

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



CONTRACT CHANGE NOTICE

Change Notice Number **5**
 to
 Contract Number **071B4300056**

CONTRACTOR	THREE SIGMA SOFTWARE, LLC	STATE	Program Manager	Various	MDHHS
	7901 Sandy Spring Road, Suite 500				
	Laurel, MD 20707				
	T.C. Mullany		Contract Administrator	Mecca Martin	DTMB
	703-624-4706			517-230-5694	
	tc.mullany@3sigmasoftware.com			martinm42@michigan.gov	
	CV0002928				

CONTRACT SUMMARY				
INFORMATION WIC				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
February 4, 2014	February 4, 2019	0 - 1 Year	August 31, 2021	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		August 31, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$21,063,614.00	(\$600,000.00)	\$20,463,614.00		
DESCRIPTION				
Effective 3/31/2021 this contract is hereby decreased by \$600,000.00 and added to KL&A contract 210000000187. All other specifications and pricing remain the same. Per DTMB contractor and agency agreement, and Central Procurement approval.				

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

AGENCY	NAME	PHONE	EMAIL
MDHHS	Bagyalakshmi Kodur	517-241-2116	KodurB@michigan.gov
DTMB	Heather Eakin	517-528-5675	EakinH@michigan.gov



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
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 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **4**
 to
 Contract Number **071B4300056**

CONTRACTOR	THREE SIGMA SOFTWARE
	7901 Sandy Spring Road, Suite 500
	Laurel, MD 20707
	T.C. Mullany
	703-624-4706
	tc.mullany@3sigmasoftware.com
	CV0002928

STATE	Program Manager	Various	MDHHS
	Contract Administrator	Mecca Martin	DTMB
		517-230-5694	
		martinm42@michigan.gov	

CONTRACT SUMMARY				
INFORMATION WIC				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
February 4, 2014	February 4, 2019	2 - 1 Year	February 4, 2021	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	7 Months	August 31, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$19,175,152.00	\$1,888,462.00	\$21,063,614.00		
DESCRIPTION				
Effective 12/15/2020, the parties agree to extend the contract to 8/31/2021 and add \$1,888,462.00. Beginning 1/1/2021 through contract expiration, Contractor will provide ongoing maintenance and support and, upon request, optional transition services at the rates listed in the attached cost table, total costs not to exceed \$1,888,462.00. The optional transition services that may be requested are governed by sections 2.170 through 2.176 of the contract. All other terms, conditions, specifications, and pricing remain the same. Per Contractor, Agency, DTMB Central Procurement, and State Administrative Board approval on 12/15/2020.				

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

AGENCY	NAME	PHONE	EMAIL
MDHHS	Bagyalakshmi Kodur	517-241-2116	KodurB@michigan.gov
DTMB	Heather Eakin	517-528-5675	EakinH@michigan.gov

Cost Table

Resource Role	Rate
Project Manager	\$140.00
Senior Software Developer	\$130.00
Software Developer	\$120.00
Business Analysis	\$110.00
Quality Assurance Tester	\$110.00
Data Base Administrator	\$130.00
Service	Monthly Rate
Help Desk Support	\$25,000.00
One Call Now	\$7,866.00

Federal Provisions Addendum

This addendum applies to purchases that will be paid for in whole or in part with funds obtained from the federal government. The provisions below are required and the language is not negotiable. If any provision below conflicts with the State's terms and conditions, including any attachments, schedules, or exhibits to the State's Contract, the provisions below take priority to the extent a provision is required by federal law; otherwise, the order of precedence set forth in the Contract applies. Hyperlinks are provided for convenience only; broken hyperlinks will not relieve Contractor from compliance with the law.

1. Equal Employment Opportunity

If this Contract is a "**federally assisted construction contract**" as defined in [41 CFR Part 60-1.3](#), and except as otherwise may be provided under [41 CFR Part 60](#), then during performance of this Contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.

(4) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The Contractor will comply with all provisions of [Executive Order 11246](#) of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The Contractor will furnish all information and reports required by [Executive Order 11246](#) of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in [Executive Order 11246](#) of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in [Executive Order 11246](#) of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of [Executive Order 11246](#) of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: *Provided*, that if the applicant so participating is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

2. Davis-Bacon Act (Prevailing Wage)

If this Contract is a **prime construction contracts** in excess of \$2,000, the Contractor (and its Subcontractors) must comply with the Davis-Bacon Act ([40 USC 3141-3148](#)) as supplemented by Department of Labor regulations ([29 CFR Part 5](#), "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"), and during performance of this Contract the Contractor agrees as follows:

- (1) All transactions regarding this contract shall be done in compliance with the Davis-Bacon Act (40 U.S.C. 3141- 3144, and 3146-3148) and the requirements of 29 C.F.R. pt. 5 as may be applicable. The contractor shall comply with 40 U.S.C. 3141-3144, and 3146-3148 and the requirements of 29 C.F.R. pt. 5 as applicable.
- (2) Contractors are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.
- (3) Additionally, contractors are required to pay wages not less than once a week.

3. Copeland "Anti-Kickback" Act

If this Contract is a contract for construction or repair work in excess of \$2,000 where the Davis-Bacon Act applies, the Contractor must comply with the Copeland "Anti-Kickback" Act ([40 USC 3145](#)), as supplemented by Department of Labor regulations ([29 CFR Part 3](#), "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"), which prohibits the Contractor and subrecipients from

inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled, and during performance of this Contract the Contractor agrees as follows:

- (1) Contractor. The Contractor shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this contract.
- (2) Subcontracts. The Contractor or Subcontractor shall insert in any subcontracts the clause above and such other clauses as FEMA or the applicable federal awarding agency may by appropriate instructions require, and also a clause requiring the Subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.
- (3) Breach. A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a Contractor and Subcontractor as provided in 29 C.F.R. § 5.12.

4. Contract Work Hours and Safety Standards Act

If the Contract is **in excess of \$100,000** and **involves the employment of mechanics or laborers**, the Contractor must comply with [40 USC 3702](#) and [3704](#), as supplemented by Department of Labor regulations ([29 CFR Part 5](#)), as applicable, and during performance of this Contract the Contractor agrees as follows:

- (1) Overtime requirements. No Contractor or Subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.
- (2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in paragraph (1) of this section the Contractor and any Subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Contractor and Subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.
- (3) Withholding for unpaid wages and liquidated damages. The State shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Contractor or Subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.
- (4) Subcontracts. The Contractor or Subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the Subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.

5. Rights to Inventions Made Under a Contract or Agreement

If the Contract is funded by a federal "funding agreement" as defined under [37 CFR §401.2 \(a\)](#) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with [37 CFR Part 401](#), "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

6. Clean Air Act and the Federal Water Pollution Control Act

If this Contract is **in excess of \$150,000**, the Contractor must comply with all applicable standards, orders, and regulations issued under the Clean Air Act ([42 USC 7401-7671g](#)) and the Federal Water Pollution Control Act ([33 USC 1251-1387](#)), and during performance of this Contract the Contractor agrees as follows:

Clean Air Act

1. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
2. The Contractor agrees to report each violation to the State and understands and agrees that the State will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency or the applicable federal awarding agency, and the appropriate Environmental Protection Agency Regional Office.
3. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA or the applicable federal awarding agency.

Federal Water Pollution Control Act

- (1) The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
- (2) The Contractor agrees to report each violation to the State and understands and agrees that the State will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency or the applicable federal awarding agency, and the appropriate Environmental Protection Agency Regional Office.
- (3) The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA or the applicable federal awarding agency.

7. Debarment and Suspension

A "contract award" (see [2 CFR 180.220](#)) must not be made to parties listed on the government-wide exclusions in the [System for Award Management](#) (SAM), in accordance with the OMB guidelines at [2 CFR 180](#) that implement [Executive Orders 12549](#) ([51 FR 6370; February 21, 1986](#)) and [12689](#) ([54 FR 34131; August 18, 1989](#)), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than [Executive Order 12549](#).

- (1) This Contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the Contractor is required to verify that none of the Contractor's principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
- (2) The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- (3) This certification is a material representation of fact relied upon by the State. If it is later determined that the contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2

C.F.R. pt. 3000, subpart C, in addition to remedies available to the State, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment.

- (4) The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

8. Byrd Anti-Lobbying Amendment

Contractors who apply or bid for an award of **\$100,000 or more** shall file the required certification in Exhibit 1 – Byrd Anti-Lobbying Certification below. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.

9. Procurement of Recovered Materials

Under [2 CFR 200.322](#), Contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

- (1) In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired—
 - a. Competitively within a timeframe providing for compliance with the contract performance schedule;
 - b. Meeting contract performance requirements; or
 - c. At a reasonable price.
- (2) Information about this requirement, along with the list of EPA- designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.
- (3) The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

10. Additional FEMA Contract Provisions.

The following provisions apply to purchases that will be paid for in whole or in part with funds obtained from the Federal Emergency Management Agency (FEMA):

- (1) Access to Records. The following access to records requirements apply to this contract:
 - a. The Contractor agrees to provide the State, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions.
 - b. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.
 - c. The Contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract.

