

**PAYMENT TERMS**

**DELIVERY TIMEFRAME**

**ALTERNATE PAYMENT OPTIONS**

☐ P-card

☐ Direct Voucher (DV)

☐ Other

☐ Yes

☒ No

**MINIMUM DELIVERY REQUIREMENTS**

---

### DESCRIPTION OF CHANGE NOTICE

<table>
<thead>
<tr>
<th>EXERCISE OPTION?</th>
<th>LENGTH OF OPTION</th>
<th>EXERCISE EXTENSION?</th>
<th>LENGTH OF EXTENSION</th>
<th>REVISED EXP. DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>N/A</td>
<td>☐</td>
<td>N/A</td>
<td>September 12, 2018</td>
</tr>
</tbody>
</table>

**CURRENT VALUE**

$2,069,757.89

**VALUE OF CHANGE NOTICE**

$ 0.00

**ESTIMATED AGGREGATE CONTRACT VALUE**

$2,069,757.89

**DESCRIPTION:** Effective 05/24/2016, This Contract is hereby amended to add all deliverables in association with the Phase 3 release of the Customer Flow Management System for MDOS. This change will include a PO release of $309,575.48 to accommodate the costs of Phase 3. The associated fixed costs and implementation schedule are included below. All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency agreement and DTMB Procurement approval.
## Cost Table:

<table>
<thead>
<tr>
<th>Hardware Phase</th>
<th>Kiosk Model</th>
<th>Phase</th>
<th>Kiosk Model</th>
<th>Qty</th>
<th>Cost</th>
<th>Extended Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Gen 2s = Countertop Style, Includes; Elo Touch Screen Monitor, Integrated PC3 Fit PC, and Epson Thermal Printer</td>
<td>3</td>
<td>$2,275.00</td>
<td>$27,300.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3 Additional FitPC for Test Unit</td>
<td>1</td>
<td>$1,100.00</td>
<td>$1,100.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Monitors</td>
<td>1</td>
<td>$1,100.00</td>
<td>$1,100.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>LCD Monitor with Integrated PC3</td>
<td>6</td>
<td>$2,176.00</td>
<td>$13,056.00</td>
</tr>
</tbody>
</table>

**Total Hardware Cost**

$41,456.00

**Annual Hardware Maintenance**

<table>
<thead>
<tr>
<th>Period</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/8/2015-4/8/2016</td>
<td>$1,210.70</td>
</tr>
<tr>
<td>4/8/2017-4/8/2018</td>
<td>$1,247.02</td>
</tr>
</tbody>
</table>

**Software Licenses One Time Cost**

$19,033.20

**Annual Software Licenses**

<table>
<thead>
<tr>
<th>Period</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/8/2015-4/8/2016</td>
<td>$6,799.00</td>
</tr>
<tr>
<td>4/8/2016/4/8/2017</td>
<td>$33,995.75</td>
</tr>
<tr>
<td>4/8/2017-4/8/2018</td>
<td>$40,794.90</td>
</tr>
</tbody>
</table>

**Enterprise Support and Command Center**

<table>
<thead>
<tr>
<th>Period</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/8/2015-4/8/2016</td>
<td>$2,500.00</td>
</tr>
<tr>
<td>4/8/2016/4/8/2017</td>
<td>$12,500.00</td>
</tr>
<tr>
<td>4/8/2017-4/8/2018</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>4/8/2018-9/12/2018</td>
<td>$6,250.00</td>
</tr>
</tbody>
</table>

**Account Set up**

$3,000.00

**Total**

$309,575.48

## High Level Implementation Schedule:

<table>
<thead>
<tr>
<th>Area</th>
<th>Go Live Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>230 Livingston County Plus</td>
<td>31-May-16</td>
</tr>
<tr>
<td>121 Southwest Oakland County Plus</td>
<td>2-Jun-16</td>
</tr>
<tr>
<td>164 Central Macomb County Plus</td>
<td>14-May-16</td>
</tr>
<tr>
<td>171 North Macomb County Plus</td>
<td>16-Jun-16</td>
</tr>
<tr>
<td>341 Grand Traverse County Plus</td>
<td>21-Jun-16</td>
</tr>
<tr>
<td>256 Ottawa County Plus</td>
<td>28-Jun-16</td>
</tr>
</tbody>
</table>
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. 4
to
CONTRACT NO. 071B3200152
between
THE STATE OF MICHIGAN
and
Qless, Inc.
The Prado, 840 Green St
Pasadena, CA 91101

STATE CONTACTS
AGENCY NAME PHONE EMAIL
PROGRAM MANAGER / CCI DTMB Tom Cantrell (517) 636-5049 cantrellt@michigan.gov
CONTRACT ADMINISTRATOR DTMB Simon Baldwin (517) 284-6997 baldwins@michigan.gov

CONTRACT SUMMARY
DESCRIPTION: Customer Flow Management System
INITIAL EFFECTIVE DATE: September 13, 2013
INITIAL EXPIRATION DATE: September 12, 2018
INITIAL AVAILABLE OPTIONS: (2) 1-Year Options
EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW: September 12, 2018
PAYMENT TERMS: N/A
DELIVERY TIMEFRAME: N/A
ALTERNATE PAYMENT OPTIONS: □ P-card □ Direct Voucher (DV) □ Other □ Yes ☒ No
EXTENDED PURCHASING: N/A
MINIMUM DELIVERY REQUIREMENTS: N/A

DESCRIPTION OF CHANGE NOTICE
EXERCISE OPTION? N/A LENGTH OF OPTION N/A EXERCISE EXTENSION? □ N/A LENGTH OF EXTENSION N/A REVISED EXP. DATE September 12, 2018
CURRENT VALUE $2,055,007.89 VALUE OF CHANGE NOTICE $14,750.00 ESTIMATED AGGREGATE CONTRACT VALUE $2,069,757.89
DESCRIPTION: Effective October 21, 2015, this Contract is hereby increased by $14,750.00 for hardware associated with the Customer Flow Management System for Michigan Department of State (MDOS), Pricing table included below. Please note, the Contract Administrator has been changed to Simon Baldwin. All other terms, conditions, specifications, and pricing remain the same per Contractor and Agency agreement and DTMB Procurement approval.
Cost Table

The Contractor will provide for purchase, Counter Mounted Customer Flow Management System Kiosks and Epson Ticket Printer TM T88Vs per the pricing table found below.

<table>
<thead>
<tr>
<th>Hardware</th>
<th>QTY</th>
<th>Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counter Mounted Kiosk</td>
<td>10</td>
<td>$1,100.00</td>
<td>$11,000.00</td>
</tr>
<tr>
<td>Epson Ticket Printer TM T88V</td>
<td>10</td>
<td>$375.00</td>
<td>$3,750.00</td>
</tr>
</tbody>
</table>

$14,750.00
STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 3

to

CONTRACT NO. 071B3200152

between

THE STATE OF MICHIGAN

and

QLess, Inc.
Charlie Meyer
charlie.meyer@qless.com
The Prado, 840 Green St., Suite 301
Pasadena, CA 91101
512-831-2089
5885

STATE CONTACTS
AGENCY
NAME
PHONE
EMAIL
PROGRAM MANAGER
DTMB
Tom Cantrell
517-636-5049
cantrellt@michigan.gov

CONTRACT ADMINISTRATOR
DTMB
Whitnie Zuker
517-284-7030
zukerw@michigan.gov

CONTRACT SUMMARY

DESCRIPTION:
Customer Flow Management System

INITIAL EFFECTIVE DATE: September 13, 2013
INITIAL EXPIRATION DATE: September 12, 2018
INITIAL AVAILABLE OPTIONS: 2, one year
EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW: September 12, 2018

PAYMENT TERMS: F.O.B.

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

MINIMUM DELIVERY REQUIREMENTS: N/A

DESCRIPTION OF CHANGE NOTICE

EXTEND CONTRACT EXPIRATION DATE ☒ No ☐ Yes
EXERCISE CONTRACT OPTION YEAR(S) ☐ ☐
EXTENSION BEYOND CONTRACT OPTION YEARS ☐ ☐
LENGTH OF OPTION/EXTENSION ☐ ☐
EXPIRATION DATE AFTER CHANGE ☐ ☐

CURRENT VALUE: $1,416,136.06
VALUE/COST OF CHANGE NOTICE: $638,871.83
ESTIMATED REVISED AGGREGATE CONTRACT VALUE: $2,055,007.89

DESCRIPTION:
Effective June 17, 2015 this Contract is hereby amendment to add additional funding in the amount of $638,871.83 to support a Phase II expansion for 8 additional MDOS Locations.

MDOS 8 additional Locations:

<table>
<thead>
<tr>
<th>Region</th>
<th>Branch</th>
<th>#</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jackson County Plus</td>
<td>220</td>
</tr>
<tr>
<td>1</td>
<td>West Wayne County Plus (Canton)</td>
<td>128</td>
</tr>
<tr>
<td></td>
<td>Location</td>
<td>Value</td>
</tr>
<tr>
<td>---</td>
<td>----------------------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>2</td>
<td>North Oakland County Plus (Clarkston)</td>
<td>189</td>
</tr>
<tr>
<td>2</td>
<td>Southeast Macomb County Plus (St. Clair Shores)</td>
<td>162</td>
</tr>
<tr>
<td>2</td>
<td>Southwest Macomb County Plus (Warren)</td>
<td>158</td>
</tr>
<tr>
<td>3</td>
<td>Kalamazoo County Plus</td>
<td>201</td>
</tr>
<tr>
<td>3</td>
<td>Northeast Kent County Plus (Plainfield)</td>
<td>261</td>
</tr>
<tr>
<td>3</td>
<td>Southwest Kent County Plus (Wyoming)</td>
<td>273</td>
</tr>
</tbody>
</table>

All other terms and conditions, specifications and pricing remain the same per Contractor, DTMB Procurement and State Administrative approval on June 16, 2015.
CHANGE NOTICE NO. 2

to

CONTRACT NO. 071B3200152

between

THE STATE OF MICHIGAN

and

QLess, Inc.

The Prado, 840 Green St., Suite 301

Pasadena, CA 91101

NAME & ADDRESS OF CONTRACTOR

Charlie Meyer

Charlie.meyer@qless.com

EMAIL

PHONE

512-831-2089

5885

VENDOR FEIN # (LAST FOUR DIGITS ONLY)

STATE CONTACTS

AGENCY

NAME

PHONE

EMAIL

STATE OF MICHIGAN

DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET

PROCUREMENT

P.O. BOX 30026, LANSING, MI 48909

OR

525 W. ALLEGAN, LANSING, MI 48933

PROGRAM MANAGER

DTMB

Tom Cantrell

517-636-5049

cantrellt@michigan.gov

CONTRACT ADMINISTRATOR

DTMB

Whitnie Zuker

517-284-7030

zukerw@michigan.gov

DESCRIPTION:

Customer Flow Management System

INITIAL EFFECTIVE DATE

September 13, 2013

INITIAL EXPIRATION DATE

September 12, 2018

INITIAL AVAILABLE OPTIONS

2, one year

EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW

September 12, 2018

PAYMENT TERMS

F.O.B.

SHIPPED TO

N/A

N/A

N/A

EXTENDED PURCHASING

☐ P-card

☐ Direct Voucher (DV)

☐ Other

☐ Yes

☒ No

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE

EXTEND CONTRACT EXPIRATION DATE

☒ No

☐ Yes

Exercise CONTRACT OPTION YEAR(S)

☐ ☐

EXTENSION BEYOND CONTRACT OPTION YEARS

☐ ☐

LENGTH OF OPTION/EXTENSION

☐ ☐

EXPIRATION DATE AFTER CHANGE

CURRENT VALUE

$1,100,000.00

VALUE/COST OF CHANGE NOTICE

$316,136.06

ESTIMATED REVISED AGGREGATE CONTRACT VALUE

$1,416,136.06

DESCRIPTION:

Effective March 16, 2015 this Contract is INCREASED by $316,132.06 to support the attached Statement of Work that covers the following: (i) to fund the anticipated total cost of Phase I of the Contract as the original Contract Value did not allocate funding to support variable costs such as help desk support and Text & Minute of Voice Call costs, (ii) to provide clarity and agreement for certain sections of the Contract.

All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement and the approval of DTMB Procurement and State Administration Board on February 3, 2015.
MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK

Project Title: CONRACT NO. 071B3200152 Change Notice #2: Contract Increase and Modifications

Period of Coverage: 9/13/2013 through 9/12/2018

Requesting Department: Michigan Department Of State

Date: January 30, 2015

MDOS Project Manager: Christina Schaefer

Phone: 517-636-5311

DTMB Project Manager: Thomas Cantrell

Phone: 517-636-5049

Brief Description of Services to be provided:

This Contract Change Request is submitted by the Department of Technology, Management and Budget ("DTMB" or "State") under the terms of the Contract #071B3200152 ("Contract") dated September 13, 2013, between DTMB and QLess, Inc. ("Contractor" or "Vendor") in accordance with Section 2.024 Change Requests of the Contract.

Current Contract Value: $1,100,000.00

Cost of Contract Change Request: $316,132.06

Amended Contract Value: $1,416,132.06

BACKGROUND:

Contract 071B3200152 provides the Michigan Department of State (MDOS) the option to implement a customer flow management (CFM) system in all MDOS Branch Offices (currently 131). The Customer Flow Management (CFM) solution is a 100% Web-Based SaaS solution (not COTS) that is to improve customer service, create a better working and waiting environment, reduce real and perceived wait times, and improve workflow at the MDOS Branch Offices. The solution measures steps in customer flow processes and provides management with the basis for analyzing and further improving them. In addition, the CFM solution is centralized, flexible, scalable and provides all essential CFM functions such as queuing, prioritizing and segmenting customers, customer and management notifications, customer information, and has a full reporting package.

The Project is initiated in two phases:
Phase I – Implementation of 10 Branch Locations (7 Supercenters and 3 other Branch Offices)
Phase II - Implementation of any other Branch Locations at the discretion of MDOS

Phase I implementation was completed in April 2014. Phase II has yet to commence.

Now that Phase I has been implemented, Phase I fixed and variable estimated total cost has been reassessed at $1,416,132.06. As such, this request is to increase the Estimated Contract Value to include all known and assumed costs. Furthermore, the Contract Change Request will provide clarity and agreement for both MDOS and the vendor for certain sections of the Contract.

PROJECT OBJECTIVE:

The purpose of the changes proposed in this CCR are (i) to increase the Contract Value to fund the anticipated total cost of Phase I of the Contract as the original Contract Value did not allocate funding to support variable costs such as help desk support and Text & Minute of Voice Call costs, (ii) to provide clarity and agreement for certain sections of the Contract.

Throughout this Contract Change Request, proposed language changes are denoted as follows: language
additions or changes in placement are underscored, language deletions are struck through. Not all contexts are being modified through the Contract Change Request. If, but not limited to, Contract sections, sub sections, attachments, appendixes, and/or exhibits are not referenced herein, the Contract context will take precedence.

1. **CHANGES IN SCOPE**

1.1. **General Contract Changes**

1.1.1. **Contractor Primary Contact**

1.1.1.1. **Existing**  
Michael Soderlund, (800) 405-4637 x230, Michael.soderlund@qless.com

1.1.1.2. **Revised**  
Charlie Meyer, 512.831.2089, charlie.meyer@qless.com

1.1.2. **General References**

1.1.2.1. "QLess" as the vendor references are to be “The Contractor”, all references to “QLess” as a system are to be “CFM”

1.1.2.2. Each “will” which is to bind the contractor to deliver is a “must”.

1.2. **Section 1.001 Project Request**

1.2.1. **Existing**  
This project will provide a customer flow management (CFM) system to the Michigan Department of State (MDOS) Branch Office system. The system will be a Commercial, Off The Shelf (COTS) application, providing software, hardware and services with little need for customization.

1.2.2. **Revised**  
This project will provide a customer flow management (CFM) system to the Michigan Department of State (MDOS) Branch Office system. The system will be a 100% Web-Based Software as a Service (SaaS) application, providing software, hardware and services with little need for customization.

1.3. **Section 1.101 In Scope**

1.3.1. **Existing**  
Phase 1 of this COTS project is as follows:

**Workflow Capabilities:**

Procure a dynamic and scalable solution based on office size to include but not be limited to the following services: (Refer to Attachment C)

This project consists of the following scope:

- Business Requirements – coordinated effort between MDOS, DTMB and Contractor
- Facilitated Sessions
- Validation and Verification
- Hardware
- Software include costs, component software, licensing requirements and upgrades
- Application Design
- Application Development
- Implementation – Phase 1 (10 Branch Offices) and Phase 2 (additional Branch Offices) as requested
- Data Conversion
- Data Migration - integrate data from pilot
- Configuration
- Training shall be provided by the Contractor at each field office location in the form of hands-
on instructions with an operating manual containing instruction for each system component. Manuals and training materials shall be provided by the Contractor at time of training and shall be retained at the field office. One hard copy of the operating manual will be provided at the time of training with an electronic copy or CD/DVD for future reference, if needed. Any changes in the training material shall be submitted as necessary.

End user
Web training
• Documentation
• Operation Services
• Maintenance and Support
• Help Desk
• Onsite Technical Support
• Knowledge Transfer/Transition
• Reserve bank of hours for future enhancements and/or legislative mandates

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

1.3.2. Revised

This project is as follows:

Workflow Capabilities:

Procur a dynamic and scalable solution based on office size to include but not be limited to the following services: (Refer to Attachment C)

This project consists of the following scope:

• Business Requirements – coordinated effort between MDOS, DTMB and Contractor
• Facilitated Sessions
• Validation and Verification
• Hardware
• Software include costs, component software, licensing requirements and upgrades
• Application Design
• Application Development
• Implementation – Phase 1 (10 Branch Offices) and Phase 2 (additional Branch Offices) as requested
• Data Conversion
• Data Migration - integrate data from pilot
• Configuration, including a proposed MDOS branch site evaluation, required site bandwidth estimation, and a customized Site Account Set-up per each branch as needed.
• Training shall be provided by the Contractor at each field office location in the form of hands-on instructions with an operating manual containing instruction for each system component. Manuals and training materials shall be provided by the Contractor at time of training and shall be retained at the field office. One hard copy of the operating manual will be provided at the time of training with an electronic copy or CD/DVD for future reference, if needed. Any changes in the training material shall be submitted as necessary.

The Contractor will be on-site prior to, during, and following the launch of every QLess-supported Branch Office to ensure a seamless implementation and to make sure everything operates smoothly during the transition into the QLess system, and throughout the system's deployment.
The Contractor’s support will make commercially reasonable efforts to work around MDOS’ scheduling and other logistical constraints. The Contractor will conduct all testing and configuration with the contract’s timeline foremost in mind, and not exceed such time constraint. The Contractor will conduct regular status calls with designated MDOS administrators to address any questions, concerns, or configuration changes for each phase of the project, until those calls are no longer necessary.

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

1.4. Section Work And Deliverable

1.4.1. Section I. SERVICES AND DELIVERABLES TO BE PROVIDED

1.4.1.1. Existing

The Contractor shall provide a dynamic and scalable solution based on office size and should provide at a minimum the following services:

1. The Contractor shall provide a two-phased Contractor-provided and supported Customer Flow Management (CFM)/Queuing Management System for up to 131 Branch Offices within the State of Michigan. The Contractor will be required to conduct a six (6) month non-binding pilot at the 7 Supercenters and 3 additional Branch Offices listed below.

2. The CFM solution must be a Commercial Off the Shelf web-based system that can be managed both locally and remotely and will improve customer service, create a better working and waiting environment, reduce real and perceived wait times, and improve workflow at the Branch Offices. The solution will measure steps in customer flow processes and provide management with the basis for analyzing and further improving them. In addition, the CFM solution will be centralized, flexible, scalable and all essential CFM functions such as queuing, prioritizing and segmenting customers, customer and management notifications, customer information, and have a full reporting package. The system should also provide for internet access so that the public can schedule appointments at any of the sites.

The solution will measure steps in the customer flow processes and provide management with the basis for analyzing and further improving them.

MDOS offices processed approximately 13 million transactions at 131 branch locations throughout the state during 2011.

Phase 1 will include the implementation of the solution on a proof of concept/pilot basis in the 7 Supercenters and 3 other Branch Offices. Phase 2, upon acceptable completion of Phase 1, will include implementation of the solution in additional Branch Offices within MDOS. The CFM must be adaptable to allow MDOS to expand the number of locations in Phase 2.

The Contract includes free software and system updates for life. The Contractor shall provide software updates on a bi-weekly basis. The Contractor will provide access to a full suite of over 80 high performance REST-based Web services that allow quick and easy integration with every aspect of the system, so integration with MDOS’ Television Service Contractor/BIS, and other integration, as needed, can be accomplished seamlessly, and in a timely manner.

The Contractor must provide, install and supply on-going maintenance for the Customer Flow/Queue Management System at the following locations:

Clinton Township Super!Center 37015 S. Gratiot Avenue, CT, MI 48036
Detroit New Ctr Super!Center 3046 W. Grand Blvd, Detroit, MI 48202
Flint Area Super!Center 5512 Fenton Road, Flint, MI 48507
Grand Rapids Super!Center 3665 28th Street SE, GR, MI 49512
Capital Area Super!Center 3315 E. MI Avenue, Lansing MI 48912
Livonia Area Super!Center 17176 Farmington Rd, Livonia, MI 48152
Oakland County Super!Center 1608 N. Perry Street, Pontiac, MI 48340
S. Oakland County Plus 25263 Telegraph Rd, Southfield, MI 48033
The CFM must comply with the State of Michigan Security and Network standards.

**Acceptance Criteria**
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

1.4.1.2. Revised
The Contractor shall provide a dynamic and scalable solution based on office size and should provide at a minimum the following services:

1. The Contractor shall provide a two-phased Contractor提供的 supported Customer Flow Management (CFM)/Queuing Management System for up to 131 Branch Offices within the State of Michigan. The Contractor will be required to conduct a six (6) month non-binding pilot at the 7 Supercenters and 3 additional Branch Offices listed below.

2. The CFM solution is a **100% Web-Based SaaS solution** that can be managed both locally and remotely and will improve customer service, create a better working and waiting environment, reduce real and perceived wait times, and improve workflow at the Branch Offices. The solution will measure steps in customer flow processes and provide management with the basis for analyzing and further improving them. In addition, the CFM solution will be centralized, flexible, scalable and all essential CFM functions such as queuing, prioritizing and segmenting customers, customer and management notifications, customer information, and have a full reporting package. The system should also provide for internet access so that the public can schedule appointments at any of the sites.

The solution will measure steps in the customer flow processes and provide management with the basis for analyzing and further improving them.

MDOS offices processed approximately 13 million transactions at 131 branch locations throughout the state during 2011.

Phase 1 will include the implementation of the solution on a proof of concept/pilot basis in the 7 Supercenters and 3 other Branch Offices (County Plus Branch Offices). Phase 2, upon acceptable completion of Phase 1, will include implementation of the solution in additional Branch Offices within MDOS. The CFM must be adaptable to allow MDOS to expand the number of locations in Phase 2.

The Contract includes free software and system updates for life. The Contractor shall provide software updates on a bi-weekly basis. The Contractor will provide access to a full suite of over 80 high performance REST-based Web services that allow quick and easy integration with every aspect of the system, so integration with MDOS’ Television Service Contractor/BIS, and other integration, as needed, can be accomplished seamlessly, and in a timely manner.

The Contractor must provide, install and supply on-going maintenance for the Customer Flow/Queue Management System and hardware (e.g. kiosk, monitor, etc.) at the following locations:

- Clinton Township Super!Center 37015 S. Gratiot Avenue, CT, MI 48036
- Detroit New Ctr Super!Center 3046 W. Grand Blvd, Detroit, MI 48202
- Flint Area Super!Center 5512 Fenton Road, Flint, MI 48507
- Grand Rapids Super!Center 3665 28th Street SE, GR, MI 49512
- Capital Area Super!Center 3315 E. MI Avenue, Lansing MI 48912
- Livonia Area Super!Center 17176 Farmington Rd, Livonia, MI 48152
- Oakland County Super!Center 1608 N. Perry Street, Pontiac, MI 48340
- S. Oakland County Plus 25263 Telegraph Rd, Southfield, MI 48033
- SE Wayne County Plus 21572 Ecorse Road, Taylor MI 48180
- E. Oakland County Plus 1111 East Long Lake Rd, Troy, MI 48085
The CFM must comply with the State of Michigan Security and Network standards.

Acceptance Criteria
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

1.4.2. Section A. Software
1.4.2.1. Existing
A. Software
The Contractor must provide a detailed description of the infrastructure requirements for hardware, COTS system software and 3rd party software required to implement the solution. Examples include the database, operating systems (including versions), and hardware required (e.g. servers, switches) for maximum effectiveness of the software. The proposed infrastructure requirements must provide for full redundancy of data and processing components with no single points of failure. The SOM may procure the hardware and software necessary for the solution through other SOM contracts.