- d. In compliance with the Disaster Recovery Act of 2018, the State and the Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.

(2) Changes.

See the provisions regarding modifications or change notice in the Contract Terms.

(3) DHS Seal, Logo, And Flags.

The Contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.

(4) Compliance with Federal Law, Regulations, and Executive Orders.

This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The Contractor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and directives.

(5) No Obligation by Federal Government.

The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the State, Contractor, or any other party pertaining to any matter resulting from the Contract."

(6) Program Fraud and False or Fraudulent Statements or Related Acts.

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor's actions pertaining to this contract.

Schedule H, Attachment 1 - Byrd Anti-Lobbying Certification

Contractor must complete this certification if the purchase will be paid for in whole or in part with funds obtained from the federal government and the purchase is greater than \$100,000.

APPENDIX A, 44 C.F.R. PART 18 – CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Contractor, _____ certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.

Signature of Contractor's Authorized Official

Name and Title of Contractor's Authorized Official

Date



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

CONTRACT CHANGE NOTICE

Change Notice Number **3**
 to
 Contract Number **071B4300056**

CURRENT CONTRACTOR	Three Sigma Software, Inc.	NEW CONTRACTOR	Three Sigma Software, LLC
	9265 Davis Drive		7901 Sandy Spring Road, Suite 500
	Lorton, VA 22079		Laurel, MD 20707
	T.C. Mullany		T.C. Mullany
	703-624-4706		703-624-4706
	tc.mullany@3sigmasoftware.com		tc.mullany@3sigmasoftware.com
	CV0002928		CV0002928

STATE CONTACTS			
Program Manager	Multiple - See Below	Contract Administrator	Jarrod Barron
			DTMB
			(517) 249-0406
			BarronJ1@michigan.gov

CONTRACT SUMMARY			
INFORMATION WIC			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
February 4, 2014	February 4, 2019	2 - 1 Year	February 4, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS		EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	2 Years	<input type="checkbox"/>		February 4, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$12,687,584.00	\$6,487,568.00	\$19,175,152.00		

DESCRIPTION
Effective 1/22/2019, the parties exercise both available option years and add \$6,487,568.00 to cover the costs associated with the attached statement of work. Vendor name has changed from Three Sigma Software, Inc to Three Sigma Software, LLC, as a result of a securities purchase agreement with GCOM Software LLC that closed on November 9, 2018. The parties also add the attached Federal Provisions Addendum and Byrd Anti-Lobbying Certification to the contract. All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency DTMB Procurement and State Administrative Board approval.

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

AGENCY	NAME	PHONE	EMAIL
DTMB	Kimberly Koppsch-Woods	517-241-3314	Koppsch-WoodsK@michigan.gov
MDHHS	Bagyalakshmi Kodur	517-241-2116	KodurB@michigan.gov



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

Project Title: Exercise Option Years 1 and 2 with Three Sigma Software for MI-WIC Application Maintenance, Help Desk, and enhancements	Period of Coverage: 2/5/2019 – 2/4/2021
Requesting Department: Michigan Department of Health and Human Services	Date: November 7, 2018
Agency Program Manager: Bagyalakshmi Kodur	Phone: 517-335-9834
DTMB Program Manager: Kimberly Koppsch-Woods	Phone: 517-241-3314

This Statement of Work (SOW) is made part of a Change Notice to Contract No. 071B4300056 (Contract) between the State of Michigan (State or SOM) and Three Sigma Software, LLC, a subsidiary of GCOM (Vendor). The Parties agree as follows:

I. DEFINITIONS

- 1.1 “DTMB” means the State of Michigan Department of Technology, Management and Budget.
- 1.2 “Michigan Department of Community Health”, “Community Health”, and “DCH” in the existing Contract mean the Michigan Department of Health and Human Services. Under State Executive Order No. 2015–4, the entities formerly known as the separate Michigan Department of Community Health (MDCH or DCH) and the Michigan Department of Human Services (MDHS or DHS) have become one department named the Michigan Department of Health and Human Services (MDHHS or DHHS).
- 1.3 “MI-WIC Suite of Applications” includes, but is not limited to:
 - A. State-hosted Michigan Women, Infants and Children (MI-WIC) Managed Information System (MIS): A web-based application utilized by workers to manage cases and administer benefits.
 - B. MI-WIC Client Connect: A web-based application or client portal utilized by WIC clients.
 - C. MI-WIC Mobile: A mobile application or client portal utilized by WIC clients.
 - D. Reporting Services
 - E. WIC System Interfaces and File Transfers

F. Auto-dialer Application Support

II. BACKGROUND

- 2.1 The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) program is a 100% federally-funded program administered in Michigan by the Michigan Department of Health and Human Services (MDHHS). The funding agency of the WIC Program is the United States Department of Agriculture, Food and Nutrition Services (FNS). The purpose of WIC is to provide nutrition education, nutritious foods, breastfeeding promotion and support and referrals to health and other social services to clients at no charge. WIC services low income pregnant, breastfeeding and non-breastfeeding postpartum women, infants, and children up to age five (5). Clients will meet income guidelines, a state residency requirement and be individually determined to be at nutrition and/or medical risk by a health professional.
- 2.2 MDHHS delivers WIC services at the local level by contracting with local agencies, including health departments and non-profit community organizations. The local agencies operate through 216 clinics, which serve approximately 253,000 participants in 83 Michigan counties via approximately 2,300 WIC authorized vendors throughout the state. For more information on Michigan WIC, please refer to the website www.michigan.gov/wic.

III. PROJECT OBJECTIVE

- 3.1 This Contract Change Notice for contract No. 071B4300056 is to extend the contract for the first and second year options, per section 2.002, Options to Renew, for ongoing maintenance, operations, help desk services, and future enhancements for the State-hosted Michigan Women, Infants and Children (MI-WIC) Managed Information System (MIS) Suite of Applications through the MDHHS with assistance and support of the Department of Technology, Management and Budget (DTMB).

IV. SCOPE OF WORK

- 4.1 Vendor will provide services as detailed in the Contract, including:
- A. Project Management (Section 1.1022 of the Contract)
 - B. Enhancements (Section 1.1022 of the Contract)
 - C. Maintenance and Operations (Section 1.1022 of the Contract)
 - D. Quality Assurance (Section 1.1022 of the Contract)
 - E. Training (Section 1.1022 of the Contract)
 - F. Reporting Services (Section 1.1022 of the Contract)
 - G. Centralized Help Desk (Contract Change Notice #2)
 - H. Auto-dialer Support (Contract Change Notice #1)

V. DELIVERABLES

- 5.1 Deliverables will not be considered complete until both DTMB and MDHHS Project Managers have formally accepted them in writing.

VI. ACCEPTANCE CRITERIA

- 6.1 Acceptance criteria as described per approved Contract.

VII. SPECIFIC DEPARTMENT STANDARDS

- 7.1 The Vendor will 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---,00.html> except for the existing components of the transfer system, or as approved by the DTMB Project Manager. New components written for the Michigan system must follow the State of Michigan standards.
- 7.2 If Vendor is unable to access or view any of the IT Security Requirements listed on any State website, Vendor must promptly notify the DTMB Program Manager, who will facilitate communications with the State Office of Cybersecurity & Infrastructure Protection. Vendor must ensure it is compliant with all State and federal policies and standards that may have security requirements or security impact on the project.
- 7.3 Vendor must lead all efforts to identify all State and federal policies and standards that may have security requirements or security impact on the project.
- 7.4 In the event Vendor identifies a State and federal policy and/or standard that may have security requirements or security impact on this Contract's Project, Vendor must immediately notify the DTMB Program Manager in writing.

VIII. PROJECT CONTROL AND REPORTS

- 8.1 Reports will consist of verbal or written reports from Vendor at the discretion of the MDHHS and DTMB Program Managers.

IX. PAYMENT SCHEDULE AND PRICING

Maintenance and Operations Phase

Note: Contractor is required to provide the fully loaded cost for supporting one FTE onsite for a five (5) year maintenance period. Office space, supplies, and workstation will be provided by the State for on-site personnel only.

Item #	Description	Quantity/ Unit	Unit Price	Not to Exceed
A	Maintenance, Operations and Enhancements to the MI-WIC Suite of Applications, Term: 2/5/2019-2/4/2021			
A1	Maintenance, Operations Support, and Enhancements billed hourly in accordance with Pricing Schedule D, Term 2/5/2019-2/4/2021		Pricing Schedule D	\$5,500,000.00
B	Centralized Help Desk, Term: 2/5/2019-2/4/2021			

B1	Centralized Help Desk during Coverage Hours - billed monthly @ \$25,000/month firm fixed, (partial months will be billed per diem at \$806.00 per day). Term 2/5/2019-2/4/2021	24 months	\$25,000.00 Pricing Schedule B	\$600,000.00
B2	Extended Centralized Help Desk Coverage, Outside Coverage Hours – billed hourly in accordance with Pricing Schedule D, Term 2/5/2019-2/4/2021 (Estimated and Optional), requires pre-approval by the MDHHS Program Manager	N/A	N/A	\$10,000.00
C	Auto-dialer Support Services, Term: 2/5/2019-2/4/2021			
C1	Auto-dialer services include unlimited voice calls, unlimited text messages for up to 240,000 per year	24 months	\$7,866.00	\$377,568.00
TOTAL				\$6,487,568.00

Note:

- Price quoted are fixed price.
- Ongoing production support during the maintenance period to be invoiced and paid monthly.
- The hours estimated in line item A1 include \$2,000,000.00 to be used for approved enhancements. The State does not commit to procuring services in the quantities estimated or in other amounts. The State at its discretion may not use the hours. The payment will be spanned over multiple time periods based on approved deliverables and agreed upon timelines. Hours and Prices are non-binding and will be used at the State's discretion to determine best value to the State. The State reserves the right to add more hours/dollars to the Contract.
- Item C: Auto-dialer services component added per Contract Change Notice (CCN) 1, effective 9/14/2017. Auto-dialer services to be invoiced and paid monthly.

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

9.2 Pricing Schedule D to be revised to add a Staffing Category and Hourly Rates for Solution/Security Analyst and Senior Web Focus Consultant for the purpose of Business Intelligence support. See revised Pricing Schedule D:

Staffing Category	Hourly Rate
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Junior Analyst/Developer	\$100.00
Senior Analyst/Developer	\$120.00
Business Analyst	\$105.00
DBA	\$120.00
Technical Architect	\$130.00
Trainer	\$110.00
Site Support Technician	\$110.00
Tester	\$110.00
Help Desk Technician	\$90.00
Project Manager	\$129.50
Solution/Security Analyst	\$215.00
Senior Web Focus Consultant	\$190.00

X. EXPENSES

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

XI. PROJECT CONTACTS

11.1 The designated MDHHS Program Manager is:

Bagyalakshmi Kodur
MDHHS WIC 6th Floor
320 S Walnut Street

Lansing, MI 48933
(517) 335-9834
KodurB@michigan.gov

11.2 The designated DTMB Program Manager is:

Kimberly Koppsch-Woods
DTMB Agency Services Supporting MDHHS Behavioral and Population Health
Chandler Building
300 E Michigan Avenue
Lansing, MI 48933
(517) 241-3314

XII. AGENCY RESPONSIBILITIES

12.1 Per agreement of the approved Contract.

XIII. EXPECTED VENDOR WORK HOURS AND CONDITIONS

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

13.2 No overtime will be permitted.

XIV. SUBCONTRACTING BY CONTRACTOR

14.1 Contractor (Three Sigma Software Inc) has selected Subcontractor (IBI) to provide Business Intelligence support. Contractor must follow rules for subcontracting in accordance with Contract, section 2.070.

XV. GENERAL PROVISIONS

15.1 Work Location – Resource(s) will work entirely offsite unless otherwise specified by the DTMB Program Manager. The State is under no obligation to provide the Vendor with workstations or physical workspace for this SOW.

15.2 Web or Hyperlinks – In the event Vendor is unable to access or view any of the web links (also known as hyperlinks) contained within this Contract, Vendor must promptly notify the DTMB Program Manager. An inaccessible or non-working web link will not excuse the Vendor of its duties and obligations under this Contract. Vendor is responsible for ensuring its personnel and/or subcontractors have reviewed all State and DTMB policies under this SOW.

15.3 Entire Agreement – This SOW, together with the existing Contract, constitutes the Parties' complete and exclusive statement regarding work requirements and procedures. Apart from the amendments made in this SOW, all Contract terms and conditions must remain in full force and effect.

Federal Provisions Addendum

The provisions in this addendum may apply if the purchase will be paid for in whole or in part with funds obtained from the federal government. If any provision below is not required by federal law for this Contract, then it does not apply and must be disregarded. If any provision below is required to be included in this Contract by federal law, then the applicable provision applies and the language is not negotiable. If any provision below conflicts with the State's terms and conditions, including any attachments, schedules, or exhibits to the State's Contract, the provisions below take priority to the extent a provision is required by federal law; otherwise, the order of precedence set forth in the Contract applies. Hyperlinks are provided for convenience only; broken hyperlinks will not relieve Contractor from compliance with the law.

1. Federally Assisted Construction Contracts

If this contract is a “**federally assisted construction contract**” as defined in [41 CFR Part 60-1.3](#), and except as otherwise may be provided under [41 CFR Part 60](#), then during performance of this Contract, the Contractor agrees as follows:

(1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

(2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.

(4) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) The Contractor will comply with all provisions of [Executive Order 11246](#) of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(6) The Contractor will furnish all information and reports required by [Executive Order 11246](#) of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(7) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in [Executive Order 11246](#) of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in [Executive Order 11246](#) of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(8) The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of [Executive Order 11246](#) of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

2. Davis-Bacon Act (Prevailing Wage)

- a. If applicable, the Contractor (and its Subcontractors) for **prime construction contracts** in excess of \$2,000 must comply with the Davis-Bacon Act ([40 USC 3141-3148](#)) as supplemented by Department of Labor regulations ([29 CFR Part 5](#), "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction").
- b. The Contractor (and its Subcontractors) shall pay all mechanics and laborers employed directly on the site of the work, unconditionally and at least once a week, and without subsequent deduction or rebate on any account, the full amounts accrued at time of payment, computed at wage rates not less than those stated in the advertised specifications, regardless of any contractual relationship which may be alleged to exist between the Contractor or subcontractor and the laborers and mechanics;
- c. The Contractor will post the scale of wages to be paid in a prominent and easily accessible place at the site of the work;
- d. There may be withheld from the Contractor so much of accrued payments as the contracting officer considers necessary to pay to laborers and mechanics employed by the Contractor or any Subcontractor on the work the difference between the rates of wages required by the Contract to be paid laborers and mechanics on the work and the rates of wages received by the laborers and mechanics and not refunded to the Contractor or Subcontractors or their agents.

3. Copeland "Anti-Kickback" Act

If applicable, the Contractor must comply with the [Copeland "Anti-Kickback" Act \(40 USC 3145\)](#), as supplemented by Department of Labor regulations ([29 CFR Part 3](#), "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"), which prohibits the Contractor and subrecipients from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.

4. Contract Work Hours and Safety Standards Act

If the Contract is **in excess of \$100,000** and **involves the employment of mechanics or laborers**, the Contractor must comply with [40 USC 3702](#) and [3704](#), as supplemented by Department of Labor regulations ([29 CFR Part 5](#)), as applicable.

5. Rights to Inventions Made Under a Contract or Agreement

If the Contract is funded by a federal "funding agreement" as defined under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

6. Clean Air Act

If this Contract is **in excess of \$150,000**, the Contractor must comply with all applicable standards, orders, and regulations issued under the Clean Air Act (42 USC 7401-7671q) and the Federal Water Pollution Control Act (33 USC 1251-1387). Violations must be reported to the federal awarding agency and the regional office of the Environmental Protection Agency.

7. Debarment and Suspension

A “contract award” (see [2 CFR 180.220](#)) must not be made to parties listed on the government-wide exclusions in the [System for Award Management](#) (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

8. Byrd Anti-Lobbying Amendment

If this Contract **exceeds \$100,000**, bidders and the Contractor must file the certification required under [31 USC 1352](#).

9. Procurement of Recovered Materials

Under [2 CFR 200.322](#), a non-Federal entity that is a state agency or agency of a political subdivision of a state **and its contractors** must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at [40 CFR part 247](#) that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

Byrd Anti-Lobbying Certification

The following certification and disclosure regarding payments to influence certain federal transactions are made under FAR 52.203-11 and 52.203-12 and [31 USC 1352](#), the "Byrd Anti-Lobbying Amendment." Hyperlinks are provided for convenience only; broken hyperlinks will not relieve Contractor from compliance with the law.

1. [FAR 52.203-12](#), "Limitation on Payments to Influence Certain Federal Transactions" is hereby incorporated by reference into this certification.
2. The bidder, by submitting its proposal hereby certifies to the best of his or her knowledge and belief that:
 - a. No federal **appropriated** funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress on his or her behalf in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan, or cooperative agreement;
 - b. If any funds **other than federal appropriated funds** (including profit or fee received under a covered federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress on his or her behalf **in connection with this solicitation**, the bidder must complete and submit, with its proposal, [OMB standard form LLL, Disclosure of Lobbying Activities](#), to the Solicitation Manager; and
 - c. He or she will include the language of this certification in all subcontract awards at any tier and require that all recipients of subcontract awards in excess of \$150,000 must certify and disclose accordingly.
3. This certification is a material representation of fact upon which reliance is placed at the time of Contract award. Submission of this certification and disclosure is a prerequisite for making or entering into this Contract under [31 USC 1352](#). Any person making an expenditure prohibited under this provision or who fails to file or amend the disclosure form to be filed or amended by this provision is subject to a civil penalty of not less than \$10,000, and not more than \$100,000, for each such failure.