Products purchased through this Contract must be new and provided with the manufacturer’s standard warranty.

Contractor will provide a product that is 100% web-based software as a service. Contractor will manage all of the updates and upgrades, free of charge. The system will maintain the most current queue management software available. System will be compatible with all standard browsers, including, but not limited to, Firefox 3 or higher, Internet Explorer 7 or higher, Google Chrome, and Android Browser.

Deliverable(s)
1. Licensed COTS Software/Hardware

1.4.2.2. Revised
A. Software/Hardware
The Contractor will provide a product that is 100% web-based software as a service, also referred to as “QLess”. The Contractor will manage all of the updates, upgrades and material defect fixes free of charge. The system will maintain the most current queue management software available. System will be compatible with all standard browsers, including, but not limited to, Firefox 3 or higher, Internet Explorer 7 or higher, Google Chrome, and Android Browser.

The Contractor must be capable of operating on existing MDOS workstations through a user-friendly User Interface that the Contractor will provide. The Contractor will publish and open interfaces in order to exchange data with the MDOS Branch Information System, as to display data relating to real-time wait times, queue number, transaction name and other related information on each customer at each Branch Office. The Contractor will provide all necessary interfaces and technical support for MDOS to both retrieve data from, and send data to the QLess system. Because QLess is web-based, all that is required for Branch Offices and MDOS administration to run QLess is internet access and easily downloadable Adobe Flash Player. QLess must operate seamlessly with the MDOS standard operational system. QLess is centrally hosted and managed; the Contractor will manage all of their own servers and support a full suite of over 80 high performance REST-based web services that allow quick and easy integration with every aspect of their system.

The Contractor will eliminate the need for physical lines by enabling customers to join queues remotely with any cell phone, or the World Wide Web, and notifying them as to their predicted wait time, and of when to arrive or return to the MDOS Office.

The Contractor will provide QLess kiosk(s) which hosts a very user-friendly touchscreen interface, which allows your customers to choose the type of transaction needed, (e.g., driver license renewal, original license applications, vehicle renewal, etc.), as well as any special accommodations they may need (e.g., wheelchair access, spoken language, etc.).

The Contractor will provide all Branch Offices with lobby display monitors. QLess Monitor, designed to be displayed on a large LCD screen, driven by a commodity PC.
gives your customers an at-a-glance view of your lines as it updates in real time.

The Contractor will provide:

<table>
<thead>
<tr>
<th>All labor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tools</td>
</tr>
<tr>
<td>Materials Equipment</td>
</tr>
<tr>
<td>Services</td>
</tr>
<tr>
<td>Travel</td>
</tr>
<tr>
<td>Training</td>
</tr>
<tr>
<td>Training Materials; and</td>
</tr>
</tbody>
</table>

Other requirements necessary for, or incidental to configure, install, operate and maintain customer queue systems, except for all necessary electrical circuits and structure penetrating cabling.

The full list of software and hardware and associated specifications is provided by the Contractor to the State is listed within Attachment E.

The Contractor must provide a detailed description of the infrastructure requirements for all hardware, COTS system software and 3rd party software required to implement the solution is listed within Attachment B. Examples include the database, operating systems (including versions), and hardware required (e.g. servers, switches) for maximum effectiveness of the software. The infrastructure requirements must provide for full redundancy of data and processing components with no single points of failure. The SOM may procure the hardware and software necessary for the solution through other SOM contracts.

Products purchased through this Contract must be new and provided with the manufacturer’s standard warranty. All Hardware provided by QLess includes a one year warranty free of charge. After the one year warranty, an Annual Hardware Maintenance charge occurs. Annual Hardware Maintenance Service Level Agreement (SLA) as indicated in Attachment G.

Deliverable(s)

1. Licensed COTS SaaS Software/Hardware

1.4.3. Section B. Implementation

1.4.3.1. Existing

The Contractor shall plan, stand, configure, and test the COTS solution. The implementation will include development of the interfaces to other State service systems and customizations required to meet the SOM mandatory systems requirements. See Functional Requirements (Attachment C) for a description of the interface and functional requirements. Once the solution is readied, the Contractor shall develop and run technical and user acceptance testing, prepare and provide operational and technical documentation, conduct onsite go-live support at each facility, and conduct SOM training for users of the system.

Deliverable(s)

1. Implementation and Configuration of the COTS System
2. Development of Required and Optional Customizations

The Contractor’s COTS solution may require customization to meet the SOM’s Functional Requirements listed in Attachment C. For all customizations, the Contractor will follow and create required deliverables in accordance with the SUITE methodology which includes standards for project management, systems engineering, and associated forms and templates which is available at: http://www.michigan.gov/dmb/0,4568,7-150-56355-95218--,00.html
3. Interfaces

4. Testing

   a. As system functionality is configured and implemented, the Contractor will be required to provide comprehensive testing to validate functionality and performance.

   b. Testing will include:

       i. Interface testing

       ii. Unit and systems testing of customizations

       iii. User acceptance testing

           1) User Acceptance Test (UAT) Cases

               a. The Contractor will assist SOM in the development of test plans for User Acceptance Testing.

               b. The user acceptance test cases should include data edits and data validation criteria.

           2) User Acceptance Testing

               a. The Contractor shall assist SOM to schedule, coordinate, monitor, and manage all User Acceptance Testing (UAT) activities.

               b. The SOM is responsible for providing end users and subject matter experts to perform the user acceptance testing.

               c. Users participating in UAT are expected to provide test results sign-off at the completion of UAT, providing their recommendation to the State Project Manager for formal approval and readiness for production.

               d. State testers will update the test cases with the test results. If results are successful, they will provide their sign-off by marking the test case as 'Passed'.

               e. The Contractor shall provide support for the duration of UAT. This support must include both business and technical assistance.

               f. The testing process will include the ability to provide for a complete test cycle.

               g. The Contractor shall support the UAT by:

                   i) Monitoring system performance.

                   ii) Investigating why data was not processed.

                   iii) Monitoring computer resource usage.

                   iv) Participating in problem review meetings.

                   v) Investigating problems and identifying potential problems.

                   vi) Answering user questions about the system.

                   vii) Investigating and ensuring user access to the system in the UAT environment.

                   viii) Generally helping the users execute tests and review results.

   h. For the purposes of this Contract, a defect is anything that either adversely impacts the expected functionality to the users or otherwise reduces the quality of a work product. It includes items that should have been included but were omitted or items that were included but were incorrect. The Contractor must correct Level 1 and Level 2 defects discovered during UAT in a timely manner by following normal application development procedures – modifying the appropriate configuration items in the development environment, unit and integration testing the change, promoting the configuration item to the testing environment, quality assurance testing the change, and promoting the change to the UAT environment. Defects will be classified according to the following severity scale:

       i) Level 1 – Causes a system outage.

       ii) Level 2 – Major defect with no work around.

       iii) Level 3 – Major defect with an agreed upon work around by the Department.
iv) Level 4 – Minor or cosmetic defect; no impact on ability to complete work.

i. Promotions to UAT shall occur on a regularly scheduled basis determined and agreed to by the Contractor and Agencies, unless it is an emergency situation (e.g., UAT cannot continue until problem is resolved).

j. The Contractor must have procedures and tools for tracking, reporting, and correcting deficiencies.

i) Quality assurance testing.

ii) Performance testing.

iii) Operations testing:

1) Identification of all operations areas requiring testing.

2) Sequence of activities for operations test.

3) State participants.

4) Results and implications for overall DM operation.

5) Deficiencies, corrective action, and required training.

k. The Contractor shall conduct a walk-through of the testing process and the test results to enhance SOM understanding and to facilitate the SOM approval process, including a review of performance metrics and general “lessons learned” from all testing participants.

1.4.3.2. Revised

The For phase 1, phase 2 and any subsequent phases of the implementation Contractor shall plan, stand, configure, and test the COTS SaaS solution. The implementation will include development of the interfaces to other State service systems and customizations required to meet the SOM mandatory systems and branch customer flow requirements. See Functional Requirements (Attachment C) for a description of the interface and functional requirements. Once the solution is readied, the Contractor shall develop and run technical and user acceptance testing, prepare and provide operational and technical documentation, conduct onsite go-live support at each facility, and conduct SOM training for users of the system.

Deliverable(s)

1. Implementation and Configuration of the COTS SaaS System according to MDOS customer flow requirements and individual branches’ account set up.

2. Development of Required and Optional Customizations

The Contractor’s COTS SaaS solution may require customization to meet the SOM’s Functional Requirements listed in Attachment C. For all customizations, the Contractor will follow and create required deliverables in accordance with the SUITE methodology which includes standards for project management, systems engineering, and associated forms and templates which is available at:

http://www.michigan.gov/dmb/0,4568,7-150-56355-95218--.00.html

3. Interfaces

4. Testing

a. As system functionality is configured and implemented, the Contractor will be required to provide comprehensive testing to validate functionality and performance.

b. Testing will include:

iv. Interface testing

v. Unit and systems testing of customizations

vi. User acceptance testing

1) User Acceptance Test (UAT) Cases

a. The Contractor will assist SOM in the development of test plans for User Acceptance Testing.

b. The user acceptance test cases should include data edits and data validation criteria.

2) User Acceptance Testing

a. The Contractor shall assist SOM to schedule, coordinate, monitor, and manage all User Acceptance Testing (UAT)
b. The SOM is responsible for providing end users and subject matter experts to perform the user acceptance testing.

c. Users participating in UAT are expected to provide test results sign-off at the completion of UAT, providing their recommendation to the State Project Manager for formal approval and readiness for production.

d. State testers will update the test cases with the test results. If results are successful, they will provide their sign-off by marking the test case as ‘Passed’.

e. The Contractor shall provide support for the duration of UAT. This support must include both business and technical assistance.

f. The testing process will include the ability to provide for a complete test cycle.

g. The Contractor shall support the UAT by:
   ix) Monitoring system performance.
   x) Investigating why data was not processed.
   xi) Monitoring computer resource usage.
   xii) Participating in problem review meetings.
   xiii) Investigating problems and identifying potential problems.
   xiv) Answering user questions about the system.
   xv) Investigating and ensuring user access to the system in the UAT environment.
   xvi) Generally helping the users execute tests and review results.

h. For the purposes of this Contract, a defect is anything that either adversely impacts the expected functionality to the users or otherwise reduces the quality of a work product. It includes items that should have been included but were omitted or items that were included but were incorrect. The Contractor must correct Level 1 and Level 2 defects discovered during UAT in a timely manner by following normal application development procedures – modifying the appropriate configuration items in the development environment, unit and integration testing the change, promoting the configuration item to the testing environment, quality assurance testing the change, and promoting the change to the UAT environment. Defects will be classified according to the following severity scale:
   v) Level 1 – Causes a system outage.
   vi) Level 2 – Major defect with no work around.
   vii) Level 3 – Major defect with an agreed upon work around by the Department.
   viii) Level 4 – Minor or cosmetic defect; no impact on ability to complete work.

i. Promotions to UAT shall occur on a regularly scheduled basis determined and agreed to by the Contractor and Agencies, unless it is an emergency situation (e.g., UAT cannot continue until problem is resolved).

j. The Contractor must have procedures and tools for tracking, reporting, and correcting deficiencies.
   iv) Quality assurance testing.
   v) Performance testing.
   vi) Operations testing:
      6) Identification of all operations areas requiring testing.
      7) Sequence of activities for operations test.
      8) State participants.
      9) Results and implications for overall DM operation.
10) Deficiencies, corrective action, and required training.

k. The Contractor shall conduct a walk-through of the testing process and the test results to enhance SOM understanding and to facilitate the SOM approval process, including a review of performance metrics and general “lessons learned” from all testing participants.

1.4.4. Section C. Test Plan

1.4.4.1. Existing

In collaboration with SOM, the Contractor will provide a detailed plan for Unit Testing, System Testing, Interface Testing, User Acceptance Testing, Quality Assurance, Performance, and Operations Testing. The Test Plan Deliverable shall contain the following, at a minimum:

a. Description of testing approach
b. Definition of test cases or processes, in corroboration with SOM
c. Resources from the State and Contractor
d. Schedule
e. Validation of test results
f. Corrective action approach

Contractor must provide appropriate system interfaces/integration to the following applications:

Name of application: __Branch Operations iSystem______________________
Owner of application (if external to the agency):  Motor Vehicle Network______
Details of interface (if determined by the other application):  __Contractor must provide number information (place in line) to be displayed on mounted TV screens__

Acceptance Criteria

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

1.4.4.2. Revised

In collaboration with SOM, the Contractor will provide a detailed plan for Unit Testing, System Testing, Interface Testing, User Acceptance Testing, Quality Assurance, Performance, and Operations Testing. The Test Plan Deliverable shall contain the following, at a minimum, and may be revised by MDOS and QLess as mutually agreed upon:

a. Description of testing approach
b. Definition of test cases or processes, in corroboration with SOM
c. Resources from the State and Contractor
d. Schedule for each phase of the project
e. Validation of test results
f. Corrective action approach

Contractor must provide appropriate system interfaces/integration to the following applications:

Name of application: __Branch Operations iSystem______________________
Owner of application (if external to the agency):  Motor Vehicle Network______
Details of interface (if determined by the other application):  __Contractor must provide number information (place in line) to be displayed on mounted TV screens__

Acceptance Criteria

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

1.4.5. Section D. Training

1.4.5.1. Existing

The Contractor shall provide role-based training for the staff involved with the project. SOM staff will need to be properly trained and supplied with the proper tools and
documentation in order to use, monitor, operate, and configure the application in accordance with the requirements of this Contract and the Contractor’s proposal. The Contractor shall train approximately eight SOM staff, who will become trainers of additional SOM staff members. Training will occur at the discretion of the State and will occur at various locations. (Contractor shall recommend the number of training days required for training in the Pricing Tables.)

a. Develop a training plan for the various users of the system.
b. The Contractor shall be responsible for providing training sessions for the following categories:
   i. Administrative training such as assigning end user security, functional roles, creation of workflows, importing of batch images, batch processing of electronic files and system administration as required by the application, including customization or modifications as required.
   ii. Technical system administrative training such as, but not limited to database management and system performance tuning.
   iii. Train-the-Trainer sessions for trainers so they obtain knowledge of all base functionality of the application to use, monitor, operate, and teach the solution as specified in the Contract. Training should be specific to MDOS’ needs.

c. The Contractor shall be responsible to provide all required materials for classroom sessions.
   i. A student manual shall include additional practical exercises in the back of the manual that the end user can complete upon return to their work location.
   ii. End user/training manuals should include curriculum by functionality, with sufficient examples and exercises to accomplish the stated training objective of assuring that end users gain the skills necessary to perform their job functions.

d. The Contractor shall also create any other necessary training aids such as presentation outlines and audio-visual materials.
   i. Additional training materials may include Computer-Based Training (CBTs), CDs, videos, and virtual classrooms. An introduction to these items should be provided during the classroom training, with the intent that these materials supplement the training received by students upon their return to their work location.

e. All end user/training materials shall be delivered to the SOM in electronic format upon the completion of the train-the-trainer sessions and prior to implementation.

f. The Contractor shall grant the SOM permission to reproduce, for internal use, documentation for training purposes even if such material has a copyright.

Training Deliverable(s)

a. **Train the trainer training**
b. **End user training**
c. **Technical training for State individuals who will be working with the services Contractor to configure the applications including establishing databases and interfaces, data conversion, customization, and upgrading the customized software.**
d. **System administration training for State personnel who will be responsible for ongoing maintenance and administration of the system, including security**

Upgrades and new versions to the system that affect end-user functionality include training at no additional cost (e.g. classroom or online training, training flier, release features, etc.)

Training is provided in a variety of formats for product installation, use, and administration for a variety of levels (e.g. basic, advanced, refresher, etc.)

All training manuals, training plans and other documentation provided become the property of the State.
Acceptance Criteria
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

1.4.5.2. Revised
The Contractor shall provide role-based training for the staff involved with the project. SOM staff will need to be properly trained and supplied with the proper tools and documentation in order to use, monitor, operate, and configure the application in accordance with the requirements of this Contract and the Contractor’s proposal. The Contractor shall train approximately eight SOM staff, who will become trainers of additional SOM staff members. Training will occur at the discretion of the State and will occur at various locations. (Contractor shall The recommended number of training days required for training is in the Pricing Cost Tables Attachment D.)

g. Develop a training plan for the various users of the system.
h. The Contractor shall be responsible for providing training sessions for the following categories:
   i. Administrative training such as assigning end user security, functional roles, creation of workflows, importing of batch images, batch processing of electronic files and system administration as required by the application, including customization or modifications as required.
   ii. Technical system administrative training such as, but not limited to database management and system performance tuning.
   iii. Train-the-Trainer sessions for trainers so they obtain knowledge of all base functionality of the application to use, monitor, operate, and teach the solution as specified in the Contract. Training should be specific to MDOS’ needs.
   i. The Contractor shall be responsible to provide all required materials for classroom sessions.
      i. A student manual shall include additional practical exercises in the back of the manual that the end user can complete upon return to their work location.
      ii. End user/training manuals should include curriculum by functionality, with sufficient examples and exercises to accomplish the stated training objective of assuring that end users gain the skills necessary to perform their job functions.
   j. The Contractor shall also create any other necessary training aids such as presentation outlines and audio-visual materials.
      i. Additional training materials may include Computer-Based Training (CBTs), CDs, videos, and virtual classrooms. An introduction to these items should be provided during the classroom training, with the intent that these materials supplement the training received by students upon their return to their work location.
   k. All end user/training materials shall be delivered to the SOM in electronic format upon the completion of the train-the-trainer sessions and prior to implementation.
   l. The Contractor shall grant the SOM permission to reproduce, for internal use, documentation for training purposes even if such material has a copyright.

Training Deliverable(s)
   e. Train the trainer training
   f. End user training
   g. Technical training for State individuals who will be working with the services Contractor to configure the applications including establishing databases and interfaces, data conversion, customization, and upgrading the customized software.
   h. System administration training for State personnel who will be responsible for ongoing maintenance and administration of the system, including security

Upgrades and new versions to the system that affect end-user functionality include training at no additional cost (e.g. classroom or online training, training flier, release features, etc.)
Training is provided in a variety of formats for product installation, use, and administration for a variety of levels (e.g. basic, advanced, refresher, etc.)

All training manuals, training plans and other documentation provided become the property of the State.

Acceptance Criteria
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

1.4.6. Section E. Documentation

1.4.6.1. Existing
Contractor is responsible for providing all equipment and software manuals for each installation. The manuals may be in electronic format.

Documentation Deliverable(s)
User manuals
Technical manuals

1. A minimum of two (2) copies of the following documentation in an electronic format, online and in hard copy will be provided:
   a. User and Technical Manuals - On-line and Hard Copy
   b. Data Element Dictionary
   c. Operations Manual
   d. All updates of documentation during the term of the Contract, software license and maintenance agreement

2. The following documentation is provided for all modules and program development:
   a. System-wide documentation and specifications
   b. Baseline End-User training manuals to be used as a basis for “User Manuals” and online help
   c. Installation procedure
   d. Module configuration documents sufficient for configuration maintenance purposes
   e. Testing scripts
   f. Specification documentation
   g. Production migration

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

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

5. All system, operations, user, change and issue documentation is to be organized in a format, which is approved by the State and facilitates updating and allows for revisions to the documentation to be clearly identified including the three (3) previous versions.

6. The Contractor must develop and submit for State approval complete, accurate, and timely system, operations, and user documentation.

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

Acceptance Criteria
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

1.4.6.2. Revised
Contractor is responsible for providing all equipment and software manuals for each installation. The manuals may be in electronic format.

Documentation Deliverable(s)
User manuals
Technical manuals

1. A minimum of two (2) copies of the following documentation in an electronic format, online and in hard copy will be provided:
   a. User and Technical Manuals - On-line and Hard Copy
   b. Data Element Dictionary
   c. Operations Manual
   d. All updates of documentation during the term of the Contract, software license and maintenance agreement

2. The following documentation is provided for all modules and program development:
   a. System-wide documentation and specifications including an up-to-date list of available queues and account configurations.
   b. Baseline End-User training manuals to be used as a basis for “User Manuals” and online help
   c. Installation procedure
   d. Module configuration documents sufficient for configuration maintenance purposes
   e. Testing scripts
   f. Specification documentation
   g. Production migration

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

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

5. All system, operations, user, change and issue documentation is to be organized in a format, which is approved by the State and facilitates updating and allows for revisions to the documentation to be clearly identified including the three (3) previous versions.

6. The Contractor must develop and submit for State approval complete, accurate, and timely system, operations, and user documentation.

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

Acceptance Criteria
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

1.4.7. Section F. Operation Services

1.4.7.1. Existing
The Contractor must provide all services need for operations.

Deliverable(s)
Hosting
Systems management
Security administration services
Storage services
Remote management with hardware at a State site
On-site management with hardware at a State site

Acceptance Criteria
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

1.4.7.2. Revised
The Contractor must provide all software and hardware support and services needed for operations.

The Contractor is fully responsible to manage and administer its system and its hardware components. In that regard, the Contractor shall supply hosting, on-going and annual maintenance and support services that provide systems management
(e.g., develop and provide corrections, changes, or workarounds for any defects, errors, or malfunctions in the Contractor software/hardware and that also provides new versions, updates and/or enhancements to the software/hardware. Disaster Recovery (e.g., take all commercially reasonable steps to have data anomalies repaired and data loss in the software minimized), Security Administration (e.g., provide a means to monitor and authorize limited access to the system on an as needed basis), and Storage Services (e.g., provide for the repository and retrieval of data accumulated by the Agency users).

QLess is centrally hosted and managed; it manages all of its own servers and supports a full suite of over 80 high performance REST-based web services. QLess will host all queuing and reporting data, and provide off-site backup and restoration of all data and content free of charge. QLess will conduct daily, weekly, monthly and annual backups of all QLess Reports and applications being utilized. QLess already does daily, weekly, monthly, and yearly off-site backups to 2 redundant cloud-based services for all of its servers using backup software called Jungledisk. MDOS may elect to back up their entire QLess data warehouse to on-site storage using QLess Reports data warehouse export, on any schedule that it chooses. The actual scheduling of that export will be under the control of MDOS; not QLess. MDOS can download their data warehouse at any time from a simple URL.

Hardware management is QLess’ responsibility. With the approval of MDOS, and appropriate clearance granted, QLess can remote into any piece of QLess-provided hardware which is on-site at MDOS Branch Offices, for purposes of troubleshooting and for verifying that the units are working properly.

Hardware management is QLess’ responsibility. All hardware is covered under warranty. Throughout the respective units’ warranty periods, in the event that any hardware issues cannot be resolved remotely, and a hardware unit is determined to have malfunctioned, a replacement unit will be provided and installed by QLess staff, or a MDOS-approved subcontractor, no longer than three days or in a time frame agreed upon by the State.

**Deliverable(s)**

- **Hosting**
  - Provide Service Level Agreement (SLA) as indicated in Attachment G.

- **Maintenance and support**
  - Hardware
  - Disaster Recovery
  - Systems management
  - Security administration services
  - Storage services
  - Remote management with hardware at a State site
  - On-site management with hardware at a State site
  - Server update and patching schedule: Quarterly updated schedule of new software features (i.e. QLess Road Map)

For the first year and all subsequent Contract years, the following services are provided for the current version and one previous version of any software provided with the deliverable, commencing upon installation of the deliverables or delivery of the software, at no charge to the State:

- **Error Correction.** Upon notice by State of a problem with the software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.

- **Material Defects.** The State will be notified of any material errors or defects in the deliverables known, or made known to Contractor from any source during the Contract term that could cause the production of inaccurate, or otherwise materially incorrect, results and shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.

- **Updates.** All new releases and bug fixes (collectively referred to as “Changes”) for any software deliverable developed or published by Contractor and made available to the State at no additional charge.

The software maintenance program includes all future software updates and system enhancements applicable to system modules licensed without further charge to all licensed users maintaining an annually renewable software
1.4.8. Section G. Maintenance and Support

1.4.8.1. Existing

**G. Maintenance and Support**
Contractor is fully responsible to manage and administer its system. In that regard, the Contractor shall supply annual software maintenance and support services that provide systems management (e.g., develop and provide corrections, changes, or workarounds for any defects, errors, or malfunctions in the Contractor software and that also provide new versions, updates and/or enhancements to the software), Help Desk Services (e.g., provide access to Help Desk personnel both via telephone and e-mail on an as needed basis), Disaster Recovery (e.g., take all reasonable steps to have data anomalies repaired and data loss in the software minimized), Security Administration (e.g., provide a means to monitor and authorize limited access to the system on an as needed basis), and Storage Services (e.g., provide for the repository and retrieval of data accumulated by the Agency users).

**Deliverables:**
1. Maintenance and Support Services
2. Server update and patching schedule; Software update schedule
3. For the first year and all subsequent Contract years, the following services are provided for the current version and one previous version of any software provided with the deliverable, commencing upon installation of the deliverables or delivery of the software:
   a. **Error Correction.** Upon notice by State of a problem with the software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.
   b. **Material Defects.** The State will be notified of any material errors or defects in the deliverables known, or made known to Contractor from any source during the Contract term that could cause the production of inaccurate, or otherwise materially incorrect, results and shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.
   c. **Updates.** All new releases and bug fixes (collectively referred to as “Changes”) for any software deliverable developed or published by Contractor and made available to the State at no additional charge.
4. The software maintenance program includes all future software updates and system enhancements applicable to system modules licensed without further charge to all licensed users maintaining an annually renewable software support contract.
5. Help desk support is available one hour before and after MDOS business hours, with escalation as necessary to senior technical/engineering staff, and then to higher management and/or senior management.

**Acceptance Criteria**
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

1.4.8.2. Revised

**G. Maintenance and Support QLess Enterprise Support and Command Center Bundle (Help Desk)**
- Help Desk Services (e.g., provide access to Help Desk personnel both via telephone and e-mail on an as needed basis).
- QLess Administrative Configuration Tool
- QLess Ticket Management System

The Contractor will provide fixed cost help desk support as described in Attachment F. The contractor will be available one hour before and after MDOS business hours, with escalation as necessary to senior technical/engineering staff, and then to higher management and/or senior management.

Contractor is fully responsible to manage and administer its system. In that regard, the
Contractor shall supply annual software maintenance and support services that provide systems management (e.g., develop and provide corrections, changes, or workarounds for any defects, errors, or malfunctions in the Contractor software and that also provide new versions, updates and/or enhancements to the software). Help Desk Services (e.g., provide access to Help Desk personnel both via telephone and e-mail on an as needed basis), Disaster Recovery (e.g., take all reasonable steps to have data anomalies repaired and data loss in the software minimized), Security Administration (e.g., provide a means to monitor and authorize limited access to the system on an as needed basis), and Storage Services (e.g., provide for the repository and retrieval of data accumulated by the Agency users).

**Deliverables:**
1. Maintenance and Support Services
2. Server update and patching schedule; Software update schedule
3. For the first year and all subsequent Contract years, the following services are provided for the current version and one previous version of any software provided with the deliverable, commencing upon installation of the deliverables or delivery of the software:
   a. **Error Correction.** Upon notice by State of a problem with the software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.
   b. **Material Defects.** The State will be notified of any material errors or defects in the deliverables known, or made known to Contractor from any source during the Contract term that could cause the production of inaccurate, or otherwise materially incorrect, results and shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.
   c. **Updates.** All new releases and bug fixes (collectively referred to as “Changes”) for any software deliverable developed or published by Contractor and made available to the State at no additional charge.
4. The software maintenance program includes all future software updates and system enhancements applicable to system modules licensed without further charge to all licensed users maintaining an annually renewable software support contract.
5. Help desk support is available one hour before and after MDOS business hours, with escalation as necessary to senior technical/engineering staff, and then to higher management and/or senior management.

**Acceptance Criteria**
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

1.4.9. Section H. Knowledge Transfer/Transition
This section has been removed in its entirety as the context was added in the revised Section A. Software/Hardware above.

1.4.10. Section I. Other Services (Agency to add any additional services to be required)
1.4.10.1. **Existing**
I. Other Services (Agency to add any additional services to be required)
QLess is centrally hosted and managed; it manages all of its own servers and supports a full suite of over 80 high performance REST-based web services. QLess will host all queuing and reporting data, and provide off-site backup and restoration of all data and content free of charge. QLess will conduct daily, weekly, monthly and annual backups of all QLess Reports and application being utilized. QLess already does daily, weekly, monthly, and yearly off-site backups to 2 redundant cloud-based services for all of its servers using backup software called Jungledisk. MDOS may elect to back up their entire QLess data warehouse to on-site storage using QLess Reports data warehouse export, on any schedule that it chooses. The actual scheduling of that export will be under the control of MDOS; not QLess. MDOS can download their data warehouse at any time from a simple URL.

QLess will dedicate a reserve bank of hours for future development services, as reserved to meet new requirements that may arise throughout the course of the
Contract. The extent of the reserve bank’s hours will be determined based on MDOS’ projected need. QLess’s suggested reserved bank of development services hours, as based on experience with comparable projects, is detailed in Attachment D - Cost Tables of this Proposal.

Deliverable(s)

Hosting
- Pricing provided for Contractor-based hosting of data. The State of Michigan reserves the right to host data on our system if vendor-pricing is prohibitive.
- Future development services to meet new requirements (reserve bank of hours)

Acceptance Criteria
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

1.4.10.2. Revised

H. Other Services (Agency to add any additional services to be required)
QLess is centrally hosted and managed; it manages all of its own servers and supports a full suite of over 80 high performance REST-based web services. QLess will host all queuing and reporting data, and provide off-site backup and restoration of all data and content free of charge. QLess will conduct daily, weekly, monthly and annual backups of all QLess Reports and application being utilized. QLess already does daily, weekly, monthly, and yearly off-site backups to 2 redundant cloud-based services for all of its servers using backup software called Jungledisk. MDOS may elect to back up their entire QLess data warehouse to on-site storage using QLess Reports data warehouse export, on any schedule that it chooses. The actual scheduling of that export will be under the control of MDOS; not QLess. MDOS can download their data warehouse at any time from a simple URL.

The State may request additional QLess will dedicate a reserve bank of hours for future development services and/or additional hardware, as reserved to meet new requirements that may arise throughout the course of the Contract. New requests will be evaluated by the Contractor and the Contractor will inform the state if the same or similar request is already in the Contractor’s development plan. The plan date must be accepted by the State and if the new request is not already planned then the Contractor will provide an estimate for the development. Software Enhancements will refer to development requests made by MDOS for functionality that is not currently supported by the Contractor. Software enhancements do not include bug fixes and/or software maintenance, scheduled upgrades and improvements of the software. There is no guarantee by the State nor is the State committed for Other Services.

The extent of the reserve bank’s hours will be determined based on MDOS’ projected need. QLess’s suggested reserved bank of development services hours, as based on experience with comparable projects, is detailed in Attachment D - Cost Tables of this Proposal.

Deliverable(s)

Hosting
- Pricing provided for Contractor-based hosting of data. The State of Michigan reserves the right to host data on our system if vendor-pricing is prohibitive.
- Future development services to meet new requirements (reserve bank of hours)

Acceptance Criteria
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

1.5. Section 1.201 Contractor Staff, Roles, And Responsibilities

1.5.1. Existing
A. Contractor Staff

The Contractor will identify a Single Point of Contact (SPOC). The duties of the SPOC shall include, but not be limited to:

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

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

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

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

- Project Manager
- System Architect

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

- Manage all defined Contractor responsibilities in this Scope of Services.
- Manage Contractor’s subcontractors, if any
- Develop the project plan and schedule, and update as needed
- Serve as the point person for all project issues
- Coordinate and oversee the day-to-day project activities of the project team
- Assess and report project feedback and status
- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures
- Prepare project documents and materials
- Manage and report on the project’s budget

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this Statement of Work.

Dedicated to the Michigan Project will be:

Alex Backer, QLess CEO
Responsible for: Contract Negotiation; high-level Contract Management.

John Brock – Project Manager
Responsible for: Contract Negotiations Lead; General Project Management, including all necessary on-site visits and meetings, including but not limited to: Orientation Meeting and Monthly Performance Review Meetings; Submission of Risk Management Plan; Coordination and management of all QLess staff and all subcontractors assigned to Project. John will be dedicated to the Michigan Project, and will be available to Michigan at all times.

Tim McCune – Lead Architect & Lead Tester/Test Manager
Responsible for: General Management of all QLess Applications, including all Updates and Upgrades; the provision of all technical documentation; Coordination of Knowledge Transfer, Account Setup, and System Integration; Testing Lead and Test Manager; high-level Technical Management.
Michael Soderlund – Training Coordinator & Asst. Project Manager
Responsible for: Provision of all Training Deliverables; Scheduling of all on-site training and subsequent Training webinars & coordination of QLess Training Team; Assisting Project Manager in the General Management of the Project; participation in all necessary on-site visits and meetings, including Orientation Meeting and Monthly Performance Review Meetings; ordering and documentation of all hardware deliverables. Michael will be 100% dedicated to the Michigan Project, and will be available to the State at all times.

Bill Dehaan – Business Analyst
Responsible for: Provision of Subject Matter Expertise on all matters involving integration, implementation, and general fulfillment of Contract terms. Assistance with Account Setup and customization work.

Augusto Callejos – Assistant Technical Lead
Responsible for: Assistance with software development and the Management of high-level technical matters pertaining to Project.

Ray Hanes – Call Center Manager
Responsible for: Management of the QLess Call Center; QLess Technical Issue Management and Reporting.

Michael Ander – QLess Marketing Director
Responsible for: Press Releases and press coverage coordination in respect to Project.

Jeff Suto – QLess Legal Counsel
Responsible for: Legal Review of Contract; Legal Counsel with emphasis in Intellectual Property Law.

Roles and Responsibilities Diagram

1.5.2. Revised

A. Contractor Staff

The Contractor has identified Charlie Meyer as the Single Point of Contact (SPOC). The duties of the SPOC shall include, but not be limited to:

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

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

- Project Manager
- System Lead Architect

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

- Manage all defined Contractor responsibilities in this Scope of Services.
- Manage Contractor’s subcontractors, if any
- Develop the project plan and schedule, and update as needed
- Serve as the point person for all project issues
- Coordinate and oversee the day-to-day project activities of the project team
- Assess and report project feedback and status
- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures
- Prepare project documents and materials
- Manage and report on the project’s budget

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this Statement of Work.

Dedicated to the Michigan Project will be:

Alex Backer, QLess CEO
Responsible for: Contract Negotiation; high-level Contract Management.

Reggie Craig – John Brock – Project Manager
Responsible for: Contract Negotiations Lead; General Project Management, including all necessary on-site visits and meetings, including but not limited to: Orientation Meeting and Monthly Performance Review Meetings; Submission of Risk Management Plan; Coordination and management of all QLess staff and all subcontractors assigned to Project. John Reggie will be dedicated to the Michigan Project, and will be available to Michigan at all times.

Tim McCune – Lead Architect & Lead Tester/Test Manager
Responsible for: General Management of all QLess Applications, including all Updates and Upgrades; the provision of all technical documentation; Coordination of Knowledge Transfer, Account Setup, and System Integration; Testing Lead and Test Manager; high-level Technical Management.

Angie McCune – Michael Soderlund – Corporate Training Coordinator & Asst. Project Manager
Responsible for: Provision of all Training Deliverables; Scheduling of all on-site training and subsequent Training webinars & coordination of QLess Training Team; Assisting Project Manager in the General Management of the Project; participation in all necessary on-site visits and meetings, including Orientation Meeting and Monthly Performance Review Meetings; ordering
and documentation of all hardware deliverables. Michael will be 100% dedicated to the Michigan Project, and will be available to the State at all times.

**Kristen Becker Bill Dehaan – Business Analyst**  
Responsible for: Provision of Subject Matter Expertise on all matters involving integration, implementation, and general fulfillment of Contract terms. Assistance with Account Setup and customization work.

**Augusto Callejos– Assistant Technical Lead**  
Responsible for: Assistance with software development and the Management of high-level technical matters pertaining to Project.

**Ray Hanes – Call Center Manager**  
Responsible for: Management of the QLess Call Center; QLess Technical Issue Management and Reporting.

**Matt Devol Michael Ander – QLess Marketing Director**  
Responsible for: Press Releases and press coverage coordination in respect to Project.

**Jeff Suto – QLess Legal Counsel**  
Responsible for: Legal Review of Contract; Legal Counsel with emphasis in Intellectual Property Law.

### Roles and Responsibilities Diagram (Amended)

![Roles and Responsibilities Diagram](image)

#### 1.6. Section 1.202 State Staff, Roles, And Responsibilities

#### 1.6.1.Existing

**Executive Subject Matter Experts:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Agency/Division</th>
<th>Title</th>
<th>Phone/e-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christina Schaefer</td>
<td>Bureau of Branch Office Services</td>
<td>Administrative Assistant</td>
<td>(517) 636-5311</td>
</tr>
<tr>
<td>Joe Rodriguez</td>
<td>Bureau of Branch Office Services</td>
<td>Analyst</td>
<td>(517) 636-6050</td>
</tr>
</tbody>
</table>

**State Project Manager- (MDTMB and Agency):**
1.6.2. Revised

Executive Subject Matter Experts:

<table>
<thead>
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<th>Name</th>
<th>Agency/Division</th>
<th>Title</th>
<th>Phone/e-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christina Schaefer</td>
<td>Bureau of Branch Office Services</td>
<td>Administrative Assistant</td>
<td>(517) 636-5311</td>
</tr>
<tr>
<td>Jesse Williams</td>
<td>Bureau of Branch Office Services</td>
<td>Analyst</td>
<td>(517) 636-6050</td>
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State Project Manager- (MDTMB and Agency):

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<tr>
<th>Name</th>
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<tbody>
<tr>
<td>Tom Cantrell</td>
<td>MDTMB</td>
<td>Project Manager</td>
</tr>
<tr>
<td>Christina Schaefer</td>
<td>MDOS</td>
<td>Project Manager</td>
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Contract Administrator:

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<th>Name</th>
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<th>Title</th>
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</thead>
<tbody>
<tr>
<td>Whitnie Zuker</td>
<td>MDTMB</td>
<td>Contract Administrator</td>
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1.7. Section 1.301 Project Plan Management

1.7.1. Existing

Project Control

1. The Contractor will carry out this project under the direction and control of MDTMB, and MDOS.

2. Within 30 working days of the execution of the Contract, the Contractor will submit the project plan to the State project manager(s) for final approval. 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 will manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates, which is available at [http://www.michigan.gov/suite](http://www.michigan.gov/suite)
   a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract’s progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:
      - Staffing tables with names of personnel assigned to Contract tasks.
      - Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next 30 calendar days, updated semi-monthly).
      - Updates must include actual time spent on each task and a revised estimate to complete.
      - Graphs showing critical events, dependencies and decision points during the course of the Contract.
b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

1.7.2. Revised

**Project Control**

1. The Contractor will carry out the project for each phase under the direction and control of MDTMB, and MDOS.

2. Within 30 working days of the execution of the Contract, the Contractor will submit the project plan to the State project manager(s) for final approval. 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 will manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates, which is available at [http://www.michigan.gov/suite](http://www.michigan.gov/suite)

   a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:
      - Staffing tables with names of personnel assigned to Contract tasks.
      - Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next 30 calendar days, updated semi-monthly).
      - Updates must include actual time spent on each task and a revised estimate to complete.
      - Graphs showing critical events, dependencies and decision points during the course of the Contract.

   b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

1.8. Section 1.302 Reports

1.8.1. Existing

Reporting formats must be submitted to the State’s Project Manager for approval within 30 business days after the execution of the Contract. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the Contract.

- 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
- Repair status
- Maintenance Activity
1.8.2. Revised

Reporting formats must be submitted to the State’s Project Manager for approval within 30 business days after the execution of the Contract. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the Contract.

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
Repair status
Maintenance Activity

**Quarterly QLess System Performance Report will include:**
- Usage of text messages (inbound/outbound and averages)
- % of accuracy of forecasted wait times per branch and total for all branches.
- Open issues, not resolved within an agreed timeframe in the SLA, and resolution plan

1.9. Section 1.502 Final Acceptance

1.9.1. Existing

Pilot sites must be installed and functional (no service, reporting, hardware or software failures) for 30 days after the last site installation before MDOS will consider the pilot a success and make final acceptance of the pilot systems.

When phase II is initiated, all phase II sites must also be installed and functional (no service, reporting, hardware or software failures) for 30 days after the last site installation before MDOS will consider phase II a success and make final acceptance of the phase II systems.

1.9.2. Revised

Phase I, Pilot sites, must be installed and functional (no service (hosting), QLess Reports, reporting, hardware or software failures) for 30 days after the last site installation before MDOS will consider the pilot phase a success and make final acceptance of the pilot systems.

When phase II is initiated, each branch site must be installed and functional (no hosting service, QLess Reports, hardware or software failures) for 30 days after the installation before MDOS will consider each branch site a success and make final acceptance of the branch site. All failures shall be resolved according to the SLAs. The Acceptance period will be extended 30 days from the date the failure is resolved.

1.10. Section 1.600 Compensation And Payment

1.10.1. Existing

1.601 Compensation And Payment

This will be a firm, fixed price Contract with the following payment schedule for Phase I and Phase II.

1. deliverables/milestone based on 20% upon award, 50% on installation, and 30% once the phase is completed.
2. lump sum payment
3. rate card/unit price
4. monthly rates,
5. or combination, etc.
Method of Payment
The project will be paid via EFT; the Contractor must meet the State’s EFT payment guidelines.

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

Statements of Work and Issuance of Purchase Orders
Unless otherwise agreed by the parties, each Statement of Work will include:

1. Background
2. Project Objective
3. Scope of Work
4. Deliverables
5. Acceptance Criteria
6. Project Control and Reports
7. Specific Department Standards
8. Payment Schedule – 20% upon award of Contract, 50% once installed, and 30% upon completion.
9. Travel and Expenses
10. Project Contacts
11. Agency Responsibilities and Assumptions
12. Location of Where the Work is to be performed
13. Expected Contractor Work Hours and Conditions

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

Invoicing
Contractor will submit properly itemized invoices to:

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

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

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

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

1.10.2. Revised
1.601 Compensation And Payment
This will be a firm, fixed price Contract with the following payment schedule for Phase I and Phase II.

1. deliverables/milestone based on 20% upon award, 50% on installation, and 30% once the phase is completed.
2. lump sum payment
3. rate card/unit price
4. monthly rates,
5. or combination, etc.

1. Phase I – 7 Super Centers and 3 additional Branch Offices
   a. Deliverables/milestone based on 20% upon award, 50% on installation, and 30% upon Final Acceptance is provided by MDOS.

2. Phase II – Additional Branch Offices as Requested by MDOS
   a. Per individual Statement Of Work, Deliverables/milestone based on 20% upon order of each branch site, 50% on installation of each branch site, and 30% upon Final Acceptance of each branch site provided by MDOS.

The State will pay help desk or QLess Enterprise Support & Command Center, SMS & Minute of Voice Call on a monthly basis, in arrears. Payment of annual hardware maintenance and software licensing will be paid by the State annually.

Less than one (1) month’s duration for deliverables and service costs (Recurring Hardware Maintenance, Annual Software Licenses, QLess Enterprise Support & Command Center and SMS & Minute of Voice Call) shall be prorated at 1/30th of the basic monthly charges for each calendar day, e.g., Year 5 4/8/2018-9/12/18.

Method of Payment
The project will be paid via EFT; the Contractor must meet the State’s EFT payment guidelines.

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

Statements of Work and Issuance of Purchase Orders
Unless otherwise agreed by the parties, each Statement of Work will include:
   1. Background
   2. Project Objective
   3. Scope of Work
   4. Deliverables
   5. Acceptance Criteria
   6. Project Control and Reports
   7. Specific Department Standards
   8. Payment Schedule – 20% upon award of Contract, 50% once installed, and 30% upon completion.
   9. Travel and Expenses
   10. Project Contacts
   11. Agency Responsibilities and Assumptions
   12. Location of Where the Work is to be performed
   13. Expected Contractor Work Hours and Conditions

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

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

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number;
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Description of any commodities/hardware, including quantity ordered;
- Date(s) of delivery and/or date(s) of installation and set up;
- Price for each item, or Contractor’s list price for each item and applicable discounts;
- Maintenance Support charges;
- Net invoice price for each item;
- Shipping costs;
- QLess Support, including issued ticket numbers, brief description of the ticket, its resolution and time frame of completion and total support hours.
- The breakdown of customer text messages and voice calls by inbound (from QLess to customers), outbound (from customers to QLess) and average number of text messages per customer.
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

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

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

1.11. Article 2

1.11.1. 2.021 Issuing Office.

Amended DTMB-Procurement Contract Administrator for this Contract:

Whitnie Zuker
Buyer
Procurement
Department of Technology, Management and Budget
1st Floor Constitution Hall
PO Box 30026
Lansing, MI 48909
Phone (517) 284-7030
zukerw@michigan.gov

1.11.2. 2.023 Project Manager.

Amended individual who will oversee the project:

Jesse Williams
Bureau of Branch Office Services
7064 Crowner Drive
Lansing, MI 48918
WilliamsJ29@Michigan.gov
(517) 636-6050

1.11.3. 2.025 Notices.

Amended to include updated State name and Address:

State:
1.12. **Attachment B**

Attachment B in its entity has been replaced with the following:

<table>
<thead>
<tr>
<th>Server/Application Hosting</th>
<th>Comments</th>
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<tbody>
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<tr>
<td>Externally Hosted</td>
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</tr>
<tr>
<td>Internally &amp; Externally Hosted</td>
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</tr>
</tbody>
</table>

**Enterprise Architecture Solution Assessment**

**Architecture Overview (vendor version)**

**Vendor:** the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.

<table>
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<th>Server/Application Hosting</th>
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<td></td>
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<table>
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<th>User Interface Type</th>
<th>Comments (e.g. version or release)</th>
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</thead>
<tbody>
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<td>Browser</td>
<td>See Supported Browsers</td>
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<tr>
<td></td>
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<td>Client</td>
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<tr>
<td>✓</td>
<td>Mobile Browser</td>
<td>iOS, Android, windows</td>
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<td></td>
<td>Mobile Client</td>
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<td></td>
<td>Terminal</td>
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<td></td>
<td>Chrome 3.0 (internet)</td>
<td>May see issues</td>
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<tr>
<td>✓</td>
<td>Safari 4.x (internet)</td>
<td>May see issues</td>
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<tr>
<td>✓</td>
<td>Other (explain =&gt;) preferred</td>
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<td>External (general public)</td>
<td>Password-protected user accounts</td>
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**Enterprise Architecture Solution Assessment**

**Architecture Overview (continued)**

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<td>Stored Procedures</td>
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<td>&gt;4TB (x-large)</td>
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<td></td>
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<td></td>
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<tr>
<td></td>
<td>Oracle 11g</td>
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</tr>
<tr>
<td></td>
<td>TeraData TD 13.0</td>
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(continued)

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<tr>
<td></td>
<td>Erwin 7.x, 8x</td>
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<td></td>
<td>MSSQL Server Mgmt Studio (match db)</td>
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<td></td>
<td>MySQL Workbench (match db)</td>
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<td></td>
<td>Oracle Designer (match db)</td>
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<td></td>
<td>TeraData Utilities (match db)</td>
<td></td>
</tr>
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(continued)
### Development Framework

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<tr>
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<td>Java J2EE 5.x, 6x</td>
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### Development Platform

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<td></td>
<td>IBM WebSphere Integration Dev 6.x, 7.x</td>
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<td>Microsoft Silverlight Expression (match VS)</td>
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<td>Oracle JDeveloper 11g</td>
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<td>Spring 2.5</td>
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### Development Language

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<td>JDK 6.x, 7x</td>
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<td>PHP 5.3.x</td>
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</tbody>
</table>

(continued)

#### Enterprise Architecture Solution Assessment

**Architecture Overview (continued)**

**Vendor:** the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.

### Markup languages

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<th>17</th>
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</table>

### Presentation (Web) Server

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<tr>
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<tr>
<td></td>
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<td>Microsoft IIS 7.0</td>
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### Application Server

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<td>Apache Tomcat 7.x</td>
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<td>IBM WebSphere 7.0, 8.0</td>
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<td>JBoss 5.x, 6</td>
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### HW Platform

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<td></td>
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<td>22 Document Management</td>
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<td></td>
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<td><strong>23 Centralized Printing</strong></td>
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<td>DMB consolidated print center</td>
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<td>LoadRunner 11.x</td>
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<td>Selenium 1.x, 2.x</td>
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<td>25 Identity Management (network)</td>
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<td>Other (explain =&gt;)</td>
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<td>26 Identity Management (application)</td>
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<td>IBM Tivoli SSO (TIM-TAM)</td>
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<td>Microsoft Active Directory 2008</td>
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<td>Other (explain =&gt;)</td>
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<td>(continued)</td>
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<td>------------------------------------------</td>
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<td><strong>Vendor:</strong> the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.</td>
<td></td>
</tr>
</tbody>
</table>

### Design Tools
- Microsoft Office
- Microsoft Visio
- SUITE/SEM templates
- Rational Requisit
- Serena Dimensions 2009 R1.x, 11.2
- Other (explain =>)

### Version Control
- Microsoft Team Foundation System
- Serena Dimensions (PVCS Mgr) 2009, 12.1
- Subversion 1.6
- Other (explain =>)