Signed by:

Name and Title: _____

Three Sigma Software, LLC

Date: _____



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 **2**

to

Contract Number **071B4300056**

CONTRACTOR	Three Sigma Software, Inc.
	9265 Davis Drive
	Lorton, VA 22079
	T.C. Mullany
	703-624-4706
	tc.mullany@3sigmasoftware.com
	CV0002928

STATE	Program Manager	Kobra Eghtedary	MDHHS
		517-335-9834	
		eghtedaryk@michigan.gov	
	Contract Administrator	Jarrod Barron	DTMB
		(517) 249-0406	
		barronj1@michigan.gov	

CONTRACT SUMMARY				
INFORMATION WIC				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
February 4, 2014	February 4, 2019	2 - 1 Year	February 4, 2019	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		February 4, 2019
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$12,687,584.00	\$0.00	\$12,687,584.00		
DESCRIPTION				
Effective 8/15/2018, the parties add the attached statement of work utilizing existing contract funds. All other terms, conditions, specifications, and pricing remain the same.				



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

Project Title: MI-WIC Application Maintenance and Operations Help Desk	Period of Coverage: 2/4/2017 – 2/3/2019
Requesting Department: Michigan Department of Health and Human Services	Date: May 15, 2017
Agency Program Manager: Dr. Kobra Eghtedary	Phone: 517-335-9834
DTMB Program Manager: Kimberly Koppsch-Woods	Phone: 517-241-3314

This Statement of Work (SOW) is made a part of a Change Notice to Contract No. 071B4300056 (Contract) between the State of Michigan (State or SOM) and Three Sigma Software, Inc. (Three Sigma or 3SWW or Contractor). The Parties agree as follows:

1. OVERVIEW AND DEFINITIONS

- 1.01 The recitals set forth above are incorporated into this Statement of Work (SOW).
- 1.02 All duties and obligations described herein will become part of existing Contract. All terms, conditions, and specifications contained in the existing Contract must remain in full force and effect.
- 1.03 **“Days”** means calendar day unless specifically stated otherwise in the Contract.
- 1.04 **“DTMB”** means the State of Michigan Department of Technology, Management and Budget.
- 1.05 **“Michigan Department of Community Health”, “Community Health”, and “DCH”** in the existing Contract mean the Michigan Department of Health and Human Services. Under the recently effectuated State Executive Order No. 2015–4, the entities formerly known as the separate Michigan Department of Community Health (MDCH or DCH) and the Michigan Department of Human Services (MDHS or DHS) have Doesn’t Section one department named the Michigan Department of Health and Human Services (MDHHS or DHHS).
- 1.06 **“Task”** means a service and/or deliverable from the Contractor.
- 1.07 Any terms or concepts in this Work Request that are not defined in the Contract are governed by their plain meaning.
- 1.08 The Contract provides for the maintenance and operations of the State-hosted Michigan Information WIC (MI-WIC) Managed Information System (MIS). The Contract covers a broad

range of MIS services and functions to support the electronic delivery of public assistance benefits and other government-related services to eligible recipients in the State.

- 1.09 MDHHS delivers women, infant and children (WIC) services at the local level by contracting with forty-eight (48) local agencies, including health departments and non-profit community organizations. The local agencies operate through two-hundred and sixteen (216) clinics, which serve approximately 253,000 participants in 83 Michigan counties via approximately 2,300 WIC authorized vendors throughout the state.
- 1.10 MDHHS has requested the Contractor modify the Help Desk approach from a dedicated Help Desk to a centralized Help Desk, while providing dedicated FTEs in accordance with Revised Pricing Detail Schedule B which is incorporated in this SOW, for ongoing Quality Assurance (QA) services only. MDHHS intends to continue these services through the term of the Contract (February 4, 2019). This model will provide better coverage of Help Desk services and focused quality assurance testing resources as outlined in Section 1.020 Scope of Work and Deliverables of the Contract.

2. CONTRACTOR'S SCOPE OF WORK

- 2.01 Contractor will provide Centralized Help Desk (CHD) services in accordance with the existing Contract and this SOW. The Contractor will modify their Help Desk services approach and will utilize a dedicated Centralized Help Desk (CHD) support model.
- 2.02 Contractor will conduct Centralized Help Desk Operations as follows:
 - 1) 8:00 a.m. to 5:00 p.m. – Monday through Friday
 - 2) During Clinic Operation on Saturdays. If Friday's call volume is greater than 50 calls or an application release was done during the previous week.
 - 3) **During Clinic Operations on State Holidays.** The Centralized Help Desk will be closed on the following holidays unless any one WIC Clinic remains open and operational.
 - a) New Year's Day
 - b) Memorial Day
 - c) Independence Day
 - d) Labor Day
 - e) Thanksgiving Day and the day after
 - f) Christmas Day
 - 4) The State will provide 24-hours' notice via either email or telephone call to the Contractor's Primary Notice Contact designed in the existing Contract for any extended hours required by State.
 - 5) Help desk coverage outside of the central help desk coverage hours must be billed at the Not to Exceed Rates.
 - 6) Centralized Help -The number of Contractor resources staffing the Centralized Help Desk will be:
 - a) Three (3) Contractor resources between 8:00 a.m. to 10:00 a.m.
 - b) Four (4) Contractor resources between 10:00 a.m. to 12:00 p.m.
 - c) Five (5) Contractor resources between 12:00 p.m. to 5:00 p.m.
 - d) Staffing will vary for any Help Desk coverage that falls outside of Centralized Help Desk coverage hours and will be billed as extended Help Desk coverage according to the hourly rates schedule as awarded to the Contractor.

- 7) **Centralized Help -The Requirements of individuals.** The Requirements pertaining to skill level or knowledge for Centralized Help Desk staff will be the same as they were captured in the MIWIC Main Contract, including staff should have Minimum of one year WIC functional requirement experience.

- 2.03 **Monthly Progress Report for Service.** Progress Reports will be delivered in accordance with the base contract and must be submitted to the DTMB and MDHHS Program Managers throughout each Project term. Contractor must combine all Reports into a single document. The Report may be submitted with Contractor's billing invoice.

3. SPECIFIC AGENCY STANDARDS

- 3.01 **IT Security Requirements.** Contractor must comply with all State Information Technology Security Policies, including but not limited to those listed within the existing Contract, herein, and on the DTMB "IT Policies, Standards, and Procedures (PSP)" webpage, currently found at http://michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html.
- 3.02 If Contractor is unable to access or view any of the IT Security Requirements listed on any State website, Contractor must promptly notify the DTMB Program Manager, who will facilitate communications with the State Office of Cybersecurity & Infrastructure Protection. Contractor must ensure it is compliant with all State and federal policies and standards that may have security requirements or security impact on the project.
- 3.03 Contractors must lead all efforts to identify all State and federal policies and standards that may have security requirements or security impact on the Project.
- 3.04 In the event Contractor identifies a State and federal policy and/or standard that may have security requirements or security impact on this Contract's Project, Contractor must immediately notify the DTMB Program Manager in writing.

4. PAYMENT SCHEDULE AND PRICING

- 4.01 The Pricing Detail Schedule B from the existing Contract is removed and replaced with Revised Pricing Detail Schedule B, which is incorporated in this SOW.
- 4.02 Payment for quality assurance personnel will be made on a time and materials basis at the Not to Exceed Rates in Pricing Detail B. These costs are already included in existing Contract and do not represent net new costs under this SOW.
- 4.03 The total purchase price for Professional Services for this SOW is **\$600,000.00**. These costs are included in the Contract and do not represent a net new cost. "Pricing Detail B" is revised and attached herein to reflect this change. This amount consists of the items below.

Year	Service Payment Type	Estimated Monthly Cost	Estimated Cost
2/4/17-2/3/18	Flat Rate	12 months @ \$25,000.00 per month billed monthly (partial months will be billed per diem at \$806.00 per day)	\$300,000.00
2/4/18-2/3/19	Flat Rate	12 months @ \$25,000.00 per month billed monthly (partial months will be billed per diem at \$806.00 per day)	\$300,000.00
Total			\$600,000.00

- 4.04 Any and all additional work effort or services funds not included in this SOW must be pre-approved, in writing, by the State DTMB Program Manager and follow the State's established Project Change Request approval processes.