### Message Queuing
- Apache Active MQ 5.3
- IBM Websphere MQ 6.x, 7.x
- Other (explain =>)

### Business Integration
- JBoss SOA
- Websphere Message Broker 6.x, 7.x
- Other (explain =>)

### Database Tools
- DBArtisan 8.6, 8.7
- Infosphere Information Svr v8.1.x
- MSSQL Server Mgmt Studio (match db)
- MySQL Workbench (match db)
- Oracle Developer Suite (match db)
- Oracle Enterprise Manager (match db)
- Oracle SQL Developer (match db)
- Rapid SQL 7.6 & 7.7
- TeraData Utilities (match db)
- Toad 9.x & 10.x
- Other (explain =>)

### Reporting Tools
- ActivePDF 2009
- ActiveReports 4.0
- Birt 3.7
- Crystal Reports 2008
- Crystal Xcelsius 2008
- Crystal Reports for Eclipse
- MSSQL Reporting Services (match db)
- Oracle Reports (match db)
- Other (explain =>)
### Enterprise Architecture Solution Assessment

**Architecture Overview (continued)**

**Vendor:** the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.

<table>
<thead>
<tr>
<th>Select all that apply ✓ (vendor complete)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>37 Build Tools</strong></td>
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<td>Apache Ant 1.7.x, 1.8.x</td>
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<tr>
<td>Apache Maven 2.2, 3.0</td>
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<td>Microsoft Team Foundation System</td>
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<tr>
<td>Serena Dimensions CM Builder 2009 R1.x</td>
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<td>OpCon XPS 4.x, 5.x</td>
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<td>Tidal Enterprise Scheduler 5.3.1 &amp; 6.x</td>
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<td>UC4 App Mgr 8.0</td>
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<td>UC4 Op Mgr 6.0 &amp; 8.0</td>
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<td>ArcSDE 9.3</td>
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<td>Oracle Spatial (match db)</td>
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<tr>
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<td>Clear Quest Chg Mgmt Suite 7.5</td>
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<td>Serena Mashup Composer 2009 R1.x</td>
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### 1.13. Attachment C

The Following requirements have been added or revised to Attachment C Business Requirement Matrix:

**Workflow**

Added

Contractor agrees to work with MDOS to control the number of incoming and outgoing text and voice messages  

| 11 | Contractor agrees to work with MDOS to control the number of incoming and outgoing text and voice messages | Y |
Reporting and Monitoring

Revised

5

<table>
<thead>
<tr>
<th>The solution will provide a method for reporting on employee workstation activity, including: sign-on, customer arrivals at window, signaling when the employee is open and ready to service the next customer in the queue, when an employee goes on break or when an employee is inactive at a workstation. <strong>Target Date of Q4 2015</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Y</td>
</tr>
</tbody>
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12

<table>
<thead>
<tr>
<th>The solution will capture employee workstation activity, including: sign-on, customer arrivals at window, signaling when the employee is open and ready to service the next customer in the queue, when an employee goes on break or when an employee is inactive at a workstation. <strong>Target Date of Q4 2015</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Y</td>
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</table>

13

<table>
<thead>
<tr>
<th>The solution will provide Executive Dashboard reporting data and graphics that indicate what is happening within the Branch Office and shall include “no waiting” zero queues. <strong>Target Date: Q2 2015</strong></th>
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</thead>
<tbody>
<tr>
<td>Y</td>
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1.14. Attachment D Cost Tables

Attachment D in its entity has been replaced with the following:

**Overall Costs**

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<thead>
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<th>Phase I - Fixed Costs</th>
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<tr>
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</tr>
<tr>
<td>Hardware &amp; Recurring Hardware Maintenance</td>
</tr>
<tr>
<td>One-Time Software Licenses and Annual Software Licenses</td>
</tr>
<tr>
<td>10 Offices</td>
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<table>
<thead>
<tr>
<th>QLess Enterprise Support &amp; Command Center MDOS Super Centers (high-volume locations) * Not implemented until 4/8/15. Will continue to use Help desk</th>
<th>N/A</th>
<th>N/A</th>
<th>$24,500.00</th>
<th>$24,500.00</th>
<th>$24,500.00</th>
<th>$10,208.33</th>
<th>$83,708.33</th>
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</thead>
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<tr>
<td>QLess Enterprise Support &amp; Command Center All other centers (includes County Plus Branches) * Not implemented until 4/8/15</td>
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<td>$7,500.00</td>
<td>$7,500.00</td>
<td>$7,500.00</td>
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<td>Train-the-Trainer</td>
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<td>N/A</td>
<td>N/A</td>
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<td>Hard copy Manuals Electronic version are free</td>
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<td>Account Setup</td>
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<tr>
<td>Total Phase I - Fixed Costs</td>
<td>$485,924.00</td>
<td>$101,991.50</td>
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**Phase I - Variable Costs**

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<tr>
<td>10 Offices</td>
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<td>$0.00</td>
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<tr>
<td>Enhancements - Per Hour Unknown at this time to factor $200.00 per hour</td>
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<td>$0.00</td>
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<tr>
<td>Help Desk Support</td>
<td>$150.00 per hour</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Anticipate Only for year one as QLess Enterprise Support &amp; Command Center applies Year 2 and forward</td>
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<tr>
<td>Average $1,591.00 per month</td>
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<tr>
<td>Actual Invoice from 4/8/2014-11/30/14 $12,730.00</td>
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<td>Assume from 12/1/14 - 4/8/15 may be $7,955.00</td>
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<tr>
<td>Assume Cost for Year 1 4/8/2014-4/7/2015 may be $20,685.00</td>
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<td></td>
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<tr>
<td>*These assumed Costs are not committed as payment to the Contractor</td>
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</tbody>
</table>

| SMS & Minute of Voice Call, including Sent & Received |
|---|---|---|---|---|---|
| Assume Cost *based on estimated yearly Cost of $5,889.46 per office (6 month average) **Cost could be more or less depending on usage trend ***10% increase was added per year ****These assumed Costs are not committed as payment to the Contractor |
| $0.01 | $58,894.60 | $64,764.06 | $71,262.47 | $78,388.71 | $35,928.16 | $309,258.00 |

| Total Phase I - Variable Costs |
|---|---|---|---|---|---|---|
| $79,579.60 | $64,764.06 | $71,262.47 | $78,388.71 | $35,928.16 | $329,943.00 |
## PHASE I

<table>
<thead>
<tr>
<th></th>
<th>Fixed and Variable</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$485,924.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$181,571.10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$210,187.56</td>
<td></td>
</tr>
<tr>
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<td>$217,008.33</td>
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<tr>
<td></td>
<td>$224,487.20</td>
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</tr>
<tr>
<td></td>
<td>$96,953.87</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1,416,132.06</td>
<td></td>
</tr>
</tbody>
</table>

## Hardware

### Phase I Hardware

### Freestanding Touchscreen Kiosk with Integrated Ticket Printer
- **Per Unit Cost:** $3,530.00
- **Number of Units:** 10.00
- **Total Cost:** $35,300.00
- **Year 1:** 4/8/2014-4/7/2015
- **Year 2:** 4/8/2015-4/7/2016
- **Year 3:** 4/8/2016-4/7/2017
- **Year 4:** 4/8/2017-4/7/2018
- **Year 5:** 4/8/2018-9/12/18

### LCD Monitor with Integrated PC3
- **Per Unit Cost:** $2,176.00
- **Number of Units:** 10.00
- **Total Cost:** $21,760.00
- **Year 1:** 4/8/2014-4/7/2015
- **Year 2:** 4/8/2015-4/7/2016
- **Year 3:** 4/8/2016-4/7/2017
- **Year 4:** 4/8/2017-4/7/2018
- **Year 5:** 4/8/2018-9/12/18

### One-Time Hardware Cost Total
- **Per Unit Cost:** N/A
- **Number of Units:** N/A
- **Total Cost:** $57,060.00
- **Year 1:** N/A
- **Year 2:** N/A
- **Year 3:** N/A
- **Year 4:** N/A
- **Year 5:** N/A

### Annual Hardware Maintenance for Phase I - Kiosks; includes repair and replacement of malfunctioning QLess-provided Kiosks and Ticket Printers
- **Per Unit Cost:** $706.00
- **Number of Units:** 10.00
- **Total Cost:** N/A
- **Year 1:** N/A
- **Year 2:** N/A
- **Year 3:** N/A
- **Year 4:** N/A
- **Year 5:** N/A

### Annual Hardware Maintenance for Phase I - Monitors; includes repair and replacement of malfunctioning QLess-provided Monitors and Fit-PC3s
- **Per Unit Cost:** $435.20
- **Number of Units:** 10.00
- **Total Cost:** N/A
- **Year 1:** N/A
- **Year 2:** N/A
- **Year 3:** N/A
- **Year 4:** N/A
- **Year 5:** N/A

### Annual Hardware Maintenance for Phase I Total
- **Per Unit Cost:** $1,141.20
- **Number of Units:** 10.00
- **Total Cost:** Waived
- **Year 1:** $11,412.00
- **Year 2:** $11,754.36
- **Year 3:** $12,106.99
- **Year 4:** $5,195.92

## Phase II

### Freestanding Touchscreen Kiosk with Integrated Ticket Printer
- **Per Unit Cost:** $3,530.00
- **Number of Units:** TBD
- **Total Cost:** N/A
- **Year 1:** 4/8/2014-4/7/2015
- **Year 2:** 4/8/2015-4/7/2016
- **Year 3:** 4/8/2016-4/7/2017
- **Year 4:** 4/8/2017-4/7/2018
- **Year 5:** 4/8/2018-9/12/18

### Notes:
- Per unit costs and total costs are listed for each hardware item.
- Maintenance costs are listed for Phase I and include repair and replacement of malfunctioning equipment.
- Phase II hardware costs are not detailed in the provided table.
### LCD Monitor with Integrated PC3

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
<th>Rate</th>
<th>Tech. Support</th>
<th>Parts Support</th>
<th>Labor Support</th>
<th>TCO Support</th>
<th>Notes Support</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Hardware Maintenance for Phase II - Kiosks; includes repair and replacement of malfunctioning QLess-provided Kiosks and Ticket Printers</td>
<td>TBD</td>
<td>$706.00</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>$706.00</td>
</tr>
<tr>
<td>Annual Hardware Maintenance for Phase II - Monitors; includes repair and replacement of malfunctioning QLess-provided Monitors and Fit-PC3s</td>
<td>TBD</td>
<td>$435.20</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>$435.20</td>
</tr>
</tbody>
</table>

**Notes:**
1. All Hardware provided by QLess includes a one year warranty free of charge. After the one year warranty, an Annual Hardware Maintenance charge occurs.
2. Annual Hardware Maintenance rates increase annually by 3%, so as to account for the inflation of the US Dollar.
3. For Phase I, Annual Hardware Maintenance begins on 4/8/2015. (Pilot Phase - Hardware Maintenance fees for the ten (10) offices are applicable beginning on April 8, 2015.)
4. Upon Phase II Rollout, the beginning date for annual hardware maintenance costs will correspond to the launch dates of each respective office, or batch of offices one year after the launch date (after warranty).
5. Annual Hardware Maintenance rates are based on an annual payment of 20% of the hardware's original price.

---

### One-Time Software License Costs

<table>
<thead>
<tr>
<th>One-Time Software License Costs Per Unit</th>
<th>Number of Units</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase I One-time Software License Fees, per office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virtual Queuing</td>
<td>$7,997.00</td>
<td>10</td>
</tr>
<tr>
<td>Mobile Queuing</td>
<td>$7,997.00</td>
<td>10</td>
</tr>
<tr>
<td>Remote Queuing</td>
<td>$6,997.00</td>
<td>10</td>
</tr>
<tr>
<td>Interactive Queuing</td>
<td>$6,997.00</td>
<td>10</td>
</tr>
<tr>
<td>Voice Queuing</td>
<td>$4,997.00</td>
<td>10</td>
</tr>
<tr>
<td>FlexAppointments</td>
<td>$9,799.00</td>
<td>10</td>
</tr>
<tr>
<td>Phase I One-Time Software License Total without 15% Discount applied</td>
<td>$44,784.00</td>
<td>10</td>
</tr>
<tr>
<td>15% Discount</td>
<td>$6,717.60</td>
<td>10</td>
</tr>
<tr>
<td>Phase I One-Time Software License Total with 15% Discount applied</td>
<td>$38,066.40</td>
<td>10</td>
</tr>
</tbody>
</table>
Phase II One-Time Software License Fees, per office:

<table>
<thead>
<tr>
<th>Software</th>
<th>Fee (TBD)</th>
<th>TBD</th>
<th>TBD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virtual Queuing</td>
<td>$3,998.50</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Mobile Queuing</td>
<td>$3,998.50</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Remote Queuing</td>
<td>$3,498.50</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Interactive Queuing</td>
<td>$3,498.50</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Voice Queuing</td>
<td>$2,498.50</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>FlexAppointments</td>
<td>$4,899.50</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

Phase II Per Office One-Time Software License Total without 15% Discount Applied: $22,392.00

15% Discount: $3,358.80

25% Discount: $5,598.00

Phase II Per Office One-Time Software License Total with 15% Discount Applied: $19,033.20

Phase II Per Office One-Time Software License Total with 25% Discount Applied: $16,794.00

Software Deliverable Descriptions:

*Virtual Queuing includes on-site queue entry and real-time wait forecast updates via QLess Kiosk and QLess Monitor

*Mobile Queuing allows customers to be notified of queue status on their cell phones

*Remote Queuing includes the ability to join the queue before a customer goes to MDOS (e.g. online, via a widget on MDOS' website(s), via SMS, etc.)

*Interactive Queuing allows for customers to interact with the system to push themselves back in line, request status updates, leave the queue, etc.

*Voice queuing affords customers the ability to receive notifications via voice call, in addition to SMS

*FlexAppointments affords customers the ability to schedule an appointment at the time & date of their choice, and to interact with the system to push themselves back in line, receive on-demand status updates, etc.

Notes:

1.) A 15% Discount has been applied due to MDOS having launched 10 or more offices to date.

2.) A 25% Discount will be applied to all future QLess software license purchases once 100 or more offices have been committed to by MDOS.

3.) A QLess Reports is provided under Interactive Queuing at no additional charge.

### Annual Software Licenses

<table>
<thead>
<tr>
<th>Phase 1 Offices Annual Software Licenses, per office</th>
<th>Per Unit</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virtual Queuing</td>
<td>$2,143.02</td>
<td>10</td>
</tr>
<tr>
<td>Mobile Queuing</td>
<td>$2,143.02</td>
<td>10</td>
</tr>
<tr>
<td>Remote</td>
<td>$1,874.24</td>
<td>10</td>
</tr>
<tr>
<td>--------------------</td>
<td>-----------</td>
<td>-----------------</td>
</tr>
<tr>
<td>Interactive Queuing</td>
<td>$1,874.24</td>
<td>TBD</td>
</tr>
<tr>
<td>Voice Queuing</td>
<td>$1,399.09</td>
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<tr>
<td>FlexAppointments</td>
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<tr>
<td>Phase 1 Offices</td>
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<tr>
<td>Annual Software</td>
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</tr>
<tr>
<td>Licenses Total,</td>
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<td></td>
</tr>
<tr>
<td>per office,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>without 15%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discount applied</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15% Discount</td>
<td>$1,799.85</td>
<td>TBD</td>
</tr>
<tr>
<td>Phase 1 Offices</td>
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<td></td>
</tr>
<tr>
<td>QLess Enterprise</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support &amp; Command</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Center MDOS Super</td>
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<td></td>
</tr>
<tr>
<td>Centers (high-volume locations)</td>
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<td></td>
</tr>
<tr>
<td>* Not implemented</td>
<td></td>
<td></td>
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<tr>
<td>until 4/8/15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase 1 Offices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>QLess Enterprise</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support &amp; Command</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Center All other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>centers (includes County Plus Branches)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Not implemented</td>
<td></td>
<td></td>
</tr>
<tr>
<td>until 4/8/15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase 1 Offices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>QLess Enterprise</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support &amp; Command</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Center Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Phase II Office Annual Software Licenses

| Licenses, per office without 15% Discount applied | $7,999.00 | TBD | N/A | TBD | TBD | TBD | TBD |
| 15% Discount | $1,199.85 | TBD | N/A | TBD | TBD | TBD | TBD |
| 25% Discount | $1,999.75 | | | | | | |

| Licenses, per office with 15% Discount applied | $6,799.15 | TBD | N/A | TBD | TBD | TBD | TBD |
| Licenses, per office with 25% Discount applied | $5,999.25 | TBD | N/A | TBD | TBD | TBD | TBD |

### QLess Enterprise Support & Command Center

| MDOS Super Centers (high-volume locations) | $3,500.00 | TBD | N/A | TBD | TBD | TBD | TBD |
| All other centers (includes County Plus Branches) | $2,500.00 | TBD | N/A | TBD | TBD | TBD | TBD |

### Notes:
1.) Annual "Site" Licenses for all Phase I Offices are good through 4/7/15.

2.) QLess Annual "Site" License includes all software maintenance, as well as all software updates and upgrades released in QLess updates.

3.) Admin. Tool & Unlimited QLess Support includes authorized MDOS users’ unlimited on-demand access to the QLess Admin. Tool. The Annual per office Admin. Tool & Support cost includes the provision of the Admin. Tool’s current functionality, as well as full access to all future Admin. Tool updates as provided in QLess’ standard releases.

4.) Admin. Tool & Unlimited QLess Support flat-rate fee covers the QLess Support Team’s as defined in the SLA agreement. Upon MDOS’ licensing of the QLess Enterprise Admin. Tool & Unlimited QLess Support, via Annual Software Licensing as itemized above, MDOS will never be charged for any Support, in regards to issues regarding: hardware, software, QLess service uptime, Project documentation, provision of QLess Reports, training provided by QLess Support post applicable office launch.

### Miscellaneous

<table>
<thead>
<tr>
<th>Phase I and II</th>
<th>Per Unit</th>
<th>Number of Units</th>
<th>Total Costs</th>
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</thead>
<tbody>
<tr>
<td>Training</td>
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</tr>
<tr>
<td>Train-the-trainer for Phase I Offices</td>
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</tr>
<tr>
<td>Service Description</td>
<td>Rate</td>
<td>Quantity</td>
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</tr>
<tr>
<td>------------------------------------------------------------------------------------</td>
<td>--------</td>
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<td>---------</td>
</tr>
<tr>
<td>Manuals/Support Documents for Phase I Offices</td>
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<td>8</td>
<td>$200</td>
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<tr>
<td>Train-the-Trainer for Phase II Offices, per day</td>
<td>$1,500</td>
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<td></td>
</tr>
<tr>
<td><strong>Hardware Installation</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Phase I Hardware Installation, per office</td>
<td>$1,500</td>
<td>10</td>
<td>$15,000</td>
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<tr>
<td>Phase II Installations &amp; Branch Office Moves/Remodels, per office</td>
<td>$1,500</td>
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<td></td>
</tr>
<tr>
<td><strong>Account Setup</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Phase I Account Setup</td>
<td>$3,000</td>
<td>10</td>
<td>$30,000</td>
</tr>
<tr>
<td>Phase II Account Setup</td>
<td>$3,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Miscellaneous</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Software Enhancements</td>
<td>$200/hr</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Help Desk Support</td>
<td>$150/hr</td>
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<tr>
<td>SMS &amp; Minute of Voice Call, including Sent &amp; Received</td>
<td>$0.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shipping</td>
<td>TBD</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
1.) Online Training Materials are also provided free of charge, on-demand
2.) Software Enhancements refers to development requests made by MDOS for functionality that is not currently supported by QLess. Software enhancements do not include bug fixes and/or software maintenance.
3.) Account Setup includes: Integration, Configuration and Customization per office. Further included is the creation and access assignment of employee log-ins prior to the applicable office's launch. Not included is continued management of employee log-ins post the applicable office(s)' launches.

1.15. **Attachment E – HARDWARE AND SOFTWARE LIST**

**New Attachment:**

**QLESS HARDWARE**

- Kiosk - Stealth Freestanding
- Custom VKP80II 80 mm thermal printer
- 19” LCD w/SAW touch screen USB monitor
- Optiplex 7010 Computer SFF - i3-3220 CPU, 2GB RAM, 250GB HDD

- Monitor
  - LG 47” LED Commercial Widescreen Monitor 47LN549E

- PC for Monitor for Internet access
  - FitPC3 T56N 1.65GHz 64-bit Dual Core Processor 320GB HDD, Linux based computer

**QLESS SOFTWARE COMPONENTS**

**QLESS MANAGER**
Provides MDOS staff the ability to view and manage the virtual queue and to summon customers when they are ready to serve the next person.

**QLESS KIOSK**
The Touchscreen UI enables customers to enter their mobile number or name into a pre-designated queue and be served sequentially based on when they enter the queue. Any computer or tablet may be used for hardware.

**QLESS HOME KIOSK**
Web based kiosk that enables customers to enter the queue or make an appointment remotely from home or work. Customers enter their mobile number into a pre-designated queue and the reason for their visit and they are given text messages or voice-in messages on when to arrive.

**QLESS MONITOR**
Gives your customers an at-a-glance view of your lines in real time. Each customer is shown as the last 4 digits of their phone number or first name and last initial. Runs on any monitor connected to the Internet.

**QLESS REPORTING AND ANALYTICS**
Enterprise reporting of customers who joined a queue, including no-show rates, return rates, outcomes, transaction type, duration times, delay times. All reports can be viewed or downloaded by date, employee, location, etc.

**QLESS CONCIERGE APP**
Native iOS app that runs on an iPad or iPad mini. Allows a CSR greeter or manager to engage with the queue. CSR can quickly add a customer and reason for their visit to the queue in just a few quick touches. Provides a CSR or manager a detailed view of everything happening in that location’s queues.

**FEATURES AND FUNCTIONALITY**

**Virtual Queueing**
Customers are able to join a “Virtual Queue” in a variety of ways:
1. Customers can be added to the queue by MDOS staff members
2. Customers may join the queue via a tablet or stand alone Kiosk in lobby
3. Customers may join a queue remotely via web through the MDOS website
4. Customers can join via SMS text
5. Customers may join the queue via a voice-call

*Virtual Queuing includes on-site queue entry and real-time wait forecast updates via QLess Kiosk and QLess Monitor

**Mobility**
QLess allows customers the mobility to wait anywhere until a staff member is actually ready to serve them. No more waiting after you arrive for an appointment. The QLess system keeps MDOS customers informed via real-time Forecasted Wait Times that are auto-generated for each unique customer in the queue.

- Customers are notified via SMS texts of their wait time
• Customers can receive status updates of their wait via SMS text

**Remote**

QLess allows customers to join the queue from anywhere they might be.

**Interactivity (Interactive SMS)**

Ability for customers to push themselves back

• Saves customers who would otherwise missed their appointment to push themselves back in the line

Ability for customers to notify QLess they have left the line and have QLess call someone to replace them

• Avoid wasted time waiting for people who have left, reduce avg. wait times, optimize yield

Ability for customers to request on-demand status updates

• Keep customers informed about their place in the virtual queue

**QLess Predictive Summoning**

Notifies a customer when they are almost at the front of the line and to return to the DMV. This insures that customers arrive just in time for service and you are not waiting on them.

**Flex Appointments**

Allow customers to pick an exact time. Appointments can be used everyday or specific days and specific time periods. MDOS can also choose how many appointments are allowed an hour while still managing customers who wanted to be seen as soon as possible.

**Voice-in Customer Interface**

Allow customers to get in line via voice call and get status updates via an automated phone call message.

**QLess Administrative Configuration Tool**

A web based tool that allows MDOS staff to manage their account and solution setup. The Configuration Tool allows to set user id’s, logins, user rights, etc. QLess is targeting a release quarterly with additional functionality. MDOS can make changes without contacting QLess.

**OPTIONAL**

**Multilingual**

QLess is available in up to 14 languages ($1,000 per additional language). To add a language is a one-time fee of $1,000 per language.

1.16. **Attachment F – QLess Enterprise Support & Command Center**

**New Attachment:**

In order to provide MDOS with “fixed price” support, QLess proposes MDOS move to QLess’ “Enterprise Support & Command Center”. The cost of “Enterprise Support & Command Center” is as follows:

• MDOS Super Centers (high-volume locations) $3,500 / per year/per location
• All other centers $2,500 / per year/per location
  (includes County Plus Branches in Phase I and Phase II)

Support & Command Center will deliver Enterprise-level support for MDOS while providing broad support for MDOS staff.

• 24x7x365 phone support
  Phone support to branches, including Tier 1 troubleshooting of issues related to QLess operation at the branches, will be provided 1 hour before, during and 1 hour after MDOS operating hours.
- Email support
- Configuration Tool
- Requests to change any of the existing MDOS account configurations, available in Qless System at the time of the request, are included in Qless Support and Command Center Support (e.g. branch office temporary closures; Support Ticket Management (enhanced creation and tracking of support requests)
- Access to Qless knowledge base which includes FAQ's and best practices.
- Research on individual customer service experiences in Qless system, upon MDOS request to assist with resolution of customer complaints.
- Provision of the list of the up-to-date configuration settings for each of the MDOS branches upon MDOS request (i.e. Configuration Management and Documentation).

QLess Support and Command Center service will follow MDOS and Qless Service Level Agreement.

**Configuration Tool**
Web based tool that allows MDOS staff to manage their account and solution setup. For example, set user id’s, logins, user rights, etc. Qless is targeting a release quarterly with more and more functionality, so MDOS can make changes without contacting Qless. Future releases will include setting business hours, customizing text messages, timing of SMS delivery, etc. Qless will provide Configuration Tool updates to MDOS, at no charge, as they are released. Qless will provide initial training on the Configuration Tool features (virtually) and adequate follow-up virtual and phone training sessions. If new features are released Qless will provide training documentation and explanation of any new features. Qless agrees to provide any documentation for the configuration tool as it becomes available.

Configuration tool shall be maintained by Qless same as other Qless software available to MDOS, including upgrades, material defects and error correction.

**Support Ticket Management:**
QLess is currently launching a more comprehensive solution for Enterprise Level Customers like MDOS. The improved ticket management solution provides MDOS the ability to create a ticket upon logging in to MDOS account. MDOS staff will be able to track the ticket they created and see status within Qless support and when it will be completed. Filing an issue with the Support Ticket Management system will follow the response and resolution time, determined in the Qless Support SLA.

This will provide resources for all stages in the implementation and management of your Qless wait management solution. MDOS will be equipped to plan, deploy, and maintain superior availability and optimal performance.

**Additional Support Requests:**
Should MDOS file a support request that Qless determines to be additional due to an excessive amount of time (i.e. 30 or more hours of Qless Support) for resolution or constitutes an enhancement to the existing software, Qless would notify MDOS of the reason, and Qless and MDOS Project Manager shall jointly work on a resolution to the request. If no resolution is available then Qless would provide MDOS a quote/cost ($150 per hour) to complete the request.

Additional Support request example, MDOS requests Qless to track the history of 200 individual MDOS customers through the Qless system. This type of request would take weeks.

1.17. ATTACHMENT G – SLA

**New Attachment:**
QLess Hosting and Support Service Level Agreement (SLA)

QLESS GUARANTEES 99.9% uptime on a monthly basis. Any outage in excess of:

- 10 minutes per day, or
30 minutes per month, or
8 hours per year

During MDOS’ configured operating hours, would constitute an SLA violation. The start of
downtime is defined as when the service is completely unavailable.

**QLESS FURTHER GUARANTEES THAT:**

- 50% of network requests will complete within 100 ms, and
- 90% of network requests will complete within 500 ms

These times exclude any network latency; it is only the time for a request to complete after we
have received it, and the time for us to send the response back over the network. In other
words, it does not include the time for a customer’s request to reach us, or for the first byte of
our response to reach the customer.

Any violation of this SLA Guarantee will result in a **200% credit** for the total duration of the
violation. This guarantee does not apply to any problems or limitations that are local only to the
customer or their connection to the Internet. The credit would be based upon the total Annual
License fees paid by MDOS calculated to per minute of operation. If a credit is rewarded, it will
be applied to the next invoice issued. Scheduled outages/downtime will never be scheduled
during MDOS operating hours and will always be completed before MDOS operations begin.

Formulas for violations that result in an MDOS credit are as follows:

**Daily:**
Total annual license fees (divided) by minutes of operation per year (multiplied) by minutes of
outage in excess of daily SLA (multiplied) by 200%

**Monthly:**
Total annual license fee (divided) by minutes of operation per year (multiplied) by minutes of
outage in excess of monthly SLA (multiplied) by 200%

**Yearly:**
Total annual license fee (divided) by hours of operation per year (multiplied) by hours and
minutes of outage in excess of annual SLA (multiplied) by 200%

Within thirty (30) days after the end of each month, that an SLA violation has occurred,
Contractor will provide to the State a report describing the violation of the Hosted Services
during that calendar month as compared to the SLA guarantee. A description, in sufficient
detail, to inform the State of the cause of such failure and the corrective actions the Contractor
has taken and will take to ensure that the SLA guarantees are fully met. Within 90 days QLess
will provide detailing compliance with the network SLA.

Following each month, QLess and the State would determine if a violation occurred, and if so,
calculate the maximum credit owed to MDOS.

The awarded 200% credit would be applied to MDOS’ account with QLess, and applied against
the next invoice issued by QLess.

**QLESS SUPPORT RESPONSE AND RESOLUTION TARGETS**

The severity levels listed below would be determined by MDOS and QLess staff at the time of
the reporting issue via phone or email. Also, all hardware issues shall be deemed “critical at
minimum or a blocker as agreed upon by MDOS and QLess.

MDOS shall have the ability to request an escalation of an issue’s severity level if the severity
level set by QLess is deemed not appropriate for MDOS operations.
Issues shall be escalated for resolution by the Contractor from level 1 through level 2, as defined below:

- Level 1 – Project Manager
- Level 2 – CTO

**Blocker:**
An emergency condition causing MDOS to be completely unable to operate QLess or effectively serve their customers

**Critical:**
Any condition which makes the use of QLess difficult and which MDOS cannot reasonably circumvent or avoid on a temporary basis without the expenditure of significant time or effort.

**Major:**
The default priority for most Support issues. Any issue that is not Blocker, Critical, or Minor.

**Minor:**
A problem that can be easily circumvented and has little to no impact on regular operation of QLess. Any open Support issue that has been waiting on a response from MDOS for more than 1 month but is left open will be assigned this priority.

<table>
<thead>
<tr>
<th>Severity Level</th>
<th>Response Time¹</th>
<th>Target Resolution Time³</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blocker</td>
<td>Immediate when notified via phone call, no voicemail. Within 2.5 business hours, if reported by email.</td>
<td>1 business day</td>
</tr>
<tr>
<td>Critical</td>
<td>Immediate when notified via phone call, no voicemail. Within 1 business day, if reported by email.</td>
<td>5 business days</td>
</tr>
<tr>
<td>Major</td>
<td>Immediate when notified via phone call, no voicemail. Within 5 business days, if reported by email</td>
<td>15 business days</td>
</tr>
<tr>
<td>Minor</td>
<td>Immediate when notified via phone call, no voicemail. Within 5 business days, if reported by email</td>
<td>4 months</td>
</tr>
</tbody>
</table>

¹. **Response Time** - the amount of time, in which QLess will respond via phone or email, acknowledging receipt of MDOS’ report. Reports via phone call for all severity levels will be acknowledged immediately. Business hours include all MDOS configured operational hours, including Saturday through Noon EST. QLess agrees to provide a Workaround for MDOS’ problem if possible during the response time. For purposes of this provision, “Workaround” will be defined as a temporary resolution for the reported problem.

². **Target Resolution Time** - the amount of time, from the time of acknowledging receipt of MDOS’ problem report, in which QLess will provide a Resolution for MDOS’ problem. For purposes of this provision, “Resolution” will be defined as a permanent resolution for the reported problem. Business hours include all MDOS configured operational hours, including Saturday.

Acknowledgement of an issue occurs when a phone call is received by QLess Staff. If emailed,
MDOS staff will receive an email back from QLess confirming receipt, with a ticket number in the email.

**QLESS AND MDOS HARDWARE SERVICE LEVEL AGREEMENT**

**OVERVIEW**
This Hardware Service Level Agreement (SLA) defines the services and service levels between QLess Inc. and Michigan Department of State (MDOS).

**SERVICE DESCRIPTION**

**Scope**
This Service Level Agreement applies to all hardware (free-standing kiosks, ticket printers, FitPC’s, and monitors) used by MDOS as a part of the QLess service.

**Hardware Supported**
- Stealth Freestanding Kiosk with:
  - Custom VKP80II 80 mm thermal printer
  - 19” LCD w/SAW touch screen USB monitor
  - Optiplex 7010 Computer SFF - i3-3220 CPU, 2GB RAM, 250GB HDD
- LG 47” LED Commercial Widescreen Monitor 47LN549E
- FitPC3 T56N 1.65GHz 64-bit Dual Core Processor 320GB HDD, Linux based computer

**SUPPORT**
- QLess will provide support for hardware that is not functioning properly (ie. Blocker or Critical issue), either remotely, by telephone and/or email, or on-site.
- QLess will coordinate and provide on-site service work to repair hardware supported under this agreement.

**RESPONSE AND RESOLUTION TARGETS**
The severity levels listed below would be determined by MDOS and QLess staff at the time of the reported issue via phone or email. All hardware related issues shall be deemed “Critical” at minimum or “Blocker” as agreed upon by MDOS and QLess.

MDOS shall have the ability to request an escalation of an issue’s severity level if the severity level set by QLess is deemed not appropriate for MDOS operations.

Issues shall be escalated for resolution by the Contractor from level 1 through level 2, as defined below:
- Level 1 – Project Manager
- Level 2 – CTO

**Blocker:**
An emergency condition causing MDOS to be completely unable to operate QLess or effectively serve their customers, including but not limited to any outage of the hardware listed in this SLA and provided by QLess.

**Critical:**
Any condition which makes the use of QLess difficult and which MDOS cannot reasonably circumvent or avoid on a temporary basis without the expenditure of significant time or effort.

<table>
<thead>
<tr>
<th>Severity Level</th>
<th>Response Time&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Target Resolution&lt;sup&gt;2&lt;/sup&gt;</th>
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</thead>
</table>
| Blocker        | • Immediate when notified via phone call; no voicemail.
                   • Within 2.5 business hours, if reported by email. | • Within 1.5 business days if no hardware replacement is needed
                                                               • Within three (3) business days if hardware replacement is needed |
| Critical       | • Immediate when notified via phone call, no voicemail. | Within three (3) business days |
Within 1 business day, if reported by email.

1. Response Time - the amount of time, in which QLess will respond via phone or email, acknowledging receipt of MDOS’ report. Reports via phone call for all severity levels will be acknowledged immediately. Business hours include all MDOS configured operational hours, including Saturday through Noon EST. QLess agrees to provide a Workaround for MDOS’ problem if possible during the response time. For purposes of this provision, “Workaround” will be defined as a temporary resolution for the reported problem.

2. Target Resolution Time - the amount of time, from the time of acknowledging receipt of MDOS’ problem report, in which QLess will provide a Resolution for MDOS’ problem. For purposes of this provision, “Resolution” will be defined as a permanent resolution for the reported problem, including issue trouble-shooting, service, or repair or replacement of the hardware and any of its components. Business hours include all MDOS configured operational hours, including Saturday.

ROLES AND RESPONSIBILITIES

QLess Responsibilities
QLess agrees to provide the personnel, processes and monitoring tools necessary to provide support as described in this document, and:

- Meet response time's associated with the priority assigned to MDOS service-related incidents or requests.
- Provide support for hardware that is not functioning properly, either remotely, by telephone and/or email, or on-site.
- Provide on-site support, via a third-party agency, in the event QLess support is unable to resolve the service-related incident or request remotely, by telephone and/or email.

MDOS Responsibilities
MDOS agrees to provide the personnel and follow the processes established by QLess as described in this document, and:

- Branch personnel will make themselves available to QLess support engineers during the resolution of service-related incidents or requests, limited to basic troubleshooting.
- QLess shall not require MDOS personnel to participate in extensive analysis/testing of an issue, being present on a call with QLess or subcontractor personnel for extensive periods of time, and any troubleshooting that involves climbing a ladder to reach the QLess Monitor.
- Utilize the Service Request Procedure and Format (as described below) for reporting service-related incident or request remotely, by telephone and/or email.
- Performing the preventative maintenance for the ticket printer as described in the ticket printer manufacturer’s instructions or user manuals.
- Ship any return parts replaced, pre-paid, by QLess, to QLess or any other 3rd party as instructed by QLess to MDOS.

SERVICE REQUEST PROCEDURE AND FORMAT

MDOS agrees to adopt and utilize the following format for reporting a service-related incident or request via email:

- Address all email support requests to support@qless.com and cc: reggie@qless.com.
- Subject: MDOS; Branch Name; Quick Description of Problem
- Body:
  - A detailed description of the problem they are experiencing (Identify if kiosk, ticket printer, monitor, etc.)
  - Primary contact person name and phone number at affected branch/es.
  - Secondary contact name and phone number at affected branch/es.

MDOS agrees to adopt and utilize the following format for reporting a service-related incident or request via telephone and:
• Identify themselves as MDOS and provide branch name
• Provide a detailed description of the problem they are experiencing (Identify if kiosk, ticket printer, monitor, etc.)
  o Provide a Primary contact person name, phone number and email address at affected branch/es.
  o Secondary contact name, phone number and email address at affected branch/es.
CHANGE NOTICE NO. 1

to

CONTRACT NO. 071B3200152

between

THE STATE OF MICHIGAN

and

QLess, Inc.
The Prado, 840 Green St., Suite 301
Pasadena, CA 91101

NAME & ADDRESS OF CONTRACTOR:  PRIMARY CONTACT  EMAIL
QLess, Inc.  Michael Soderlund  Michael.soderlund@qless.com
The Prado, 840 Green St., Suite 301  Michael Soderlund  Michael.soderlund@qless.com
Pasadena, CA 91101  (800) 405-4637 x230

STATE CONTACTS  AGENCY  NAME  PHONE  EMAIL
contract compliance inspector  DTMB  Tom Cantrell  517-636-5049  cantreellt@michigan.gov
buyer  DTMB  Whitnie Zuker  517-335-5306  zukerw@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION:  Customer Flow Management System

INITIAL EFFECTIVE DATE  INITIAL EXPIRATION DATE  INITIAL AVAILABLE OPTIONS  EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 13, 2013  September 12, 2018  2, one year  September 12, 2018

PAYMENT TERMS  F.O.B  SHIPPED  SHIPPED FROM
N/A  N/A  N/A  N/A

ALTERNATE PAYMENT OPTIONS:  AVAILABLE TO MIDEAL PARTICIPANTS
☐ P-card  ☐ Direct Voucher (DV)  ☐ Other  ☐ Yes  ☒ No

MINIMUM DELIVERY REQUIREMENTS:
N/A

DESCRIPTION OF CHANGE NOTICE:

EXTEND CONTRACT EXPIRATION DATE  EXERCISE CONTRACT OPTION YEAR(S)  EXTENSION BEYOND CONTRACT OPTION YEARS  LENGTH OF OPTION/EXTENSION  EXPIRATION DATE AFTER CHANGE
☒ No  ☐ Yes  ☐  ☐  

VALUE/COST OF CHANGE NOTICE:  ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$0.00  $1,100,000.00

Effective immediately, contract is hereby amended to include the attached subcontractor, permissible under Section 2.071. Please also note that the buyer has been changed to Whitnie Zuker. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement and DTMB Procurement approval.
Firm Name: Spencer Technologies

Address:
102 Otis St.
Northborough, MA 01532-2415

Contact Person:
Ted Toran
National Account Manager
781-727-5347 (mobile)
508-435-1050 (office)
ttoran@spencertech.com

Work to be Completed:
QLess proposes Spencer, Tech. for the completion of all hardware installation work, including that of freestanding kiosks and wall-mounted LCD monitors, as well as initial testing of the QLess solution on all installed hardware.

Descriptive Information on Spencer's Organization and Abilities:
See attached Spencer Technologies Brochure
NOTICE
OF
CONTRACT NO. 071B3200152
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR: QLess, Inc.
The Prado, 840 Green St., Suite 301
Pasadena, CA 91101

PRIMARY CONTACT: Michael Soderlund
EMAIL: michael.soderlund@qless.com

TELEPHONE: 800-405-4637 x230

STATE CONTACTS

AGENCY            NAME            PHONE            EMAIL

contract compliance inspector: DTMB        Tom Cantrell      517-636-5049      CantrellT@michigan.gov
buyer: DTMB        Joe Kelly         517-373-3993      kellyj11@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION:
Customer Flow Management System

INITIAL TERM        EFFECTIVE DATE        INITIAL EXPIRATION DATE        AVAILABLE OPTIONS
5 Years             September 13, 2013     September 12, 2018             2, 1 Yr. Options

PAYMENT TERMS
N/A

ALTERNATE PAYMENT OPTIONS:
P-card
Direct Voucher (DV)
Other
YES
NO

MINIMUM DELIVERY REQUIREMENTS:
N/A

MISCELLANEOUS INFORMATION:
N/A

ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION: $1,100,000.00
STATE OF MICHIGAN  
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
PROCUREMENT  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B3200152  
between  
THE STATE OF MICHIGAN  
and  

<table>
<thead>
<tr>
<th>NAME &amp; ADDRESS OF CONTRACTOR:</th>
<th>PRIMARY CONTACT</th>
<th>EMAIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>QLess, Inc.</td>
<td>Michael Soderlund</td>
<td><a href="mailto:michael.soderlund@qless.com">michael.soderlund@qless.com</a></td>
</tr>
<tr>
<td>The Prado, 840 Green St., Suite 301, Pasadena, CA 91101</td>
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<table>
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<tr>
<th>TELEPHONE</th>
<th>CONTRACTOR #, MAIL CODE</th>
</tr>
</thead>
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<tr>
<td>800-405-4637 x230</td>
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<th>AGENCY</th>
<th>NAME</th>
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<th>EMAIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRACT COMPLIANCE INSPECTOR:</td>
<td>DTMB</td>
<td>Tom Cantrell</td>
<td>517-636-5049</td>
<td><a href="mailto:CantrellT@michigan.gov">CantrellT@michigan.gov</a></td>
</tr>
<tr>
<td>BUYER:</td>
<td>DTMB</td>
<td>Joe Kelly</td>
<td>517-373-3993</td>
<td><a href="mailto:kellyj11@michigan.gov">kellyj11@michigan.gov</a></td>
</tr>
</tbody>
</table>

**CONTRACT SUMMARY:**

**DESCRIPTION:**

Customer Flow Management System

<table>
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<tr>
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<th>EFFECTIVE DATE</th>
<th>INITIAL EXPIRATION DATE</th>
<th>AVAILABLE OPTIONS</th>
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<tr>
<td>5 Years</td>
<td>September 13, 2013</td>
<td>September 12, 2018</td>
<td>2, 1 Yr. Options</td>
</tr>
</tbody>
</table>

**PAYMENT TERMS**

- F.O.B SHIPPED SHIPPED FROM
- N/A N/A N/A

**ALTERNATE PAYMENT OPTIONS:**

- P-card [ ]
- Direct Voucher (DV) [ ]
- Other [ ]
- YES [ ]
- NO [ ]

**MINIMUM DELIVERY REQUIREMENTS:**

N/A

**MISCELLANEOUS INFORMATION:**

N/A

**ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:** $1,100,000.00

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #071I3200064. Orders for delivery will be issued directly by the Department of Technology, Management & Budget through the issuance of a Purchase Order Form.
Notice of Contract #: 071B3200152

<table>
<thead>
<tr>
<th>FOR THE CONTRACTOR:</th>
<th>FOR THE STATE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>QLess, Inc.</td>
<td>Signature</td>
</tr>
<tr>
<td>Firm Name</td>
<td>Genevieve Hayes, Acting IT Division Director</td>
</tr>
<tr>
<td>Authorized Agent Signature</td>
<td>Name/Title</td>
</tr>
<tr>
<td>Authorized Agent (Print or Type)</td>
<td>DTMB Procurement</td>
</tr>
<tr>
<td>Date</td>
<td>Enter Name of Agency</td>
</tr>
<tr>
<td></td>
<td>Date</td>
</tr>
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**Glossary**

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**Attachment C**

**ATTACHMENT D – COST TABLES**
Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 Project Request
This project will provide a customer flow management (CFM) system to the Michigan Department of State (MDOS) Branch Office system. The system will be a Commercial, Off The Shelf (COTS) application, providing software, hardware and services with little need for customization.

1.002 Background
The mission of the Michigan Department of State is committed to delivering modern, efficient, cost-effective and convenient service, achieved with innovation, technology and the energy, vision and experience of our valuable team members. The Department services the citizens of Michigan with programs designed to administer drive and vehicle systems, enhance traffic safety, protect consumers, ensure integrity of records maintained and oversee the statewide election process.

The problems, issues, events leading to the current situation and this Contract (such as regulatory changes, to meet new federal/state requirements or a new initiative of the Governor, replacement of paper processes); allow for real time status of reports/dashboard/monitoring functionality that will determine wait times of customers, broken down by arrival times, visit length and employee productivity.

The goals and business objectives of this project are to meet the department’s mission by providing the citizens of Michigan with the best customer service possible.

Phase 1 of this project will include the 7 Super!Centers and 3 additional Branch Offices. Phase 2 will cover additional Branch Offices, as requested.

The technologies listed in Attachment B are standards used by the State of Michigan. Technology not included on this list will require an exception request to be processed by the state and will require documentation as to why that solution must be utilized.

1.100 Scope of Work and Deliverables

1.101 In Scope
Phase 1 of this COTS project is as follows:

Workflow Capabilities:

Procure a dynamic and scalable solution based on office size to include but not be limited to the following services: (Refer to Attachment C)

This project consists of the following scope:

- Business Requirements – coordinated effort between MDOS, DTMB and Contractor
- Facilitated Sessions
- Validation and Verification
- Hardware
- Software include costs, component software, licensing requirements and upgrades
- Application Design
- Application Development
- Implementation – Phase 1 (10 Branch Offices) and Phase 2 (additional Branch Offices) as requested
- Data Conversion
- Data Migration - integrate data from pilot
- Configuration
- Training shall be provided by the Contractor at each field office location in the form of hands-on instructions with an operating manual containing instruction for each system component. Manuals and training materials shall be provided by the Contractor at time of training and shall be retained at the field office. One hard copy of the operating manual will be provided at the time of training with an electronic copy or CD/DVD for future reference, if needed. Any changes in the training material shall be submitted as necessary.
  - End user
  - Web training
- Documentation
- Operation Services
- Maintenance and Support
- Help Desk
- Onsite Technical Support
- Knowledge Transfer/Transition
- Reserve bank of hours for future enhancements and/or legislative mandates

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

1.102 Reserved

1.103 Environment

The links below provide information on the State’s Enterprise information technology (IT) policies, standards and procedures which includes security policy and procedures, 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 shall conform to State IT policies and standards. All services and products provided as a result of this Contract must comply with all applicable State IT policies and standards. Contractor is required to review all applicable links provided below and ensure compliance with them.

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

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

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

Enterprise IT Security Policy and Procedures:

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

MDTMB requires that its single-login 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 MDTMB Office of Enterprise Security.

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

IT eMichigan Web Development Standard Tools:

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

I. SERVICES AND DELIVERABLES TO BE PROVIDED
The Contractor shall provide a dynamic and scalable solution based on office size and should provide at a minimum the following services:

1. The Contractor shall provide a two-phased Contractor-provided and supported Customer Flow Management (CFM)/Queuing Management System for up to 131 Branch Offices within the State of Michigan. The Contractor will be required to conduct a six (6) month non-binding pilot at the 7 Supercenters and 3 additional Branch Offices listed below.

2. The CFM solution must be a Commercial Off the Shelf web-based system that can be managed both locally and remotely and will improve customer service, create a better working and waiting environment, reduce real and perceived wait times, and improve workflow at the Branch Offices. The solution will measure steps in customer flow processes and provide management with the basis for analyzing and further improving them. In addition, the CFM solution will be centralized, flexible, scalable and all essential CFM functions such as queuing, prioritizing and segmenting customers, customer and management notifications, customer information, and have a full reporting package. The system should also provide for internet access so that the public can schedule appointments at any of the sites.

The solution will measure steps in the customer flow processes and provide management with the basis for analyzing and further improving them.

MDOS offices processed approximately 13 million transactions at 131 branch locations throughout the state during 2011.

Phase 1 will include the implementation of the solution on a proof of concept/pilot basis in the 7 Supercenters and 3 other Branch Offices. Phase 2, upon acceptable completion of Phase 1, will include implementation of the solution in additional Branch Offices within MDOS. The CFM must be adaptable to allow MDOS to expand the number of locations in Phase 2.

The Contract includes free software and system updates for life. The Contractor shall provide software updates on a bi-weekly basis. The Contractor will provide access to a full suite of over 80 high performance REST-based Web services that allow quick and easy integration with every aspect of the system, so integration with MDOS’ Television Service Contractor/BIS, and other integration, as needed, can be accomplished seamlessly, and in a timely manner.
The Contractor must provide, install and supply on-going maintenance for the Customer Flow/Queue Management System at the following locations:
The CFM must comply with the State of Michigan Security and Network standards.

Acceptance Criteria
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

A. Hardware/Software
The Contractor must provide a detailed description of the infrastructure requirements for all hardware, COTS system software and 3rd party software required to implement the solution. Examples include the database, operating systems (including versions), and hardware required (e.g. servers, switches) for maximum effectiveness of the software. The proposed infrastructure requirements must provide for full redundancy of data and processing components with no single points of failure. The SOM may procure the hardware and software necessary for the solution through other SOM contracts.