5. NOTICE AND PROJECT CONTACTS

- 5.01 The MDHHS Program Manager is:

Kobra Eghtedary, PhD
Michigan Department of Health and Human Services
Women, Infant Children's Division
320 S. Walnut St., 6th Floor
Lansing, MI 48933
517-335-9834
517-335-8835
Eghtedaryk@michigan.gov

- 5.02 The DTMB Program Manager is:

Kimberly Koppsch-Woods
Michigan Department of Technology, Management and Budget
Agency Services Supporting Michigan Department of Health and Human Services
Chandler Building
300 E. Michigan Avenue, 2nd Floor
Lansing, MI 48933
(517) 241-3314
Koppsch-woodsK@michigan.gov

6. GENERAL PROVISIONS

- 6.01 **Location.** Contractor's Centralized Help Desk services will be performed in 3Sigma Development Site located in Maryland.
- 1.01 **No Commitment for Additional Services.** This SOW does not constitute a commitment by the State to utilize any additional services. Utilization of additional services funds requires written pre-approval of the DTMB Program Manager and must follow an established Project Change Request approval process. Hours listed above for onsite and remote by resources may be adjusted by written approval of the State DTMB Program Manager.
- 1.02 **Web or Hyperlinks.** In the event Contractor is unable to access or view any of the web links (also known as hyperlinks) contained within this Agreement, Contractor must promptly notify the DTMB Program Manager. An inaccessible or non-working web link will not excuse the Contractor of its duties and obligations under this Agreement. The Contractor is responsible for ensuring its personnel and/or subcontractors have reviewed all State and DTMB policies under this Agreement.
- 1.03 **Entire Agreement.** This SOW, together with the existing Contract, constitutes the Parties' complete and exclusive statement regarding work requirements and procedures. Apart from

the amendments made in this SOW, all Contract terms and conditions must remain in full force and effect.

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused their duly authorized officers to execute this SOW via a contract change notice signature page, which is incorporated herein by reference.

REVISED

Pricing Detail B

Maintenance and Operations Phase

Note: Contractor is required to provide the fully loaded cost for supporting one FTE onsite for a five (5) year maintenance period. Office space, supplies and workstation will be provided by the State for on-site personnel only.

#	Cost Category	FTE Not-to-exceed Hourly Rate	No. of FTE	Estimated Annual Hours Allocated	Estimated Annual Cost	Total Estimated 5-year Cost
1	Personnel Costs (1 FTE onsite Project Manager)	\$129.50	1	2080	\$269,360.00	\$1,346,800.00
2	Personnel Costs (3 FTE offsite Senior Developers)	\$120.00	3	6240	\$748,800.00	\$3,744,000.00
3	Personnel Costs (0.5 FTE DBA)	\$120.00	0.5	1040	\$124,800.00	\$624,000.00
4	Personnel Costs (1.5 FTEs QA analysts)	\$105.00	1.5	3120	\$327,600.00	\$1,638,000.00
5	Estimated Enhancements				\$729,200.00	\$3,646,000.00
6	Personnel Costs (Centralized Help Desk) Effective 2/4/17-2/3/19 \$25,000 per month, partial months will be billed per diem at \$806.00 per day.				\$300,000.00	\$1,500,000.00
	Grand Total				\$2,499,760.00	\$12,498,800.00

Note:

1. Prices quoted are fixed price.
2. Ongoing production support during the maintenance period to be invoiced and paid monthly.
3. If the State extends the contract the prices will remain the same (fixed) for the extended additional period. The contract value will not exceed \$17,498,320.00 for the scheduled five-year contract period and any optional contract years, if optional years are exercised.
4. The hours estimated in line item 5 are to be used for approved enhancements. The State does not commit to procuring services in the quantities estimated or in other amounts. The State at its discretion may not use the hours. The payment will be spanned over multiple time periods based upon approved deliverables and agreed upon timelines.

Hours and Prices are non-binding and will be used at the State's discretion to determine best value to the State. The State reserves the right to add more hours/dollars to the Contract.

These total costs are included in the Existing Contract and do not represent a net new cost. "Price Detail B" is revised only to reflect:

- a change to 1.5 FTE QA analysts from 2 FTEs
- to add Personnel Costs for Centralized Help Desk services
- a change in the amount for Estimated Enhancements from \$920,000.00 to \$729,200.00



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 **1**

to

Contract Number **071B4300056**

CONTRACTOR	Three Sigma Software, Inc.
	9265 Davis Drive
	Lorton, VA 22079
	T.C. Mullany
	703-624-4706
	tc.mullany@3sigmasoftware.com
	*****8162

STATE	Program Manager	Kobra Eghtedary	MDHHS
		517-335-9834	
		eghtedaryk@michigan.gov	
	Contract Administrator	Malu Natarajan	DTMB
		(517) 284-7030	
		natarajanm@michigan.gov	

CONTRACT SUMMARY				
MICHIGAN INFORMATION WIC				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
February 4, 2014	February 4, 2019	2 - 1 Year	February 4, 2019	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		February 4, 2019
CURRENT VALUE	VALUE OF CHANGE NOTICE		ESTIMATED AGGREGATE CONTRACT VALUE	
\$12,498,800.00	\$188,784.00		\$12,687,584.00	
DESCRIPTION				
Effective 9/14/2017, the attached Statement of Work for the MI-WIC Autodialer Application is hereby added to this Contract. The Contract value has been increased by \$188,784.00. All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, and DTMB Procurement approval.				



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

Project Title: MI-WIC Autodialer Application	Period of Coverage: 9/1/2017 – 9/30/2018
Requesting Department: Michigan Department of Health and Human Services	Date: 7/28/17
Agency Project Manager: Dr. Kobra Eghtedary	Phone: 517-335-9834
DTMB Project Manager: Kimberly Koppsch-Woods	Phone: 517-241-3314

“Michigan Department of Community Health”, “Community Health”, and “DCH” in the existing Contract means the Michigan Department of Health and Human Services (MDHHS). Under the recently effectuated State Executive Order No. 2015-4, the entities formerly known as the separate Michigan Department of Community Health (MDCH or DCH) and the Michigan Department of Human Services (MDHS or DHS) have become one department named the Michigan Department of Health and Human Services (MDHHS or DHHS).

This Statement of Work (SOW) is made a part of a Change Notice to Contract No. 071B4300056 (Contract) between the State of Michigan (State or SOM) and Three Sigma Software, Inc. (Three Sigma or 3SSW or Vendor) to exercise the Auto Dialer Voice Calls & SMS Text Messaging Services through subcontractor One Call Now. The Parties agree as follows:

I. BACKGROUND

- 1.01 Three Sigma will provide the service of a web-based Appointment Reminder System, Auto Dialer that supports Voice calls and SMS text messages for the Michigan Department of Health and Human Services (MDHHS), Michigan Women, Infants and Children (MI-WIC) program.
- 1.02 The Michigan Department of Human and Health Services (MDHHS) uses Three Sigma Auto-dialer system to deliver reminder messages to the Women Infants and Children (WIC) clients about scheduled WIC appointments via telephone calls and text messages. The auto-dialer and is integrated with the WIC eligibility application MI-WIC and involves delivering messages prior to a scheduled appointment. The call system increases the client participation and operational efficiencies to improve caseloads.

II. PROJECT OBJECTIVE

- 2.01 3SSW to provide the services for the ongoing auto-dialer system for the MDHHS Women, Infants and Children (WIC) clients.

III. SCOPE OF WORK

- 3.01 Contractor will provide continued maintenance and support necessary for auto-dialer calls and SMS text messages to be provided to Michigan WIC clients.

IV. TASKS

- 4.01 Contractor will complete the following tasks and otherwise do all things necessary to enable text messages be sent to Michigan WIC clients:
 1. All necessary enhancements to support the SMS text message functionality
 2. Enable existing functionality to distribute the SMS text messages to clients as identified by the MI-WIC system

V. DELIVERABLES

5.01 Deliverables will not be considered complete until both DTMB and MDHHS Project Managers has formally accepted them in writing.

VI. ACCEPTANCE CRITERIA

6.01 Acceptance criteria as described per approved contract, 071B4300056.

VII. PROJECT CONTROL AND REPORTS

7.01 Reports will consist of verbal/written reports from Contractor at the discretion of the Project Manager(s).

VIII. SPECIFIC DEPARTMENT STANDARDS

8.01 Per agreement of the approved contract 071B4300056:

8.02 The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dmb/0,4568,7-150-56355---,00.html> except for the existing components of the transfer system, or as approved by the DTMB Project Manager. New components written for the Michigan system must follow the State of Michigan standards.

8.03 The Contractor must ensure that all applications operate in accordance with the final and amended rules adopted under HIPAA for security and privacy. It is the State of Michigan's responsibility to identify the system changes necessary to comply with HIPAA. It will be the contractor's responsibility to identify the impact of the requirements and make the changes in accordance with Section 1.403 Change Requests.