Products purchased through this Contract must be new and provided with the manufacturer's standard warranty.

Contractor will provide a product that is 100% web-based software as a service. Contractor will manage all of the updates and upgrades, free of charge. The system will maintain the most current queue management software available. System will be compatible with all standard browsers, including, but not limited to, Firefox 3 or higher, Internet Explorer 7 or higher, Google Chrome, and Android Browser

Deliverable(s)
2. Licensed COTS Software/Hardware

B. Implementation
The Contractor shall plan, stand, configure, and test the COTS solution. The implementation will include development of the interfaces to other State service systems and customizations required to meet the SOM mandatory systems requirements. See Functional Requirements (Attachment C) for a description of the interface and functional requirements. Once the solution is readied, the Contractor shall develop and run technical and user acceptance testing, prepare and provide operational and technical documentation, conduct onsite go-live support at each facility, and conduct SOM training for users of the system.

Deliverable(s)
3. Implementation and Configuration of the COTS System
4. Development of Required and Optional Customizations
   The Contractor’s COTS solution may require customization to meet the SOM’s Functional Requirements listed in Attachment C. For all customizations, the Contractor will follow and create required deliverables in accordance with the SUITE methodology which includes standards for project management, systems engineering, and associated forms and templates which is available at: http://www.michigan.gov/dmb/0,4568,7-150-56355-95218--,00.html
5. Interfaces
6. Testing
   a. As system functionality is configured and implemented, the Contractor will be required to provide comprehensive testing to validate functionality and performance.
   b. Testing will include:
      vii. Interface testing
viii. Unit and systems testing of customizations
ix. User acceptance testing

3) User Acceptance Test (UAT) Cases
   a. The Contractor will assist SOM in the development of test plans for User Acceptance Testing.
   b. The user acceptance test cases should include data edits and data validation criteria.

4) User Acceptance Testing
   a. The Contractor shall assist SOM to schedule, coordinate, monitor, and manage all User Acceptance Testing (UAT) activities.
   b. The SOM is responsible for providing end users and subject matter experts to perform the user acceptance testing.
   c. Users participating in UAT are expected to provide test results sign-off at the completion of UAT, providing their recommendation to the State Project Manager for formal approval and readiness for production.
   d. State testers will update the test cases with the test results. If results are successful, they will provide their sign-off by marking the test case as ‘Passed’.
   e. The Contractor shall provide support for the duration of UAT. This support must include both business and technical assistance.
   f. The testing process will include the ability to provide for a complete test cycle.
   g. The Contractor shall support the UAT by:
      xvii) Monitoring system performance.
      xviii) Investigating why data was not processed.
      xix) Monitoring computer resource usage.
      xx) Participating in problem review meetings.
      xxi) Investigating problems and identifying potential problems.
      xxii) Answering user questions about the system.
      xxiii) Investigating and ensuring user access to the system in the UAT environment.
      xxiv) Generally helping the users execute tests and review results.

h. For the purposes of this Contract, a defect is anything that either adversely impacts the expected functionality to the users or otherwise reduces the quality of a work product. It includes items that should have been included but were omitted or items that were included but were incorrect. The Contractor must correct Level 1 and Level 2 defects discovered during UAT in a timely manner by following normal application development procedures – modifying the appropriate configuration items in the development environment, unit and integration testing the change, promoting the configuration item to the testing environment, quality assurance testing the change, and promoting the change to the UAT environment. Defects will be classified according to the following severity scale:
   ix) Level 1 – Causes a system outage.
   x) Level 2 – Major defect with no work around.
   xi) Level 3 – Major defect with an agreed upon work around by the Department.
   xii) Level 4 – Minor or cosmetic defect; no impact on ability to complete work.

i. Promotions to UAT shall occur on a regularly scheduled basis determined and agreed to by the Contractor and Agencies, unless it is an emergency situation (e.g., UAT cannot continue until problem is resolved).

j. The Contractor must have procedures and tools for tracking, reporting, and correcting deficiencies.
   vii) Quality assurance testing.
   viii) Performance testing.
   ix) Operations testing:
      11) Identification of all operations areas requiring testing.
      12) Sequence of activities for operations test.
      13) State participants.
      14) Results and implications for overall DM operation.
      15) Deficiencies, corrective action, and required training.
The Contractor shall conduct a walk-through of the testing process and the test results to enhance SOM understanding and to facilitate the SOM approval process, including a review of performance metrics and general “lessons learned” from all testing participants.

C. Test Plan

In collaboration with SOM, the Contractor will provide a detailed plan for Unit Testing, System Testing, Interface Testing, User Acceptance Testing, Quality Assurance, Performance, and Operations Testing. The Test Plan Deliverable shall contain the following, at a minimum:

- Description of testing approach
- Definition of test cases or processes, in corroboration with SOM
- Resources from the State and Contractor
- Schedule
- Validation of test results
- Corrective action approach

Contractor must provide appropriate system interfaces/integration to the following applications:

Name of application: __Branch Operations iSystem___________________
Owner of application (if external to the agency):  __Motor Vehicle Network____
Details of interface (if determined by the other application):  __Contractor must provide number information (place in line) to be displayed on mounted TV screens__

Acceptance Criteria

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

D. Training

The Contractor shall provide role-based training for the staff involved with the project. SOM staff will need to be properly trained and supplied with the proper tools and documentation in order to use, monitor, operate, and configure the application in accordance with the requirements of this Contract and the Contractor’s proposal. The Contractor shall train approximately eight SOM staff, who will become trainers of additional SOM staff members. Training will occur at the discretion of the State and will occur at various locations. (Contractor shall recommend the number of training days required for training in the Pricing Tables.)

- Develop a training plan for the various users of the system.
- The Contractor shall be responsible for providing training sessions for the following categories:
  - Administrative training such as assigning end user security, functional roles, creation of workflows, importing of batch images, batch processing of electronic files and system administration as required by the application, including customization or modifications as required.
  - Technical system administrative training such as, but not limited to database management and system performance tuning.
  - Train-the-Trainer sessions for trainers so they obtain knowledge of all base functionality of the application to use, monitor, operate, and teach the solution as specified in the Contract. Training should be specific to MDOS’ needs.
- The Contractor shall be responsible to provide all required materials for classroom sessions.
  - A student manual shall include additional practical exercises in the back of the manual that the end user can complete upon return to their work location.
  - End user/training manuals should include curriculum by functionality, with sufficient examples and exercises to accomplish the stated training objective of assuring that end users gain the skills necessary to perform their job functions.
- The Contractor shall also create any other necessary training aids such as presentation outlines and audio-visual materials.
  - Additional training materials may include Computer-Based Training (CBTs), CDs, videos, and virtual classrooms. An introduction to these items should be provided during the classroom training, with the intent that these materials supplement the training received by students upon their return to their work location.
- All end user/training materials shall be delivered to the SOM in electronic format upon the completion of the train-the-trainer sessions and prior to implementation.
r. The Contractor shall grant the SOM permission to reproduce, for internal use, documentation for training purposes even if such material has a copyright.

Training Deliverable(s)

i. Train the trainer training
j. End user training
k. Technical training for State individuals who will be working with the services Contractor to configure the applications including establishing databases and interfaces, data conversion, customization, and upgrading the customized software.

l. System administration training for State personnel who will be responsible for ongoing maintenance and administration of the system, including security

Upgrades and new versions to the system that affect end-user functionality include training at no additional cost (e.g. classroom or online training, training flier, release features, etc.)

Training is provided in a variety of formats for product installation, use, and administration for a variety of levels (e.g. basic, advanced, refresher, etc.)

All training manuals, training plans and other documentation provided become the property of the State.

Acceptance Criteria

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

E. Documentation

Contractor is responsible for providing all equipment and software manuals for each installation. The manuals may be in electronic format.

Documentation Deliverable(s)

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

**Acceptance Criteria**
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

**F. Operation Services**
The Contractor must provide all services needed for operations.

**Deliverable(s)**
- Hosting
- Systems management
- Security administration services
- Storage services
- Remote management with hardware at a State site
- On-site management with hardware at a State site

**Acceptance Criteria**
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

**G. Maintenance and Support**
Contractor is fully responsible to manage and administer its system. In that regard, the Contractor shall supply annual software maintenance and support services that provide systems management (e.g., develop and provide corrections, changes, or workarounds for any defects, errors, or malfunctions in the Contractor software and that also provide new versions, updates and/or enhancements to the software), Help Desk Services (e.g., provide access to Help Desk personnel both via telephone and e-mail on an as needed basis), Disaster Recovery (e.g., take all reasonable steps to have data anomalies repaired and data loss in the software minimized), Security Administration (e.g., provide a means to monitor and authorize limited access to the system on an as needed basis), and Storage Services (e.g., provide for the repository and retrieval of data accumulated by the Agency users).

**Deliverables:**
1. Maintenance and Support Services
2. Server update and patching schedule; Software update schedule
3. For the first year and all subsequent Contract years, the following services are provided for the current version and one previous version of any software provided with the deliverable, commencing upon installation of the deliverables or delivery of the software:
   a. **Error Correction.** Upon notice by State of a problem with the software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.
   b. **Material Defects.** The State will be notified of any material errors or defects in the deliverables known, or made known to Contractor from any source during the Contract term that could cause the production of inaccurate, or otherwise materially incorrect, results and shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.
   c. **Updates.** All new releases and bug fixes (collectively referred to as “Changes”) for any software deliverable developed or published by Contractor and made available to the State at no additional charge.
4. The software maintenance program includes all future software updates and system enhancements applicable to system modules licensed without further charge to all licensed users maintaining an annually renewable software support contract.
5. Help desk support is available one hour before and after MDOS business hours, with escalation as necessary to senior technical/engineering staff, and then to higher management and/or senior management.
Acceptance Criteria
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.
H. Knowledge Transfer/Transition

The awarded Contractor shall provide:

- All labor
- Tools
- Materials Equipment
- Services
- Travel
- Training
- Training Materials; and

Other requirements necessary for, or incidental to configure, install, operate and maintain customer queue systems, except for all necessary electrical circuits and structure penetrating cabling.

**Deliverable(s)**

- Knowledge transfer to State Staff from Incumbent Contractor

**Acceptance Criteria**

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

I. Other Services (Agency to add any additional services to be required)

QLess is centrally hosted and managed; it manages all of its own servers and supports a full suite of over 80 high performance REST-based web services. QLess will host all queuing and reporting data, and provide off-site backup and restoration of all data and content free of charge. QLess will conduct daily, weekly, monthly and annual backups of all QLess Reports and application being utilized. QLess already does daily, weekly, monthly, and yearly off-site backups to 2 redundant cloud-based services for all of its servers using backup software called Jungledisk. MDOS may elect to back up their entire QLess data warehouse to on-site storage using QLess Reports data warehouse export, on any schedule that it chooses. The actual scheduling of that export will be under the control of MDOS; not QLess. MDOS can download their data warehouse at any time from a simple URL.

QLess will dedicate a reserve bank of hours for future development services, as reserved to meet new requirements that may arise throughout the course of the Contract. The extent of the reserve bank's hours will be determined based on MDOS’ projected need. QLess's suggested reserved bank of development services hours, as based on experience with comparable projects, is detailed in Attachment D - Cost Tables of this Proposal.

**Deliverable(s)**

- Hosting
  - Pricing provided for Contractor-based hosting of data. The State of Michigan reserves the right to host data on our system if vendor-pricing is prohibitive.
  - Future development services to meet new requirements (reserve bank of hours)

**Acceptance Criteria**

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.502.

1.200 Roles and Responsibilities

1.201 Contractor Staff, Roles, And Responsibilities

A. Contractor Staff

The Contractor will identify a Single Point of Contact (SPOC). The duties of the SPOC shall include, but not be limited to:

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

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

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

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

- Project Manager
- System Architect

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

- Manage all defined Contractor responsibilities in this Scope of Services.
- Manage Contractor’s subcontractors, if any
- Develop the project plan and schedule, and update as needed
- Serve as the point person for all project issues
- Coordinate and oversee the day-to-day project activities of the project team
- Assess and report project feedback and status
- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures
- Prepare project documents and materials
- Manage and report on the project’s budget

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this Statement of Work.

Dedicated to the Michigan Project will be:

Alex Backer, QLess CEO
Responsible for: Contract Negotiation; high-level Contract Management.

John Brock – Project Manager
Responsible for: Contract Negotiations Lead; General Project Management, including all necessary on-site visits and meetings, including but not limited to: Orientation Meeting and Monthly Performance Review Meetings; Submission of Risk Management Plan; Coordination and management of all QLess staff and all subcontractors assigned to Project. John will be dedicated to the Michigan Project, and will be available to Michigan at all times.

Tim McCune – Lead Architect & Lead Tester/Test Manager
Responsible for: General Management of all QLess Applications, including all Updates and Upgrades; the provision of all technical documentation; Coordination of Knowledge Transfer, Account Setup, and System Integration; Testing Lead and Test Manager; high-level Technical Management.

Michael Soderlund – Training Coordinator & Asst. Project Manager
Responsible for: Provision of all Training Deliverables; Scheduling of all on-site training and subsequent Training webinars & coordination of QLess Training Team; Assisting Project Manager in the General Management of the Project; participation in all necessary on-site visits and meetings, including Orientation Meeting and Monthly Performance Review Meetings; ordering and documentation of all hardware deliverables. Michael will be 100% dedicated to the Michigan Project, and will be available to the State at all times.

Bill Dehaan – Business Analyst
Responsible for: Provision of Subject Matter Expertise on all matters involving integration, implementation, and general fulfillment of Contract terms. Assistance with Account Setup and customization work.

Augusto Callejos – Assistant Technical Lead
Responsible for: Assistance with software development and the Management of high-level technical matters pertaining to Project.

Ray Hanes – Call Center Manager
Responsible for: Management of the QLess Call Center; QLess Technical Issue Management and Reporting.

Michael Ander – QLess Marketing Director
Responsible for: Press Releases and press coverage coordination in respect to Project.

Jeff Suto – QLess Legal Counsel
Responsible for: Legal Review of Contract; Legal Counsel with emphasis in Intellectual Property Law.

Roles and Responsibilities Diagram

B. On Site Work Requirements
1. Location of Work
The work is to be performed, completed, and managed at the following locations:
See above list of Phase 1 Branch Offices. Phase 2 Branch Offices will be identified after Phase 1 acceptance.

2. Hours of Operation:
a. Normal MDOS working hours are 9:00 a.m. to 5:00 p.m. EST, Monday, Tuesday, Thursday and Friday; 9 a.m. to 7 p.m. Wednesday, and in our Super!Centers 9 a.m. to 12 p.m. on Saturday. All installation must be completed outside business hours. No overtime will be authorized or paid.
b. Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

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

4. Additional Security and Background Check Requirements:
Contractor must present certifications evidencing satisfactory Michigan State Police Background checks, ICHAT and drug tests for all staff identified for assignment to this project.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC) Finger Prints, if required by project.

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

1.202 State Staff, Roles, And Responsibilities

The State project team will consist of Executive Subject Matter Experts (SME’s), project support, and a MDTMB and Agency project manager:

Executive Subject Matter Experts
The Executive Subject Matter Experts representing the business units involved will provide the vision for the business design and how the application shall provide for that vision. They shall be available on an as needed basis. The Executive SME’s will be empowered to:

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Agency/Division</th>
<th>Title</th>
<th>Phone/e-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christina Schaefer</td>
<td>Bureau of Branch Office Services</td>
<td>Administrative Assistant</td>
<td>(517) 636-5311</td>
</tr>
<tr>
<td>Joe Rodriguez</td>
<td>Bureau of Branch Office Services</td>
<td>Analyst</td>
<td>(517) 636-6050</td>
</tr>
</tbody>
</table>

State Project Manager- (MDTMB and Agency)
MDTMB will provide a Project Manager who will be responsible for the State’s infrastructure and coordinate with the Contractor in determining the system configuration.

The State’s Project Manager will provide the following services:

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Agency/Division</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tom Cantrell</td>
<td>MDTMB</td>
<td>Project Manager</td>
</tr>
<tr>
<td>Joe Rodriguez</td>
<td>Agency</td>
<td>Project Manager</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Name</th>
<th>Agency/Division</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joe Kelly</td>
<td>MDTMB</td>
<td>Contract Administrator</td>
</tr>
</tbody>
</table>

**1.203 Other Roles And Responsibilities**

Deleted n/a

**1.300 Project Plan**

**Preliminary Project Plan**

Contractor will provide a Project Plan to the SOM Project Manager within 10 days of execution of the Contract. The project plan will include necessary time frames and deliverables for the various stages of the project and the responsibilities and obligations of both the Contractor and the State.

1. In particular, the Project Plan will include an MS Project plan or equivalent (check the SUITE/PMM standard):
   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 Project Plan shall include the following deliverable/milestones for which payment shall be made.
   a. Payment to the Contractor will be made upon the completion and acceptance of the deliverable or milestone, not to exceed contractual costs of the phase. A milestone is defined as complete when all of the deliverables within the milestone have been completed.
   b. Failure to provide deliverable/milestone by the identified date may be subject to liquidated damages as identified in Article 2.

**Orientation Meeting**

Upon 14 calendar days from execution of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

**Performance Review Meetings**

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

**Project Control**

1. The Contractor will carry out this project under the direction and control of MDTMB, and MDOS.

2. Within 30 working days of the execution of the Contract, the Contractor will submit the project plan to the State project manager(s) for final approval. 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 will manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates, which is available at http://www.michigan.gov/suite
   
a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract’s progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:
      - Staffing tables with names of personnel assigned to Contract tasks.
      - Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next 30 calendar days, updated semi-monthly).
      - Updates must include actual time spent on each task and a revised estimate to complete.
      - Graphs showing critical events, dependencies and decision points during the course of the Contract.
   
b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

**1.302 Reports**

Reporting formats must be submitted to the State’s Project Manager for approval within 30 business days after the execution of the Contract. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the Contract.

- 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
- Repair status
- Maintenance Activity

**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 Manager
- Level 2 – Executive Subject Matter Experts (SME’s)

### 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. The risk management plan will be developed during the initial planning phase of the project, and be in accordance with the State’s PMM methodology. Once both parties have agreed to the format of the plan, it shall become the standard to follow for the duration of the Contract. The plan must be updated bi-weekly, or as agreed upon.

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

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

### 1.403 Change Management

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

If a proposed Contract change is approved by the Agency, the Contract Administrator will submit a request for change to the Department of Technology, Management and Budget, Procurement Buyer, who will make recommendations to the Director of DTMB-Procurement regarding ultimate approval/disapproval of change request. If the DTMB Procurement Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the DTMB-Procurement Buyer will issue an addendum to the Contract, via a Contract Change Notice. **Contractors who provide products or services prior to the issuance of a Contract Change Notice by the DTMB-Procurement risk non-payment for the out-of-scope/pricing products and/or services.**

The Contractor must employ change management procedures to handle such things as “out-of-scope” requests or changing business needs of the State while the migration is underway.
The Contractor will employ the change control methodologies to justify changes in the processing environment, and to ensure those changes will not adversely affect performance or availability.

1.500 Acceptance

1.501 Criteria
See section 2.250.

1.502 Final Acceptance
Pilot sites must be installed and functional (no service, reporting, hardware or software failures) for 30 days after the last site installation before MDOS will consider the pilot a success and make final acceptance of the pilot systems.

When phase II is initiated, all phase II sites must also be installed and functional (no service, reporting, hardware or software failures) for 30 days after the last site installation before MDOS will consider phase II a success and make final acceptance of the phase II systems.

1.600 Compensation and Payment

1.601 Compensation And Payment
This will be a firm, fixed price Contract with the following payment schedule for Phase I and Phase II.

6. deliverables/milestone based on 20% upon award, 50% on installation, and 30% once the phase is completed.
7. lump sum payment
8. rate card/unit price
9. monthly rates,
10. or combination, etc.

Method of Payment
The project will be paid via EFT; the Contractor must meet the State’s EFT payment guidelines.

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

Statements of Work and Issuance of Purchase Orders
Unless otherwise agreed by the parties, each Statement of Work will include:
1. Background
2. Project Objective
3. Scope of Work
4. Deliverables
5. Acceptance Criteria
6. Project Control and Reports
7. Specific Department Standards
8. Payment Schedule – 20% upon award of Contract, 50% once installed, and 30% upon completion.
9. Travel and Expenses
10. Project Contacts
11. Agency Responsibilities and Assumptions
12. Location of Where the Work is to be performed
13. Expected Contractor Work Hours and Conditions

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

Invoicing
Contractor will submit properly itemized invoices to:

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

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

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

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.
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 September 13, 2013 through September 12, 2018. All outstanding Purchase Orders must also expire upon the termination 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, shall remain in effect for the balance of the fiscal year for which they were issued.

2.002 Options to Renew
This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to three (3) additional one (1) year periods.

2.003 Legal Effect
Contractor accepts this Contract by signing two copies of the Contract and returning them to the DTMB-Procurement. 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 shall not be liable 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), 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 must issue an approved written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order 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 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 shall take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract. The Contract 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 Technology, Management and Budget, Procurement and Michigan Department of State (collectively, including all other relevant State of Michigan departments and agencies, the “State”). DTMB-Procurement is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The DTMB-Procurement Contract Administrator for this Contract is:

Joe Kelly
Buyer
Procurement
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
KellyJ11@Michigan.gov
(517) 373-3993
2.022 Contract Compliance Inspector
The Director of DTMB-Procurement directs the person named below, or his or her designee, to monitor and coordinate the activities for the 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. DTMB-Procurement 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:

Christina Schaefer
Bureau of Branch Office Services
7064 Crowner Dr.
Lansing, MI 48910
SchaeferC1@michigan.gov
(517) 636-5311
Main Line: (517) 636-6050

2.023 Project Manager
The following individual will oversee the project:

Joe Rodriguez
Bureau of Branch Office Services
7064 Crowner Drive
Lansing, MI 48918
RodriguezJ@Michigan.gov
(517) 636-6050

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, Contractor shall provide a detailed outline of all work to be done, including tasks necessary to accomplish the Additional 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 before commencing performance of the requested activities it believes 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 and 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 requires 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 Contractor believe the proposed Change 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 shall 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 shall be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a “Contract Change Notice”).

(5) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Technology, Management and Budget, Procurement.

(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
Procurement
Attention: Joe Kelly
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor:
QLess, Inc.
Attention: Michael Soderlund
The Prado, 840 Green Street, Suite 301
Pasadena, CA 91101

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 giving 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 shall be deemed to be an employee, agent or servant of the State for any reason. Contractor shall be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.028 Covenant of Good Faith
Each party shall act reasonably and in good faith. Unless stated otherwise in the Contract, the parties shall not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the 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 Administrative Fee and Reporting
The Contractor must remit an administrative fee of __1.5___% on all payments remitted to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions), MiDEAL members, and other states (including governmental subdivisions and authorized entities). Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales.

Itemized purchasing activity reports should be mailed to DTMB-Procurement and the administrative fee payments shall be made by check payable to the State of Michigan and mailed to:

The Department of Technology, Management and Budget
Financial Services – Cashier Unit
Lewis Cass Building
320 South Walnut St.
P.O. Box 30681
Lansing, MI 48909

The administrative fee and purchasing activity report are due within 30 calendar days from the last day of each quarter.

2.032 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.

2.033 Contract Distribution
DTMB-Procurement retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by DTMB-Procurement.

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

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

2.036 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.

2.037 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”).

2.038 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 shall 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 shall 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

The State shall not be obligated to pay any amounts in addition to the charges specified in this Contract for all Services/Deliverables to be provided by Contractor and its Subcontractors, if any, under 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 shall show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State’s accounting and charge-back requirements. Invoices for Services performed on a time and materials basis shall show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor’s invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with Section 1.600.

(c) Correct invoices shall be due and payable by the State, in accordance with the State’s standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.

(d) All invoices should reflect actual work done. Specific details of invoices and payments shall be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Procurement, Department of Management & Budget. This activity shall occur only upon the specific written direction from DTMB-Procurement.

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) shall 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-rataion

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

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 shall it constitute a waiver
of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this 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 shall be made by electronic fund transfer (EFT).

2.050 Taxes

2.051 Employment Taxes
Contractor shall collect and pay all applicable federal, state, and local employment taxes, including the taxes.

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

2.060 Contract Management

2.061 Contractor Personnel Qualifications
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 shall have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor shall notify the State of the proposed assignment, shall introduce the individual to the appropriate State representatives, and shall provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual
unacceptable, the State shall provide a written explanation including reasonable detail outlining the reasons for the rejection.

(d) Contractor must not remove any Key Personnel from their assigned roles on the 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 SLAs for the affected Service shall 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 shall perform their duties either primarily at Contractor’s offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel shall, 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 shall 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 shall 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 shall include monitoring and reporting the State’s performance of its participation and support responsibilities (as well as Contractor’s own responsibilities) and providing timely notice to the State 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 shall provide the Services/Deliverables directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor shall act as a single point of contact coordinating these entities to meet the State’s need for Services/Deliverables. Nothing in this 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 shall 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 shall consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

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

2.073 Subcontractor bound to 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 shall be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State shall not be obligated to direct payments for the Services other than to Contractor. The State’s written approval of any Subcontractor engaged by Contractor to perform any obligation under this 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 shall provide only the equipment and resources identified in the Statement 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 shall have reasonable access to, and unless agreed otherwise by the parties in writing must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor agrees that it shall not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor’s use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

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 shall be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations shall include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks shall be initiated by the State and shall be reasonably related to the type of work requested.

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 shall 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 72 hours of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI DATA Security Standard
(a) Contractors that process, transmit or store credit/debit cardholder data, must adhere to the Payment Card Industry (PCI) Data Security Standards. The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law.

(b) The Contractor must notify the CCI (within 72 hours of discovery) of any breaches in security where cardholder data has been compromised. In that event, the Contractor must provide full cooperation to the Visa, MasterCard, Discover and state Acquirer representative(s), and/or a PCI approved third party to conduct a thorough security review. The Contractor must make the forensic report available within two weeks of
completion. The review must validate compliance with the current PCI Data Security Standards for protecting cardholder data.

(c) The Contractor must properly dispose of cardholder data, in compliance with DTMB policy, when it is no longer needed. The Contractor must continue to treat cardholder data as confidential upon contract termination.

(d) The Contractor must provide the CCI with an annual Attestation of Compliance (AOC) or a Report on Compliance (ROC) showing the Contractor is in compliance with the PCI Data Security Standards. The Contractor must notify the CCI of all failures to comply with the PCI Data Security Standard.

2.100 Confidentiality

2.101 Confidentiality

Contractor and the State each acknowledge that the other possesses and shall 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 shall 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 shall (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 shall 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 shall 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 shall 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, at reasonable times and with 10 days prior notice, have the right to enter the Contractor's premises or any other places where work is being performed in relation to this Contract. The representatives may inspect, monitor, or evaluate the work being performed, to the extent the access will not reasonably interfere with or jeopardize the safety or operation of Contractor's systems or facilities. The Contractor must provide reasonable assistance for the State's representatives during inspections.

2.112 Retention of Records
(a) The Contractor must retain all financial and accounting records related to this Contract for a period of 7 years after the Contractor performs any work under this Contract (Audit Period).

(b) If an audit, litigation, or other action involving the Contractor's records is initiated before the end of the Audit Period, the Contractor must retain the records until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.113 Examination of Records
(a) The State, upon 10 days notice to the Contractor, may examine and copy any of the Contractor’s records that relate to this Contract any time during the Audit Period. The State does not have the right to review any information deemed confidential by the Contractor if access would require the information to become publicly available. This requirement also applies to the records of any parent, affiliate, or subsidiary organization of the Contractor, or any Subcontractor that performs services in connection with this Contract.

(b) In addition to the rights conferred upon the State in paragraph (a) of this section and in accordance with MCL 18.1470, DTMB or its designee may audit the Contractor to verify compliance with the Contract. The financial and accounting records associated with the Contract shall be made available to DTMB or its designee and the auditor general, upon request, during the term of the Contract and any extension of the Contract and for 3 years after the later of the expiration date or final payment under the Contract.

2.114 Audit Resolution
If necessary, the Contractor and the State will meet to review any audit report promptly after its issuance. The Contractor must respond to each report in writing within 30 days after receiving the report, unless the report specifies a shorter response time. The Contractor and the State must develop, agree upon, and monitor an action plan to promptly address and resolve any deficiencies, concerns, or recommendations in the report.

2.115 Errors
(a) If an audit reveals any financial errors in the records provided to the State, the amount in error must be reflected as a credit or debit on the next invoice and subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried forward for more than four invoices or beyond the
termination of the Contract. If a balance remains after four invoices, the remaining amount will be due as a payment or refund within 45 days of the last invoice on which the balance appeared or upon termination of the Contract, whichever is earlier.

(b) In addition to other available remedies, if the difference between the State's actual payment and the correct invoice amount, as determined by an audit, is greater than 10%, the Contractor must pay all reasonable audit costs.

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 shall 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 Technology, Management and Budget, Procurement.

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

To the extent Contractor is responsible under this Contract for maintaining equipment/system(s), Contractor represents and warrants that it shall maintain the equipment/system(s) in good operating condition and shall undertake all repairs and preventive maintenance according to the applicable manufacturer's recommendations for the period specified in this Contract.

The Contractor represents and warrants that the equipment/system(s) are in good operating condition and operates and performs to the requirements and other standards of performance contained in this Contract, when installed, at the time of Final Acceptance by the State, and for a period of (1) one year commencing upon the first day following Final Acceptance.

Within three (3) business days of notification from the State, the Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

The Contractor must provide a toll-free telephone number to allow the State to report equipment failures and problems to be remedied by the Contractor.

The Contractor agrees that all warranty service it provides under this Contract must be performed by Original Equipment Manufacturer (OEM) trained, certified and authorized technicians.

The Contractor is the sole point of contact for warranty service. The Contractor warrants that it shall pass through to the State any warranties obtained or available from the original equipment manufacturer, including any replacement, upgraded, or additional equipment warranties.
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 DTMB-Procurement 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

2.13.1 Liability Insurance

For the purpose of this Section, "State" includes its departments, divisions, agencies, offices, commissions, officers, employees, and agents.

(a) The Contractor must provide proof that it has obtained the minimum levels of insurance coverage indicated or required by law, whichever is greater. The insurance must protect the State from claims that may arise out of, result from, or are alleged to arise out of, or result from, the Contractor's or a Subcontractor's performance, including any person directly or indirectly employed by the Contractor or a Subcontractor, or any person for whose acts the Contractor or a Subcontractor may be liable.

(b) The Contractor waives all rights against the State for the recovery of damages that are covered by the insurance policies the Contractor is required to maintain under this Section. The Contractor's failure to obtain and maintain the required insurance will not limit this waiver.

(c) All insurance coverage provided relative to this Contract is primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State.

(d) The State, in its sole discretion, may approve the use of a fully-funded self-insurance program in place of any specified insurance identified in this Section.

(e) Unless the State approves otherwise, any insurer must have an A.M. Best rating of "A" or better and a financial size of VII or better, or if those ratings are not available, a comparable rating from an insurance rating agency approved by the State. All policies of insurance must be issued by companies that have been approved to do business in the State.

(f) Where specific coverage limits are listed in this Section, they represent the minimum acceptable limits. If the Contractor's policy contains higher limits, the State is entitled to coverage to the extent of the higher limits.

(g) The Contractor must maintain all required insurance coverage throughout the term of this Contract and any extensions. However, in the case of claims-made Commercial General Liability policies, the Contractor must secure tail coverage for at least three (3) years following the termination of this Contract.

(h) The Contractor must provide, within five (5) business days, written notice to the Director of DTMB-Procurement if any policy required under this section is cancelled. The notice must include the applicable Contract or Purchase Order number.

(i) The minimum limits of coverage specified are not intended, and may not be construed, to limit any liability or indemnity of the Contractor to any indemnified party or other persons.

(j) The Contractor is responsible for the payment of all deductibles.

(k) If the Contractor fails to pay any premium for a required insurance policy, or if any insurer cancels or significantly reduces any required insurance without the State's approval, the State may, after giving the Contractor at least 30 days' notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or require the Contractor to pay that cost upon demand.
In the event the State approves the representation of the State by the insurer’s attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Michigan Attorney General.

The Contractor is required to pay for and provide the type and amount of insurance checked below:

- (i) **Commercial General Liability**
  
  **Minimal Limits:**
  
  - $2,000,000 General Aggregate Limit other than Products/Completed Operations;
  - $2,000,000 Products/Completed Operations Aggregate Limit;
  - $1,000,000 Personal & Advertising Injury Limit; and
  - $1,000,000 Each Occurrence Limit.

  **Deductible maximum:**
  
  - $50,000 Each Occurrence

  **Additional Requirements:**
  
  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 the insurance policy contains a waiver of subrogation by the insurance company.

  The Products/Completed Operations sublimit requirement may be satisfied by evidence of the manufacturer’s Commercial General Liability Insurance. The manufacturer 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 and must provide evidence that the policy contains a waiver of subrogation by the insurance company.

- (ii) **Umbrella or Excess Liability**
  
  **Minimal Limits:**
  
  - $10,000,000.00 General Aggregate

  **Additional Requirements:**
  
  Umbrella or Excess Liability limits must at least apply to the insurance required in (i), General Commercial Liability. The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- (iii) **Motor Vehicle**
  
  **Minimal Limits:**
  
  - If a motor vehicle is used in relation to the Contractor’s performance, the Contractor must have vehicle liability insurance on the motor vehicle for bodily injury and property damage as required by law.

- (iv) **Hired and Non-Owned Motor Vehicle Coverage**
  
  **Minimal Limits:**
  
  - $1,000,000 Per Incident

  **Additional Requirements:**
  
  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.

- (v) **Workers’ Compensation**
  
  **Minimal Limits:**
  
  The Contractor must provide Workers’ Compensation coverage according to applicable laws governing work activities in the state of the Contractor’s domicile. If the applicable coverage is provided by a self-
insurer, the Contractor must provide proof of an approved self-insured authority by the jurisdiction of domicile.

For employees working outside of the state of the Contractor’s domicile, the Contractor must provide certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

**Additional Requirements:**

The Contractor must provide the applicable certificates of insurance and a list of states where the coverage is applicable. Contractor must provide proof that the Workers' Compensation insurance policies contain a waiver of subrogation by the insurance company, except where such a provision is prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

- (vi) **Employers Liability**
  - **Minimal Limits:**
    - $100,000 Each Incident;
    - $100,000 Each Employee by Disease
    - $500,000 Aggregate Disease

- (vii) **Employee Fidelity (Crime)**
  - **Minimal Limits:**
    - $1,000,000 Employee Theft Per Loss
  - **Deductible Maximum:**
    - $50,000 Per Loss

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

- (ix) **Cyber Liability**
  - **Minimal Limits:**
    - $1,000,000 Each Occurrence
    - $1,000,000 Annual Aggregate

  - **Additional Requirements:**
    - Insurance should cover (a) unauthorized acquisition, access, use, physical taking, identity theft, mysterious disappearance, release, distribution or disclosures of personal and corporate information; (b) Transmitting or receiving malicious code via the insured's computer system; (c) Denial of service attacks or the inability to access websites or computer systems.
The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate.
(x) Property Insurance

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

2.13.2 Subcontractor Insurance Coverage

Except where the State has approved a subcontract with other insurance provisions, the Contractor must require any Subcontractor to purchase and maintain the insurance coverage required in Section 2.13.1, Liability Insurance. Alternatively, the Contractor may include a Subcontractor under the Contractor's insurance on the coverage required in that Section. The failure of a Subcontractor to comply with insurance requirements does not limit the Contractor's liability or responsibility.

2.13.3 Certificates of Insurance

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 of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents are listed as additional insureds as required. The Contractor must provide DTMB-Procurement with all applicable certificates of insurance verifying insurance coverage or providing, if approved, satisfactory evidence of self-insurance as required in Section 2.13.1, Liability Insurance. Each certificate must be on the standard "Accord" form or equivalent and MUST IDENTIFY THE APPLICABLE CONTRACT OR PURCHASE ORDER NUMBER.

2.140 Indemnification

2.141 General Indemnification

To the 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 shall seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice 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 shall 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 shall be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted 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 convenience 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 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 shall 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 shall not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 Termination for Criminal Conviction
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 shall 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 shall comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this 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 120 days. These efforts must include, but are not limited to, those listed in Section 2.150.

2.172 Contractor Personnel Transition
The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor’s subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor’s subcontractors or vendors. Contractor will notify all of Contractor’s subcontractors of procedures to be followed during transition.

2.173 Contractor Information Transition
The Contractor shall provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this 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 shall 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. 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 2.182.

2.182 Cancellation or Expiration of Stop Work Order
The Contractor shall resume work if the State cancels a Stop Work Order or if it expires. The parties shall agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall be modified, in writing, accordingly, if: (a) the Stop Work Order results in an increase in the time required for, or in Contractor’s costs properly allocable to, the performance of any part of the 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 shall be deemed to be a termination for convenience under Section 2.153, and the State shall pay reasonable costs resulting from the Stop Work Order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a Stop Work Order issued under this Section.

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 shall be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any dispute after compliance with the processes, the parties must meet with the Director of Procurement, DTMB, or designee, to resolve the dispute without the need for formal legal proceedings, as follows:
(1) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter at issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
(2) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract shall be honored in order that each of the parties may be fully advised of the other’s position.
(3) The specific format for the discussions shall be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
(4) Following the completion of this process within 60 calendar days, the Director of Procurement, DTMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State’s final action and the exhaustion of administrative remedies.
(b) This Section shall not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.193.
(c) The State shall not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 Injunctive Relief
The only circumstance in which disputes between the State and Contractor shall not be subject to the provisions of Section 2.192 is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is that the damages to the party resulting from the breach shall be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.194 Continued Performance
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 shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, shall not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor shall 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 shall 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

Wages rates 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 Licensing and Regulatory Affairs, Wage and Hour Division, 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. Contractor shall also post, in a conspicuous place, the address and telephone number of the Michigan Department of Licensing and Regulatory Affairs, the agency responsible for enforcement of the wage rates and fringe benefits. Contractor 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 shall in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

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 shall be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

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 attorneys’ fees awarded by a court in addition to damages after litigation based on this Contract.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation
Contractor shall disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) shall notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the 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 shall disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements that are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor’s publicly filed documents referencing its material litigation shall be deemed to satisfy the requirements of this Section.

If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of this 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 shall 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 DTMB-Procurement.
(2) Contractor shall also notify DTMB Procurement 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 shall also notify DTMB-Procurement 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 shall 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 shall be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance

2.241 Time of Performance
(a) Contractor shall use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.

(b) Without limiting the generality of Section 2.241, Contractor shall notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.

(c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified 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 2.152, 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 2.152, 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
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 shall be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) Business Days resubmit the 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 must adhere to all existing standards as described within the comprehensive listing of the
State’s existing technology standards at http://www.michigan.gov/dmb/0,4568,7-150-56355-108233--,00.html;.

2.272 Acceptable Use Policy
To the extent that Contractor has access to the State computer system, Contractor must comply with the
State’s Acceptable Use Policy, see http://michigan.gov/cybersecurity/0,1607,7-217-34395_34476----,00.html.
All Contractor employees must be required, in writing, to agree to the State’s Acceptable Use Policy before
accessing the State system. The State reserves the right to terminate Contractor’s access to the State system
if a violation occurs.

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.

2.274 Electronic Receipt Processing Standard
All electronic commerce applications that allow for electronic receipt of credit/debit card and electronic check
(ACH) transactions must be processed via the Centralized Electronic Payment Authorization System (CEPAS).

2.280 Extended Purchasing Program

2.281 Extended Purchasing Program
The Agreement will be extended to MiDEAL members. MiDEAL members include local units of government,
school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is
available at www.michigan.gov/mideal. Upon mutual written agreement between the State of Michigan and the
Contractor, this Agreement may be extended to (a) State of Michigan employees, or (b) other states (including
governmental subdivisions and authorized entities).

If extended, the Contractor must supply all goods and services at the established Agreement prices and terms.
The State reserves the right to negotiate additional discounts based on any increased volume generated by
such extensions.

The Contractor must submit invoices to, and receive payment from, extended purchasing program members on
a direct and individual basis.
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 shall use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State shall provide a safe and suitable environment for performance of Contractor’s Work. Before the commencement of Work, the State shall advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor shall immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.

(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State shall order a suspension of Work in writing. The State shall proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State shall terminate the affected Work for the State's convenience.

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor shall resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in a time as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor shall bear its proportionate share of the delay and costs involved in cleaning up
the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

**Labeling:** Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit [http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html](http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html)

**Refrigeration and Air Conditioning:** The Contractor shall comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to this 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 executing 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 executing 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.

### 2.310 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.
CONTRACT #071B3200152

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.
# Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days</td>
<td>Means calendar days unless otherwise specified.</td>
</tr>
<tr>
<td>24x7x365</td>
<td>Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).</td>
</tr>
<tr>
<td>Additional Service</td>
<td>Means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.</td>
</tr>
<tr>
<td>Audit Period</td>
<td>See Section 2.110</td>
</tr>
<tr>
<td>Business Day</td>
<td>Whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.</td>
</tr>
<tr>
<td>Blanket Purchase Order</td>
<td>An alternate term for Contract as used in the States computer system.</td>
</tr>
<tr>
<td>Business Critical</td>
<td>Any function identified in any Statement of Work as Business Critical.</td>
</tr>
<tr>
<td>Chronic Failure</td>
<td>Defined in any applicable Service Level Agreements.</td>
</tr>
<tr>
<td>Deliverable</td>
<td>Physical goods and/or commodities as required or identified by a Statement of Work.</td>
</tr>
<tr>
<td>DTMB</td>
<td>Michigan Department of Technology, Management and Budget.</td>
</tr>
<tr>
<td>Environmentally preferable products</td>
<td>A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.</td>
</tr>
<tr>
<td>Excusable Failure</td>
<td>See Section 2.244.</td>
</tr>
<tr>
<td>Hazardous material</td>
<td>Any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).</td>
</tr>
<tr>
<td>Incident</td>
<td>Any interruption in Services.</td>
</tr>
<tr>
<td>ITB</td>
<td>A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders.</td>
</tr>
<tr>
<td>Key Personnel</td>
<td>Any Personnel designated in Article 1 as Key Personnel.</td>
</tr>
<tr>
<td>New Work</td>
<td>Any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.</td>
</tr>
<tr>
<td>Ozone-depleting substance</td>
<td>Any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydro chlorofluorocarbons</td>
</tr>
<tr>
<td>Post-Consumer Waste</td>
<td>Any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.</td>
</tr>
<tr>
<td>Post-Industrial Waste</td>
<td>Industrial by-products that would otherwise go to disposal and wastes generated after completion of a manufacturing process, but do not include internally generated scrap commonly returned to industrial or manufacturing processes.</td>
</tr>
<tr>
<td>Recycling</td>
<td>The series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.</td>
</tr>
<tr>
<td>Deleted – Not Applicable</td>
<td>Section is not applicable or included in this contract. This is used as a placeholder to maintain consistent numbering.</td>
</tr>
<tr>
<td>Reuse</td>
<td>Using a product or component of municipal solid waste in its original form more than once.</td>
</tr>
<tr>
<td>RFP</td>
<td>Request for Proposal designed to solicit proposals for services</td>
</tr>
<tr>
<td>Services</td>
<td>Any function performed for the benefit of the State.</td>
</tr>
<tr>
<td>Source reduction</td>
<td>Any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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<tr>
<td>prior to recycling, energy recovery, treatment, or disposal.</td>
<td></td>
</tr>
<tr>
<td>State Location</td>
<td>Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.</td>
</tr>
<tr>
<td>Subcontractor</td>
<td>A company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.</td>
</tr>
<tr>
<td>Unauthorized Removal</td>
<td>Contractor’s removal of Key Personnel without the prior written consent of the State.</td>
</tr>
<tr>
<td>Waste prevention</td>
<td>Source reduction and reuse, but not recycling.</td>
</tr>
<tr>
<td>Waste reduction and Pollution prevention</td>
<td>The practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.</td>
</tr>
<tr>
<td>Work in Progress</td>
<td>A Deliverable that has been partially prepared, but has not been presented to the State for Approval.</td>
</tr>
<tr>
<td>Work Product</td>
<td>Refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.</td>
</tr>
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Attachment A - Reserved
## Attachment B

<table>
<thead>
<tr>
<th></th>
<th><strong>Supported Browsers (internet)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>IE 6.0+ (internet, intranet)</td>
</tr>
<tr>
<td></td>
<td>Firefox 3.0.x (internet)</td>
</tr>
<tr>
<td></td>
<td>Chrome 3.0 (internet)</td>
</tr>
<tr>
<td></td>
<td>Safari 4.x (internet)</td>
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<tr>
<th></th>
<th><strong>Data Exchange Interface</strong></th>
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<tr>
<td>2</td>
<td>EDI (industry protocol)</td>
</tr>
<tr>
<td></td>
<td>Flat File (private protocol)</td>
</tr>
<tr>
<td></td>
<td>Web Service</td>
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<tr>
<td></td>
<td>XML</td>
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<tr>
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<th><strong>User Access</strong></th>
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<td>Internet</td>
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<td></td>
<td>Intranet</td>
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<tr>
<td></td>
<td>Local Government (LGNet)</td>
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<tr>
<td></td>
<td>Public facing internet</td>
</tr>
<tr>
<td></td>
<td>Kiosk terminal</td>
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<tr>
<td></td>
<td>Vendor Net</td>
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<tr>
<td></td>
<td>VPN</td>
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<tr>
<th></th>
<th><strong>IT Services (Centers of Excellence)</strong></th>
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<td>x86 Virtualization</td>
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<tr>
<td></td>
<td>Address Verification</td>
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<td></td>
<td>Business Objects Reporting</td>
</tr>
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<td></td>
<td>Digital Electronic Gateway (DEG)</td>
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<tr>
<td></td>
<td>Extract Transform Load (ETL)</td>
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<td></td>
<td>Citrix Virtualization</td>
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<thead>
<tr>
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<th><strong>Database (RDBMS)</strong></th>
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<tbody>
<tr>
<td>5</td>
<td>MS SQL Server 2008</td>
</tr>
<tr>
<td></td>
<td>MySQL 5.1</td>
</tr>
<tr>
<td></td>
<td>Oracle 11g</td>
</tr>
<tr>
<td></td>
<td>TeraData TD 13.0</td>
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<thead>
<tr>
<th></th>
<th><strong>Database Modeling Tools</strong></th>
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<tr>
<td>6</td>
<td>Erwin 7.x, 8x</td>
</tr>
<tr>
<td></td>
<td>MSSQL Server Mgmt Studio (match db)</td>
</tr>
<tr>
<td></td>
<td>MySQL Workbench (match db)</td>
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<tr>
<td></td>
<td>Oracle Designer (match db)</td>
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<tr>
<td></td>
<td>TeraData Utilities (match db)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th><strong>Development Framework</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>.NET Framework 3.5, 4.0</td>
</tr>
<tr>
<td></td>
<td>Java J2EE 5.x, 6x</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th><strong>Development Platform</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Eclipse 3.x, 4.x</td>
</tr>
<tr>
<td></td>
<td>Hibernate 3.x</td>
</tr>
<tr>
<td></td>
<td>IBM Websphere Integration Dev 6.x, 7.x</td>
</tr>
<tr>
<td></td>
<td>Microsoft SilverLight Expression (match VS)</td>
</tr>
<tr>
<td></td>
<td>Microsoft Team Foundation System 2010</td>
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</tr>
</tbody>
</table>
| Microsoft Visual Studio 2008, 2010 | Oracle JDeveloper 11g  
| Spring 2.5 | Struts 2.x  
| XML Spy 2010 |  
| **9 Development Language** |  
| ASP .NET 2008, 2010 | CSS Level 3  
| Microsoft C# | Microsoft VB.Net  
| Java | JavaScript  
| JDK 6.x, 7x | PHP 5.3.x  
| **10 Markup languages** |  
| HTML 4 & 5 | XML Schema 1.1  
| XSLT 2.0 | XHTML 2.0  
| **11 Presentation (Web) Server** |  
| Apache HTTPD 2.x | IBM Websphere IHS (match app svr)  
| Microsoft IIS 7.0 |  
| **12 Application Server** |  
| .NET Framework 3.5, 4.0 | Apache Tomcat 7.x  
| IBM WebSphere 7.0, 8.0 | JBoss 5.x, 6  
| **13 HW Platform** |  
| Dell | HP  
| Sun | Unisys Mainframe  
| x86 Virtualization |  
| **14 Server OS** |  
| Linux Redhat Enterprise Server 5.x, 6.x | Linux SUSE Enterprise 11.x  
| Microsoft Windows 2008 | Unix HPUX 11i v3  
| Unix Sun Solaris 10.x, 11.x | VMWare vSphere 4, 5, VCD  
| **15 Document Management** |  
| Captaris Alchemy 8.3 | FileNet Content Services 5.4  
| FileNet Document Mgmt P8 | HP Trim  
| MS SharePoint Server 2007 EE |  