IX. PAYMENT SCHEDULE

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

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

X. PRICING TABLE

10.01 Annual Fixed Price Per Year- Unlimited Voice Calls, Unlimited Text Messages for 240,000 People including MI-WIC Clients and Clinic Staff –

10.02 Annual renewal rates will remain the same through February 2021.

Description	Quantity	Unit Price per Case	Total Price
Unlimited messaging to all participants and staff up to 240,000 caseload. Includes SMS text, phone, email, mobile apps, support, training, TTS, Languages, more. Provided by One Call Now. 2017	240,000	\$0.40	\$96,000.00
SPECIAL PRICING - Special Discount -\$0.02 Each 2017	240,000	-\$0.02	-\$4,800.00
3.5% FCC REGULATORY RECOVER FEE 2017	1	\$3,192.00	\$3,192.00
Unlimited messaging to all participants and staff up to 240,000 caseload. Includes SMS text, phone, email, mobile apps, support,	240,000	\$0.40	\$96,000.00

training, TTS, Languages, more. Provided by One Call Now. 2018			
SPECIAL PRICING - Special Discount -\$0.02 Each 2018	240,000	-\$0.02	-\$4,800.00
3.5% FCC REGULATORY RECOVER FEE 2018	1	\$3,192.00	\$3,192.00
Total			\$188,784.00

XI. EXPENSES

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

XII. PROJECT CONTACTS

12.01 The designated MDHHS Project Manager is:

Kobra Eghtedary, PHD
MDHHS WIC, 6th Floor
320 S Walnut Street
Lansing, MI - 48933
Telephone: 517-335-9834
eghtedaryK@michigan.gov

12.02 The DTMB Program Manager is:

Kimberly Koppsch-Woods
Michigan Department of Technology, Management and Budget
Agency Services Supporting Michigan Department of Health and Human Services
Chandler Building
300 E. Michigan Avenue, 2nd Floor
Lansing, MI 48933
(517) 241-3314
Koppsch-woodsK@michigan.gov

XIII. AGENCY RESPONSIBILITIES

13.01 Per agreement of the approved contract 071B4300056.

XIII. EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS

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

14.02 No overtime will be permitted.

XV. GENERAL PROVISIONS

15.01 **Work Location.** Resource(s) will work entirely offsite unless otherwise specified by the DTMB Program Manager. The State is under no obligation to provide the Contractor with workstations or physical workspace for this SOW.

15.02 **Web or Hyperlinks.** In the event Contractor is unable to access or view any of the web links (also known as hyperlinks) contained within this Contract, Contractor must promptly notify the DTMB Program Manager. An inaccessible or non-working web link will not excuse the Contractor of its duties and obligations under this Contract. Contractor is responsible for ensuring its personnel and/or subcontractors have reviewed all State and DTMB policies under this Contract.

15.03 **Entire Agreement.** This SOW, together with the existing Contract, constitutes the Parties' complete and exclusive statement regarding work requirements and procedures. Apart from the amendments made in this SOW, all Contract terms and conditions must remain in full force and effect.

IN WITNESS WHEREOF, the Parties, intending to be legally bound, have caused their duly authorized officers to execute this SOW via a contract change notice signature page, which is incorporated herein by reference.

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

**NOTICE
OF
CONTRACT NO. 071B4300056**
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Three Sigma Software, Inc. 9265 Davis Drive Lorton, VA 22079	T.C. Mullany	tc.mullany@3sigmasoftware.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(703) 624-4706	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DCH	Kobra Eghtedary	517-335-9834	eghtedaryk@michigan.gov
BUYER:	DTMB	Whitnie Zuker	517-284-7030	Zukerw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Descriptive Contract Title (Not always the same language as provided in MAIN)			
Michigan Information WIC (MI-WIC)			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 years	2/4/2014	2/4/2019	2, one year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$12,498,800.00	

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. 071B4300056
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Three Sigma Software, Inc. 9265 Davis Drive Lorton, VA 22079	T.C. Mullany	tc.mullany@3sigmasoftware.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(703) 624-4706	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DCH	Kobra Eghtedary	517-335-9834	eghtedaryk@michigan.gov
BUYER:	DTMB	Whitnie Zuker	517-284-7030	Zukerw@michigan.gov

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DESCRIPTION: Descriptive Contract Title (Not always the same language as provided in MAIN)			
Michigan Information WIC (MI-WIC)			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 years	2/4/2014	2/4/2019	2, one year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
45	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$12,498,800.00	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #084R4300011. 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 #: 071B4300056

FOR THE CONTRACTOR:	FOR THE STATE:
Three Sigma Software, Inc.	
Firm Name	Signature
	Jeff Brownlee, Chief Procurement Officer
Authorized Agent Signature	Name/Title
	DTMB Procurement
Authorized Agent (Print or Type)	Enter Name of Agency
Date	Date

Table of Contents

DTMB Procurement	.....	Error! Bookmark not defined.
<u>DEFINITIONS</u>	.....	5
<u>Article 1 – Statement of Work (SOW)</u>	.....	7
<u>1.010 Project Identification</u>	.....	7
1.011 Project Request	.....	7
1.012 Background	.....	7
<u>1.020 Scope of Work and Deliverables</u>	.....	9
1.021 In Scope	.....	9
<u>OUT OF SCOPE</u>	.....	14
1.022 Work and Deliverable	.....	14
<u>1.030 Roles and Responsibilities</u>	.....	21
1.031 Contractor Staff, Roles, and Responsibilities	.....	21
<u>1.040 Project Plan</u>	.....	25
1.041 Project Plan Management	.....	25
1.042 Reports	.....	27
<u>1.050 Acceptance</u>	.....	28
1.051 Criteria	.....	28
1.052 Final Acceptance	.....	29
<u>1.060 Pricing</u>	.....	30
1.061 Pricing	.....	30
1.062 Price Term	.....	30
1.063 Tax Excluded from Price	.....	30
1.064 Holdback – Deleted – N/A	.....	30
<u>1.070 Additional Requirements</u>	.....	30
1.071 Additional Terms and Conditions specific to this contract	.....	30
<u>2.000 Contract Structure and Term</u>	.....	32
2.001 Contract Term	.....	32
2.002 Options to Renew	.....	32
2.003 Legal Effect	.....	32
2.004 Attachments & Exhibits	.....	32
2.005 Ordering	.....	32
2.006 Order of Precedence	.....	32
2.007 Headings	.....	32
2.008 Form, Function & Utility	.....	32
2.009 Reformation and Severability	.....	33
2.010 Consents and Approvals	.....	33
2.011 No Waiver of Default	.....	33
2.012 Survival	.....	33
<u>2.020 Contract Administration</u>	.....	33
2.021 Issuing Office	.....	33
2.022 Contract Compliance Inspector	.....	33
2.023 Project Manager	.....	33
2.024 Change Requests	.....	34
2.025 Notices	.....	34
2.026 Binding Commitments	.....	34
2.027 Relationship of the Parties	.....	34
2.028 Covenant of Good Faith	.....	34
2.029 Assignments	.....	35
<u>2.030 General Provisions</u>	.....	35
2.031 Media Releases	.....	35
2.032 Contract Distribution	.....	35
2.033 Permits	.....	35
2.034 Website Incorporation	.....	35
2.035 Future Bidding Preclusion	.....	35
2.036 Freedom of Information	.....	35
2.037 Disaster Recovery	.....	36
<u>2.040 Financial Provisions</u>	.....	36
2.041 Fixed Prices for Services/Deliverables	.....	36
2.042 Adjustments for Reductions in Scope of Services/Deliverables	.....	36

2.043	Services/Deliverables Covered	36
2.044	Invoicing and Payment – In General	36
2.045	Pro-ration	36
2.046	Antitrust Assignment	37
2.047	Final Payment	37
2.048	Electronic Payment Requirement	37
2.050	Taxes	37
2.051	Employment Taxes	37
2.052	Sales and Use Taxes	37
2.060	Contract Management	37
2.061	Contractor Personnel Qualifications	37
2.062	Contractor Key Personnel	37
2.063	Re-assignment of Personnel at the State's Request	38
2.064	Contractor Personnel Location	38
2.065	Contractor Identification	38
2.066	Cooperation with Third Parties	38
2.067	Contractor Return of State Equipment/Resources	38
2.068	Contract Management Responsibilities	39
2.070	Subcontracting by Contractor	39
2.071	Contractor Full Responsibility	39
2.072	State Consent to Delegation	39
2.073	Subcontractor Bound to Contract	39
2.074	Flow Down	39
2.075	Competitive Selection	39
2.080	State Responsibilities	39
2.081	Equipment	39
2.082	Facilities	40
2.090	Security	40
2.091	Background Checks	40
2.092	Security Breach Notification	40
2.093	PCI Data Security Requirements Deleted – N/A	40
2.100	Confidentiality	40
2.101	Confidentiality	40
2.102	Protection and Destruction of Confidential Information	40
2.103	Exclusions	41
2.104	No Implied Rights	41
2.105	Respective Obligations	41
2.110	Records and Inspections	41
2.111	Inspection of Work Performed	41
2.112	Examination of Records	41
2.113	Retention of Records	41
2.114	Audit Resolution	42
2.115	Errors	42
2.120	Warranties	42
2.121	Warranties and Representations	42
2.122	Warranty of Merchantability	43
2.123	Warranty of Fitness for a Particular Purpose	43
2.124	Warranty of Title	43
2.125	Equipment Warranty Deleted – N/A	43
2.126	Equipment to be New	43
2.127	Prohibited Products	43
2.128	Consequences For Breach	43
2.130	Insurance	43
2.131	Liability Insurance	43
2.132	Subcontractor Insurance Coverage	45
2.133	Certificates of Insurance and Other Requirements	45
2.140	Indemnification	45
2.141	General Indemnification	45
2.142	Code Indemnification	46
2.143	Employee Indemnification	46
2.144	Patent/Copyright Infringement Indemnification	46
2.145	Continuation of Indemnification Obligations	46