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<tr>
<th></th>
<th><strong>Testing Tools</strong></th>
</tr>
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<tbody>
<tr>
<td>16</td>
<td>Junit 4.x</td>
</tr>
<tr>
<td></td>
<td>LoadRunner 11.x</td>
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<tr>
<td></td>
<td>Microsoft Team Foundation System</td>
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<tr>
<td></td>
<td>Quick Test Pro 11.x</td>
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<td>Selenium 1.x, 2.x</td>
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<thead>
<tr>
<th></th>
<th><strong>Identity Management (network)</strong></th>
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</thead>
<tbody>
<tr>
<td>17</td>
<td>Active Directory 2008</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th><strong>Identity Management (application)</strong></th>
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<tbody>
<tr>
<td>18</td>
<td>IBM Tivoli SSO (TIM-TAM)</td>
</tr>
<tr>
<td></td>
<td>Microsoft Active Directory 2008</td>
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<tr>
<th></th>
<th><strong>Project Management</strong></th>
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<tbody>
<tr>
<td>19</td>
<td>Clarity 12.x</td>
</tr>
<tr>
<td></td>
<td>MS Project 2007, 2010</td>
</tr>
<tr>
<td></td>
<td>Rational</td>
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<thead>
<tr>
<th></th>
<th><strong>Version Control</strong></th>
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<tbody>
<tr>
<td>20</td>
<td>Microsoft Team Foundation System</td>
</tr>
<tr>
<td></td>
<td>Serena Dimensions (PVCS Mgr) 2009, 12.1</td>
</tr>
<tr>
<td></td>
<td>Subversion 1.6</td>
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<table>
<thead>
<tr>
<th></th>
<th><strong>Message Queuing</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
<td>Apache Active MQ 5.3</td>
</tr>
<tr>
<td></td>
<td>IBM Websphere MQ 6.x, 7.x</td>
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<table>
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<tr>
<th></th>
<th><strong>Business Integration</strong></th>
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<tbody>
<tr>
<td>22</td>
<td>JBoss SOA</td>
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<tr>
<td></td>
<td>Websphere Message Broker 6.x, 7.x</td>
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<tr>
<th></th>
<th><strong>Database Tools</strong></th>
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<tbody>
<tr>
<td>23</td>
<td>DBArtisan 8.6, 8.7</td>
</tr>
<tr>
<td></td>
<td>Infosphere Information Svr v8.1.x</td>
</tr>
<tr>
<td></td>
<td>MSSQL Server Mgmt Studio (match db)</td>
</tr>
<tr>
<td></td>
<td>MySQL Workbench (match db)</td>
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<tr>
<td></td>
<td>Oracle Developer Suite (match db)</td>
</tr>
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<td></td>
<td>Oracle Enterprise Manager (match db)</td>
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<td></td>
<td>Oracle SQL Developer (match db)</td>
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<tr>
<td></td>
<td>Rapid SQL 7.6 &amp; 7.7</td>
</tr>
<tr>
<td></td>
<td>TeraData Utilities (match db)</td>
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<td></td>
<td>Toad 9.x &amp; 10.x</td>
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<table>
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<th><strong>Reporting Tools</strong></th>
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<tr>
<td>24</td>
<td>ActivePDF 2009</td>
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<tr>
<td></td>
<td>ActiveReports 4.0</td>
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<td>Birt 3.7</td>
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<td>Crystal Reports 2008</td>
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<td>Crystal Xcelsius 2008</td>
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<td></td>
<td>Crystal Reports for Eclipse</td>
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<tr>
<td></td>
<td>MSSQL Reporting Services (match db)</td>
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<td>Oracle Reports (match db)</td>
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<table>
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<tr>
<th></th>
<th><strong>End-User Tools</strong></th>
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<tbody>
<tr>
<td>25</td>
<td>Business Objects (BO) XI R2, 3.x, 4.x</td>
</tr>
<tr>
<td>26</td>
<td><strong>Deployment Tools</strong></td>
</tr>
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<td>----</td>
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</tr>
<tr>
<td></td>
<td>Oracle Discoverer (match db)</td>
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<tr>
<td></td>
<td>Microsoft Team Foundation System 2008</td>
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<td></td>
<td>Serena Dimen.CM Mover 2009, 2.3, 12.1</td>
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<table>
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<tr>
<th>27</th>
<th><strong>Build Tools</strong></th>
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<tbody>
<tr>
<td></td>
<td>Apache Ant 1.7.x, 1.8.x</td>
</tr>
<tr>
<td></td>
<td>Apache Maven 2.2, 3.0</td>
</tr>
<tr>
<td></td>
<td>Microsoft Team Foundation System</td>
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<tr>
<td></td>
<td>Serena Dimensions CM Builder 2009 R1.x</td>
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<table>
<thead>
<tr>
<th>28</th>
<th><strong>Job Schedulers</strong></th>
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<tbody>
<tr>
<td></td>
<td>BL/Sched 5.0, 5.2</td>
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<tr>
<td></td>
<td>OpCon XPS 4.x, 5.x</td>
</tr>
<tr>
<td></td>
<td>Tidal Enterprise Scheduler 5.3.1 &amp; 6.x</td>
</tr>
<tr>
<td></td>
<td>UC4 App Mgr 8.0</td>
</tr>
<tr>
<td></td>
<td>UC4 Op Mgr 6.0 &amp; 8.0</td>
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</table>

<table>
<thead>
<tr>
<th>29</th>
<th><strong>GIS Technologies</strong></th>
</tr>
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<tbody>
<tr>
<td></td>
<td>ArcIMS 9.3</td>
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<tr>
<td></td>
<td>ArcGIS Server 9.3</td>
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<td></td>
<td>ArcSDE 9.3</td>
</tr>
<tr>
<td></td>
<td>Erdas ADE Rel. 2</td>
</tr>
<tr>
<td></td>
<td>ER Mapper Image Server 7.2</td>
</tr>
<tr>
<td></td>
<td>Oracle Spatial (match db)</td>
</tr>
<tr>
<td></td>
<td>Oracle MapView (match db)</td>
</tr>
</tbody>
</table>
## Business Requirements

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Solution must be web-based, using Standard MS Browser.</td>
<td>Y</td>
</tr>
<tr>
<td>2. Solution applicable must be centrally manageable by designated State administrative staff.</td>
<td>Y</td>
</tr>
<tr>
<td>3. Contractor must be capable of integrating the Solution with other State systems.</td>
<td>Y</td>
</tr>
<tr>
<td>4. Solution must be scalable to accommodate different sized branches etc.</td>
<td>Y</td>
</tr>
<tr>
<td>5. Solution must be configurable to the needs of the individual branch.</td>
<td>Y</td>
</tr>
<tr>
<td>6. Solution must be accessible to State staff by a single login that gives the user access, based on user role.</td>
<td>Y</td>
</tr>
<tr>
<td>7. Solution access must be controllable by designated State staff.</td>
<td>Y</td>
</tr>
<tr>
<td>8. Solution must allow for user access, based on designate role.</td>
<td>Y</td>
</tr>
<tr>
<td>9. Solution must be configurable by designated Stated staff.</td>
<td>Y</td>
</tr>
</tbody>
</table>

### Workflow

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Solution must allow for customer queue entry via kiosk, web, text, cellular phone, or other mobile device.</td>
<td>Y</td>
</tr>
<tr>
<td>2. Solution must provide Customer Wait-list notification/Mobile Summoning via text, voice message, or mobile application informing them of the remaining wait time.</td>
<td>Y</td>
</tr>
<tr>
<td>3. Solution must provide Customer Wait-list notification/Mobile Summoning via text, voice message, or mobile application informing them of customers ahead of them.</td>
<td>Y</td>
</tr>
<tr>
<td>4. Solution must allow Customer to re-Queue or change appointment changes (allow for the customer to set themselves back in the queue), via web, text, cellular phone, or other mobile device.</td>
<td>Y</td>
</tr>
<tr>
<td>5. Solution must publish and open interfaces to exchange data with the Branch Information System to display data relating to wait times, queue number, transaction name and other related information.</td>
<td>Y</td>
</tr>
<tr>
<td>6. Solution must provide designated staff the ability to prioritize a waiting customer (e.g. make someone next in line, recycle queuing tickets, address walk-ups) by re-routing them to any position in the waiting line.</td>
<td>Y</td>
</tr>
<tr>
<td>7. Solution must provide all necessary interfaces and technical support for Michigan branch application to retrieve and send data to the queue system.</td>
<td>Y</td>
</tr>
<tr>
<td>8. Solution must provide the customer with a printable ticket with barcode, a unique confirmation number, from a queuing kiosk.</td>
<td>Y</td>
</tr>
<tr>
<td>9. Solution must allow designated staff to Re-Route or transfer a queue number from one service center to another within a single Branch Office branch.</td>
<td>Y</td>
</tr>
<tr>
<td>10. Solution must allow Branch Offices to display customer’s ticket number on the Branch Office System monitor.</td>
<td>Y</td>
</tr>
<tr>
<td>11. Solution must allow branch staff to request the next assigned customer ticker from their terminal/PC.</td>
<td>Y</td>
</tr>
<tr>
<td>12. Solution must display to branch staff the assigned customer ticket on their terminal/PC.</td>
<td>Y</td>
</tr>
</tbody>
</table>

### Queue Management

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Solution must be capable of providing a list of required customer customer documentation needed to perform their selected tasks,</td>
<td>Y</td>
</tr>
<tr>
<td>2. Solution must provide transparent information on customer waiting time.</td>
<td>Y</td>
</tr>
<tr>
<td>3. Solution must provide alerts to designated staff for when customer waiting times exceed preset values.</td>
<td>Y</td>
</tr>
<tr>
<td></td>
<td>Solution must provide on-line or mobile display queue placement updates, informing customers of their place in line.</td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>5</td>
<td>Solution must provide on-line or mobile display of customer wait times in Branch Office compatible with all mobile devices. This has dual purpose. For people to know how long they have to wait, and for people to see what the wait time is before visiting a branch. (mandatory).</td>
</tr>
<tr>
<td>7</td>
<td>Solution must provide a method for skills-based workload distribution to accommodate the most efficient service to branch customers. Allows branches to direct customers to the branch staff best equipped to answer their request.</td>
</tr>
<tr>
<td>8</td>
<td>Solution must provide a method for queue management to facilitate “express service” to customers who have quick requests to increase customer satisfaction. Enables the opening of a speed line.</td>
</tr>
</tbody>
</table>

### Ticket Generations

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Ticket printers will have multi-line capabilities. (Can print tickets that will direct clients to different lines within a branch)</td>
<td>Y</td>
</tr>
<tr>
<td>2</td>
<td>Contractor will provide ticket printers which will issue/print numbered tickets for arriving customer.</td>
<td>Y</td>
</tr>
<tr>
<td>3</td>
<td>Ticket printers will allow MDOS to customize information appearing on the ticket including text (mandatory) and images (optional). Administrative rights can be granted to allow an individual to change the display.</td>
<td>Y</td>
</tr>
<tr>
<td>4</td>
<td>Ticket printers will have the capability of issuing unlimited ticket numbers for any number of distinct and different transactions. For example, one individual may get issues two numbers for two different transactions</td>
<td>Y</td>
</tr>
</tbody>
</table>
| 5 | Ticket printers will provide warning for the following occurrences:  
   - print paper or blank ticket capacity is low  
   - print paper or blank ticket have run out  
   - printing ink is low  
   - printing ink has run out  
   - print paper is jammed. | Y   |
| 6 | Ticket printers will accommodate industry standard, non-proprietary paper and other required consumables. | Y   |
| 7 | System shall have the ability to re-rout ticket production to various plain paper printers connected to workstation PC’s, or connected directly to the queue system. | Y   |

### Appointment Scheduling

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<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>The solution will allow branch employees and customers to schedule appointments based on specific resources (i.e. people, facilities, equipment, activities and appointment transaction types).</td>
<td>Y</td>
</tr>
<tr>
<td>2</td>
<td>The solution will permit the customer or branch employee to schedule, cancel, change or confirm an appointment via web</td>
<td>Y</td>
</tr>
<tr>
<td>3</td>
<td>The solution will permit the customer or branch employee to schedule, cancel, change or confirm an appointment via text.</td>
<td>Y</td>
</tr>
<tr>
<td>4</td>
<td>The solution will permit the customer or branch employee to schedule, cancel, change or confirm an appointment via cellular phone or other mobile device.</td>
<td>Y</td>
</tr>
<tr>
<td>5</td>
<td>The solution will allow branch employees to manage the flow of walk-in traffic in parallel with appointment traffic.</td>
<td>Y</td>
</tr>
<tr>
<td>6</td>
<td>The solution will allow customer and Branch Office employees to schedule appointments based on multiple options including location, first available date, date range, and multiple site searches.</td>
<td>Y</td>
</tr>
<tr>
<td>7</td>
<td>The solution will include an online scheduling system that provides the customer with a printable receipt with barcode/QR code, a unique confirmation number and any customizable messages/advertisements that MDOS desires. The QR code will link to related mobile sites.</td>
<td>Y</td>
</tr>
<tr>
<td>8</td>
<td>The scheduling system will enable branch employees and customers to schedule both individual and group appointments. (I.E. a group of students</td>
<td>Y</td>
</tr>
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<td></td>
<td></td>
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<td>---</td>
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<td></td>
</tr>
<tr>
<td>9</td>
<td>The scheduling system will allow Branch Offices to establish limitations based on when a customer can schedule, cancel or change an appointment including restricting customers to one appointment statewide at one time. (prevent double booking)</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>The scheduling system should allow branch employees to search appointments by confirmation number, customer number, customer name, appointment date and/or location.</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>The system should also have the capability to generate reminder emails and text messages.</td>
<td></td>
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</tbody>
</table>

**Hardware and Equipment**

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1</td>
<td>The solution will provide self-service kiosk with multiple ticket/transactions options for all offices or other acceptable solution (One (1) each office or as needed basis as determined by pilot).</td>
</tr>
<tr>
<td>2</td>
<td>The solution must be able to interface with another vendor’s flat-panel software/hardware already in place in the Branch Offices (i.e. write xml data to a file on pc/server, both being on same network segment so can read each other; creates xml data and hosts it internally on a built-in web server)</td>
</tr>
<tr>
<td>3</td>
<td>The solution will provide audio intercom calling of customer queue internally and externally at each Branch Office.</td>
</tr>
<tr>
<td>4</td>
<td>The solution will provide a visible queuing system so that customers can see where they should report for service once their number has been called.</td>
</tr>
</tbody>
</table>

**Reporting and Monitoring**

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<table>
<thead>
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<tbody>
<tr>
<td>1</td>
<td>The solution will provide an easily accessible but secure web based real time and historical data web reporting tool that allows employees to log in and obtain reporting numbers.</td>
</tr>
<tr>
<td>2</td>
<td>The solution will provide a set of customized “standard” reports including but not limited to daily, monthly and annual reports. These reports will be determined as needed by MDOS staff with expected recommendations from the Contractor.</td>
</tr>
<tr>
<td>3</td>
<td>The solution will permit MDOS to create and manipulate ad hoc reports and queries and distribute reports and query templates statewide.</td>
</tr>
<tr>
<td>4</td>
<td>The solution will generate real time queries and reports during normal business hours, without affecting the systems performance.</td>
</tr>
<tr>
<td>5</td>
<td>The solution will provide a method for reporting on employee workstation activity, including: sign-on, customer arrivals at window, signaling when the employee is open and ready to service the next customer in the queue, when an employee goes on break or when an employee is inactive at a workstation.</td>
</tr>
<tr>
<td>6</td>
<td>The solution will have the capability of reporting data in table and graph formats.</td>
</tr>
<tr>
<td>7</td>
<td>The reporting system shall contain functionality to download reports into a variety of formats including Microsoft Office (i.e. Excel, Access, PDF, DBF, Test files, etc)</td>
</tr>
<tr>
<td>8</td>
<td>The solution will provide system-generated, detailed performance reports on employees and branches based on weekly/monthly/yearly basis and on an individual, regional or statewide basis.</td>
</tr>
<tr>
<td>9</td>
<td>The system will record date for every transaction conducted within the system including customer arrival times, transaction times, wait times, staff performance, and customer history.</td>
</tr>
<tr>
<td>10</td>
<td>The solution will include a staff performance profile which tracks types of services provided, length of time spent on a request, idle time etc.</td>
</tr>
<tr>
<td>11</td>
<td>The solution will provide trend analysis reports to assist in determining staffing requirements.</td>
</tr>
<tr>
<td>12</td>
<td>The solution will capture employee workstation activity, including: sign-on, customer arrivals at window, signaling when the employee is open and ready to service the next customer in the queue, when an employee goes on break or when an employee is inactive at a workstation.</td>
</tr>
<tr>
<td></td>
<td>The solution will provide Executive Dashboard reporting data and graphics that indicate what is happening within the Branch Office and shall include “no waiting” zero queues.</td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>14</td>
<td>The solution will provide real-time monitoring tools to allow staff to view the number of customers in the queue, how long they have been waiting, types of requested services.</td>
</tr>
<tr>
<td>15</td>
<td>The solution will provide a a management dashboard which provides key real-time information on the status of current operations.</td>
</tr>
</tbody>
</table>
## ATTACHMENT D – COST TABLES

<table>
<thead>
<tr>
<th>10 office (Pilot) Cost</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
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</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>$ 85,582.50</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Software</td>
<td>$ 671,800.50</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Installation</td>
<td>$ 22,500.00</td>
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<tr>
<td>Maintenance</td>
<td>$ -</td>
<td>$ 15,809.89</td>
<td>$ 10,856.11</td>
<td>$ 11,181.83</td>
<td>$ 11,517.25</td>
</tr>
<tr>
<td>Licenses</td>
<td>$ 76,494.00</td>
<td>$ 76,494.00</td>
<td>$ 76,494.00</td>
<td>$ 76,494.00</td>
<td>$ 76,494.00</td>
</tr>
<tr>
<td>Consumables</td>
<td>$ 7,500.00</td>
<td>$ 7,500.00</td>
<td>$ 7,500.00</td>
<td>$ 7,500.00</td>
<td>$ 7,500.00</td>
</tr>
<tr>
<td>Training</td>
<td>$ 7,700.00</td>
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</tr>
<tr>
<td>Account Setup</td>
<td>$ 45,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMS/Phone</td>
<td>$ 18,000.00</td>
<td>$ 18,000.00</td>
<td>$ 18,000.00</td>
<td>$ 18,000.00</td>
<td>$ 18,000.00</td>
</tr>
<tr>
<td>Help Desk</td>
<td>$ 1,200.00</td>
<td>$ 1,200.00</td>
<td>$ 1,200.00</td>
<td>$ 1,200.00</td>
<td>$ 1,200.00</td>
</tr>
<tr>
<td>Enhancements</td>
<td>$ 1,600.00</td>
<td>$ 1,600.00</td>
<td>$ 1,600.00</td>
<td>$ 1,600.00</td>
<td>$ 1,600.00</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$ 937,377.00</strong></td>
<td><strong>$ 120,603.89</strong></td>
<td><strong>$ 115,650.11</strong></td>
<td><strong>$ 115,975.83</strong></td>
<td><strong>$ 116,311.25</strong></td>
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</table>

### Other Costs

<table>
<thead>
<tr>
<th>Cost Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumables/BR/yr</td>
<td>$ 500.00</td>
</tr>
<tr>
<td>SMS/Phone/BR/yr</td>
<td>$ 1,200.00</td>
</tr>
<tr>
<td>Help Desk @$150/hr/yr</td>
<td>$ 8.00</td>
</tr>
<tr>
<td>Enhancements @$200/hr/yr</td>
<td>$ 8.00</td>
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</table>
## Cost Breakdown Table

<table>
<thead>
<tr>
<th></th>
<th>Per Unit</th>
<th>Pilot Phase</th>
<th>Rollout Phase</th>
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<tbody>
<tr>
<td><strong>Hardware Pricing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Include pricing for</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>all necessary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>components and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>optional components</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Include pricing for</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>all consumable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>supplies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One time costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recurring Costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freestanding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Touchscreen Kiosks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>/ 1 per Office</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$3,530</td>
<td>$35,295</td>
<td>$427,070</td>
</tr>
<tr>
<td>(optional) LCD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitors with</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrated PCs / 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>per office</td>
<td>$2,176</td>
<td>$21,760</td>
<td>$263,296</td>
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<tr>
<td>Maintenance/Repair</td>
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<td></td>
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</tr>
<tr>
<td></td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Software Pricing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Include all</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>necessary software</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and optional</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>software</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One time costs:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Super!Center Offices</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One-time Software</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees, per office</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>*Virtual Queuing</td>
<td>$7,997</td>
<td>$79,970</td>
<td>$47,500</td>
</tr>
<tr>
<td>includes on-site</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>queue entry and</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>real-time wait</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>forecast updates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Description</td>
<td>Method</td>
<td>Annual Fee</td>
<td>Monthly Fee</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------------</td>
<td>-----------------</td>
<td>------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Mobile Queuing allows customers to be notified of queue status on their cell phones</td>
<td>Mobile Queuing</td>
<td>$7,997</td>
<td>$79,970</td>
</tr>
<tr>
<td>Remote Queuing includes the ability to join the queue before a customer goes to MDOS (e.g. online, via a widget on MDOS’ website(s), via SMS, etc.)</td>
<td>Remote Queuing</td>
<td>$6,997</td>
<td>$69,970</td>
</tr>
<tr>
<td>Interactive Queuing allows for customers to interact with the system to push themselves back in line, request status updates, leave the queue, etc.</td>
<td>Interactive Queuing</td>
<td>$6,997</td>
<td>$69,970</td>
</tr>
<tr>
<td>Voice queuing affords customers the ability to receive notifications via voice call, in addition to SMS</td>
<td>Voice Queueing</td>
<td>$4,997</td>
<td></td>
</tr>
<tr>
<td>FlexAppointments affords customers the ability to schedule an appointment at the time &amp; date of their choice, and</td>
<td>FlexAppointments</td>
<td>$9,799</td>
<td>$97,990</td>
</tr>
</tbody>
</table>
to interact with the system to push themselves back in line, receive on-demand status updates, etc.

<table>
<thead>
<tr>
<th>Volume Discount</th>
<th>15% for 10+ locations</th>
<th>$1,470</th>
</tr>
</thead>
</table>

Phase Two Office one-time software Fees:

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virtual Queuing</td>
<td>$3,999</td>
<td>$483,819</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobile Queuing</td>
<td>$3,999</td>
<td>$483,819</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remote Queuing</td>
<td>$3,499</td>
<td>$423,319</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interactive Queuing</td>
<td>$3,499</td>
<td>$423,319</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voice Queueing</td>
<td>$2,499</td>
<td>$302,319</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>FlexAppointments</td>
<td>$4,900</td>
<td>$592,840</td>
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</tr>
</tbody>
</table>

Volume Discount

<table>
<thead>
<tr>
<th>25% for 100+ locations</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$875</td>
<td>$1,708,444</td>
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</table>

Recurring costs

<table>
<thead>
<tr>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>QLess Site License includes: Interactive Remote Mobile Queuing; QLess Reports; QLess Monitor software, and includes SMS and email, and all software maintenance, updates and upgrades</td>
<td>$59,995</td>
<td>$1,087,869</td>
<td>$1,087,869</td>
</tr>
</tbody>
</table>

Scheduling service

Volume Discount 15% for 10+ locations: $8,999

25% for 100+ locations: $271,967 $271,967 $271,967 $271,967 $271,967

Phase 1 Discounted License Rates: $50,996

Phase 2 Discounted License Rates: $815,902 $815,902 $815,902 $815,902 $815,902

Super!Center Offices Annual Software License $11,999

Phase 2 Offices Annual Software License, applicable per office $7,999

Training

Include number of recommended training days

2 Train-the-trainer $1,500 $3,000 $0
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>One time</th>
<th>Recurring/branch office moves</th>
<th>Hourly rates for system modification</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>End user</td>
<td>$1,500</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Administration training (includes reports and data access)</td>
<td>$1,500</td>
<td>$3,000</td>
<td>$0</td>
</tr>
<tr>
<td>0</td>
<td>Installation training</td>
<td>$1,500</td>
<td>$200</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Manuals/Support Documents</td>
<td>$25</td>
<td>$200</td>
<td></td>
</tr>
<tr>
<td></td>
<td>*priced per office</td>
<td>One time</td>
<td>$1,500</td>
<td>$15,000</td>
</tr>
<tr>
<td></td>
<td>*or $250/hr Recurring (branch office moves/remodels)</td>
<td>Recurring</td>
<td>$1,500</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Help Desk Support</td>
<td></td>
<td>$150/hr</td>
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</tr>
<tr>
<td></td>
<td>Enhancements (can be proposed as a yearly bank of hours)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Report changes</td>
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<tr>
<td></td>
<td>Hourly rates for system modification</td>
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<td>$200/hr</td>
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</tr>
<tr>
<td></td>
<td>Contractor provides additional costs</td>
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<tr>
<td></td>
<td>Account Setup</td>
<td></td>
<td>$3,000</td>
<td>$30,000</td>
</tr>
<tr>
<td></td>
<td>Includes: Integration, Configuration and Customization</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>*priced per office</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$.01 per SMS or minute of phone call</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>