	2.146	Indemnification Procedures	46
2.150		Termination/Cancellation	47
	2.151	Notice and Right to Cure	47
	2.152	Termination for Cause	47
	2.153	Termination for Convenience	48
	2.154	Termination for Non-Appropriation	48
	2.155	Termination for Criminal Conviction	48
	2.156	Termination for Approvals Rescinded	48
	2.157	Rights and Obligations upon Termination	48
	2.158	Reservation of Rights	49
2.160		Termination by Contractor	49
	2.161	Termination by Contractor	49
2.170		Transition Responsibilities	49
	2.171	Contractor Transition Responsibilities	49
	2.172	Contractor Personnel Transition	49
	2.173	Contractor Information Transition	49
	2.174	Contractor Software Transition	50
	2.175	Transition Payments	50
	2.176	State Transition Responsibilities	50
2.180		Stop Work	50
	2.181	Stop Work Orders	50
	2.182	Cancellation or Expiration of Stop Work Order	50
	2.183	Allowance of Contractor Costs	50
2.190		Dispute Resolution	50
	2.191	In General	51
	2.192	Informal Dispute Resolution	51
	2.193	Injunctive Relief	51
	2.194	Continued Performance	51
2.200		Federal and State Contract Requirements	51
	2.201	Nondiscrimination	51
	2.202	Unfair Labor Practices	52
	2.203	Workplace Safety and Discriminatory Harassment	52
	2.204	Prevailing Wage	52
2.210		Governing Law	52
	2.211	Governing Law	52
	2.212	Compliance with Laws	52
	2.213	Jurisdiction	52
2.220		Limitation of Liability	53
	2.221	Limitation of Liability	53
2.230		Disclosure Responsibilities	53
	2.231	Disclosure of Litigation	53
	2.232	Call Center Disclosure	53
	2.233	Bankruptcy	54
2.240		Performance	54
	2.241	Time of Performance	54
	2.242	Service Level Agreements (SLAs)	54
	2.243	Liquidated Damages	55
	2.244	Excusable Failure	55
2.250		Approval of Deliverables	56
	2.251	Delivery Responsibilities	56
	2.252	Delivery of Deliverables	56
	2.253	Testing	56
	2.254	Approval of Deliverables, In General	57
	2.255	Process For Approval of Written Deliverables	57
	2.256	Process for Approval of Services	58
	2.257	Process for Approval of Physical Deliverables	58
	2.258	Final Acceptance	58
2.260		Ownership	58
	2.261	Ownership of Work Product by State	58
	2.262	Vesting of Rights	58
	2.263	Rights in Data	58
	2.264	Ownership of Materials	59

<u>2.270</u>	<u>State Standards</u>	59
2.271	<u>Existing Technology Standards</u>	59
2.272	<u>Acceptable Use Policy</u>	59
2.273	<u>Systems Changes</u>	59
<u>2.280</u>	<u>Extended Purchasing</u>	59
2.281	<u>MIDEAL Deleted – N/A</u>	59
2.282	<u>State Employee Purchases Deleted – N/A</u>	59
<u>2.290</u>	<u>Environmental Provision</u>	59
2.291	<u>Environmental Provision</u>	59
<u>2.300</u>	<u>Other Provisions</u>	60
2.311	<u>Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials</u>	60
	<u>Attachment A, Cost Tables</u>	61
	<u>Appendix A: MIWIC Requirements Document</u>	65
	<u>Appendix B</u>	66
	<u>Program Statistics</u>	66
	<u>Appendix C</u>	3
	<u>Hardware and Software</u>	3
	<u>Appendix D: Reserved</u>	4
	<u>Appendix E</u>	5
	<u>Minimum Qualifications for Key Personnel</u>	5
	<u>Appendix G: Reserved</u>	2
	<u>Appendix H: Reserved</u>	3
	<u>Appendix I</u>	4
	<u>WIC System Interfaces</u>	4

DEFINITIONS

24x7x365 means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).

Additional Service means any Services within the scope of the Contract, but not specifically provided under any Statement of Work.

Audit Period means the seven year period following Contractor's provision of any work under the Contract.

Bidder(s) are those companies that submit a proposal in response to this RFP.

Business Day means any day other than a Saturday, Sunday or State-recognized legal holiday from 8:00am EST through 5:00pm EST unless otherwise stated.

Blanket Purchase Order is an alternate term for Contract and is used in the Plan Sponsors' computer system.

CCI means Contract Compliance Inspector.

CDC means Centers for Disease Control and Prevention.

Days mean calendar days unless otherwise specified.

Deleted – N/A means that section is not applicable or included in this RFP. This is used as a placeholder to maintain consistent numbering.

Deliverable means physical goods and/or services required or identified in a Statement of Work.

MDTMB means the Michigan Department of Technology Management and Budget.

Environmentally Preferable Products means 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 which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

Hazardous Material means 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).

Incident means any interruption in any function performed for the benefit of a Plan Sponsor.

Key Personnel means any personnel identified in **Section 1.031** as Key Personnel.

New Work means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, such that once added will result in the need to provide the Contractor with additional consideration. "New Work" does not include Additional Service.

Ozone-depleting Substance means 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, hydrochlorofluorocarbons.

Post-Consumer Waste means 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.

Post-Industrial Waste means industrial by-products which 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.

Recycling means 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.

Reuse means using a product or component of municipal solid waste in its original form more than once.

RFP means a Request for Proposal designed to solicit proposals for services.

Services means any function performed for the benefit of the State.

SLA means Service Level Agreement.

Source Reduction means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

State Location means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

Subcontractor means a company selected by the Contractor to perform a portion of the Services, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.

Unauthorized Removal means the Contractor's removal of Key Personnel without the prior written consent of the State.

Waste Prevention means source reduction and reuse, but not recycling.

Pollution Prevention means 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.

Work in Progress means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

Work Product refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by the Contract.

Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

The State of Michigan, through the Michigan Department of Community Health (DCH) with assistance and support of the Michigan Department of Technology Management and Budget (DTMB) has issued this Contract for the maintenance and operation of the State-hosted Michigan Information WIC (MI-WIC) Managed Information System (MIS). At the end of the Contract period, a new contract will be established based on state and federal policy in place at that time.

This Contract covers a broad range of MIS services and functions to support the electronic delivery of public assistance benefits and other government-related services to eligible recipients in the State. This Contract is a maintenance, support, and enhancements contract and not a technology nor a design and development contract. In the event system enhancements and modifications are required, prior approval must be provided by DCH WIC and DTMB including the Request for Services (RFS)/Request for Change (RFC) process, and USDA as applicable.

1.012 Background

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) program is a 100% federally-funded program administered in Michigan by the Michigan Department of Community Health (DCH). The funding agency of the WIC Program is the United States Department of Agriculture, Food and Nutrition Services (FNS). The purpose of WIC is to provide nutrition education, nutritious foods, breastfeeding promotion and support and referrals to health and other social services to clients at no charge. WIC services low income pregnant, breastfeeding and non-breastfeeding postpartum women, infants, and children up to age five (5). Clients shall meet income guidelines, a state residency requirement and be individually determined to be at nutrition and/or medical risk by a health professional.

DCH delivers WIC services at the local level by contracting with forty-eight (48) local agencies, including health departments and non-profit community organizations. The local agencies operate through two-hundred and sixteen (216) clinics, which serve approximately 253,000 participants in 83 Michigan counties via approximately 2,300 WIC authorized vendors throughout the state. For more information on Michigan WIC, please refer to Appendix B – Program Statistics or refer to the website www.michigan.gov/wic.

The WIC program is successfully administering the WIC Farmers' Market Nutrition Program (FMNP). This program provides fresh, locally grown fruits and vegetables to WIC clients who meet the programs' eligibility requirements. MDCH WIC authorizes approximately 1,529 farmers, 112 farmers markets and 130 roadside stands to provide/sell fresh fruits and vegetables to targeted FMNP clients.

The remainder of this section is a brief narrative description of the WIC food benefit issuance and delivery process, beginning at the clinic office and continuing through food benefit issuance, redemption, reconciliation, and reporting.

Eligibility Determination and Authorization

Individuals who believe they and/or their children are eligible to receive benefits are required to contact the local WIC agency to schedule an appointment. The purpose of the appointment is to gather information to determine eligibility based on residency, nutritional risk, income and status category (pregnant or breastfeeding/non-breastfeeding postpartum woman, infant, or a child up to age 5).

Local WIC agencies, based on appointment availability and locale of residence, schedule an appointment date and time at the clinic for an applicant's eligibility determination. The certification process generally adheres to the following procedure:

1. Applicant signs in with receptionist/clerical staff for appointment;
2. Clerk conducts initial screening and collects demographic, immunization and voter registration information and verifies income;
3. Health aide collects anthropometric measurements and hematological data as well as other health and ancillary data;

4. Competent Professional Authority (CPA) assesses applicant's nutritional and/or medical risk;
5. CPA assigns WIC risk factors, prescribes food package and provides nutrition education and referrals to appropriate health and social service agencies;
6. MI-WIC assigns the priority level based on nutritional and/or medical risk; and,
7. Clients are informed of their rights and obligations under the WIC program after which their signature is recorded.

Food Package Prescription

Following the determination of eligibility, the CPA prescribes the food package based on the nutritional needs of each client. Clients receive WIC food packages containing their food prescriptions along with training on shopping for approved foods and food benefit redemption at authorized WIC vendors. The food package prescription is selected from the following nutritious foods:

1. Milk (Fluid, Evaporated or Powdered)
2. Cheese, Soy Beverage;
3. Eggs;
4. Whole Grain Bread, Brown Rice or Whole Grain Tortillas;
5. Dry or Canned Beans, Peas and Lentils;
6. Fresh Fruits and Vegetables;
7. Peanut Butter;
8. Breakfast Cereal;
9. 100% Juice (Fluid or Concentrate);
10. Canned Fish;
11. Baby Foods – Fruits, Vegetables and Meats;
12. Infant Cereal;
13. Infant Formula; and,
14. Exempt Formulas and Medical Foods.

These foods are prescribed by specific types, package sizes, and quantities depending on the category of client (woman, infant or child) and their medical and nutritional risks (e.g. anemia, inadequate weight gain, etc.). There are currently approximately 199 standard food packages in use. There are many more food package possibilities when taking into account the different food combinations and package sizes of specific food items. The MI-WIC system allows food packages to be dynamically assigned, thus packages are tailored to each client's needs.

WIC Food Benefit Issuance

After the food package is assigned, food benefits are issued for the current month and subsequent months up to three months. WIC Food benefits are generated onsite in MI-WIC and sent electronically to the EBT Contractor for management and processing. Food benefits are loaded on the EBT Contractor host servers and accessed through a mag strip card called the Bridge Card. Clients are permitted to redeem food items independently from each other. Clients are provided four ways to check their current EBT Benefits:

1. A shopping list produced by the clinic at the time of benefits issuance
2. Calling a toll free IVR provided by the EBT Contractor
3. Conducting a balance inquiry at the WIC clinic or a WIC vendor
4. Accessing a Client Portal via EBT contractor website

Current WIC food benefits are sent to the EBT Contractor through real time messaging. Future benefits will be sent to the EBT Contractor seven (7) days prior to the families benefit start date. WIC food benefits are generally valid for thirty (30) days. Clients must complete nutrition education within three (3) months for future benefits to be available for redemption. The client may attend nutrition education in person at their WIC clinic or online through www.WIChealth.org.

WIC Food Benefit Redemption

Clients may shop at any authorized WIC vendor. A client selects WIC food items based on their assigned food package and as defined by the WIC-approved food list. In general, the client separates the WIC and non-WIC food items in their purchase to

facilitate the checkout process. The client swipes their WIC Bridge card and enters their four-digit PIN. The cashier then scans each food item's UPC to ensure the food item is WIC-approved and the client has sufficient benefits to redeem the item. If the item is approved for reimbursement, the cashier scans the UPC for the store's purposes. This process is continued for each WIC food item redeemed during that shopping trip. Any non-WIC items are totaled separately for purchase. Manufacturer coupons and vendor loyalty programs can also be used within the EBT transaction. A receipt showing benefits redeemed and remaining benefits is printed at the end of the transaction and provided to the client. This process may vary depending on if the vendor is integrated or non-integrated.

Payments are processed through direct ACH payment between the EBT Contractor and the vendor, or through a Third Party Processor (TPP). All rejections, reconciliations, and credits happen during the course of the transaction and require no additional effort from staff.

Redemption Reporting

Benefit redemption and activity files are sent from the EBT Contractor to the MI-WIC system on a nightly basis. This data is then used for reconciliation purposes on a daily basis by MDCH WIC staff to ensure correct payment is made to the EBT Contractor. Any discrepancies are handled on an as needed basis.

1.020 Scope of Work and Deliverables

1.021 In Scope

1. In Scope

This section summarizes the State's requirements for the operations, maintenance, support, enhancements and modifications as required and approved by the State for the State hosted MI-WIC system and all interfaces. The Contractor must provide operations and maintenance support for the general maintenance of the MI-WIC system; modifications to the WIC software; help desk operations; support for addressing hardware issues; system software enhancements; and technical expertise of staff.

The following services and deliverables are examples of, but not limited to, the types of work that the Contractor will provide for the complete and successful enhancement, support, and maintenance of the MI-WIC system. These functionalities are required for the business operations of the State's WIC program:

- a. Enhancements, support and maintenance of the fully web-based MI-WIC system, using the existing open architecture and relational database management system.
- b. Work with the Michigan Department of Technology, Management, and Budget (MDTMB) to maintain and service the MI-WIC servers at the data center in the Lansing area.
- c. Verify data logs and interface with existing EBT processes.
- d. Enhancement of the MI-WIC system, project management and support services, including Milestones as detailed in Section 1.022 Work and Deliverables in this Contract:
 - i. Modification of the application to incorporate functionality required to support Michigan program requirements,
 - ii. Testing,
 - iii. State program staff training,
 - iv. Technical knowledge transfer,
 - v. Risk mitigation,
 - vi. Support and maintenance, and
 - vii. System and process documentation.
- e. Data feeds to the MDCH data warehouse.
- f. Enhance and maintain the interfacing components in the MI-WIC system. These interfaces are detailed in Appendix A and Appendix I.
- g. Provide maintenance services
 - i. Provide one Full-Time Equivalent (FTE) onsite at the MDCH WIC offices to perform project management duties as requested such as enhancements or troubleshoot system defects under the direction of MDCH WIC and assure smooth daily operations.
 - ii. Provide a fully functioning help desk which will have the capacity to provide technical assistance to State and Local WIC Agency users during regular business hours.

The MI-WIC maintenance solution shall ensure the continued operation and provide minor enhancements as needed on a to-be-determined basis including, but not limited to:

- a. Certification and Enrollment
- b. Food Benefits Issuance and Redemption
- c. Nutrition Education
- d. Program Administration
- e. Vendor Management

The solution must maintain the automated functions within MI-WIC at both the local agency and state level. At the local agency (clinic) level, the MI-WIC system currently provides:

- Waiting list management,
- Appointment scheduling (recording client appointments made, kept, and missed, follow-up on missed appointments, managing clinic schedules, and client notifications),
- Income and adjunct eligibility determination,
- Client intake and application (recording client characteristics, certification, referral, and growth charts),
- Nutrition risk determination (automated risk determination with user override),
- Dietary assessment, health history assessment, hematological assessment, and anthropometric assessment,
- Certification, recertification, health evaluation, transfer, termination, and reinstatement,
- Breast pump inventory management and tracking,
- Interfaces with other human and health service systems maintained by the state and other private agencies,
- Food prescription assignment (calculating, recording, and controlling food prescriptions issued for clients),
- Food package tailoring,
- EBT Benefits issuance and redemption,
- Identifying and referring clients to other local, state, or federal health and social assistance for which they are eligible,
- In-state transfer of client records from other local agencies and clinics,
- Potential dual participation validation and follow-up with Commodity Supplemental Food Programs (CSFP),
- Proxy management and printing of Verification of Certification (VOC),
- Outreach activity tracking,
- Mailing, calling or texting of client notifications,
- Farmers Market Nutrition Program, and,
- Pre-defined and ad hoc analysis and reporting.

At the state level, the system currently provides:

- Financial management (food benefits reconciliation, federally required reporting, food obligations and outlays, formula rebate calculation, etc.),
- Vendor management (information regarding peer grouping, training, authorization, monitoring, compliance buys, penalties, Geographic Information System for vendor limitation policy, client accessibility, on-line application, etc.),
- High-risk vendor analysis,
- Caseload management,
- Transfer of EBT Benefits issuance and redemption/rejection data to and from the EBT EFT Host,
- Transfer of EBT-required data such as Universal Product Code (UPC), Category/Subcategory, vendor information to EBT EFT Host,
- EBT reconciliation of all transactions,
- Maintaining and electronically transferring data required for the USDA Data Sets,
- Additional pre-defined reports (e.g., client, nutrition education, vendor, percent of eligible applicants served),
- Interface with other state and federal systems,
- Interface to Michigan's data warehouse, and,
- Pre-defined and ad hoc analysis and reporting.

2. Quality Assurance

The Contractor shall undertake and coordinate testing activities described herein, prior to placing any system changes (i.e., enhancements and modifications) into production. Testing shall include tests of the interoperability of the various components of the MI-WIC system with itself and with external systems with which it interfaces. The Contractor shall provide confirmation that all hardware and software delivered in support of MI-WIC is working in accordance with the manufacturer's specifications. The Contractor shall also confirm that all functional objectives specified for these changes have been achieved. The Contractor shall develop a test plan for any system change that details the activities, dependency risks, contingencies, assumptions, and resources required to fully test the change. The test plan shall include creation of a Project Plan with test schedule, approach, and a statement of required and assigned resources with associated roles and responsibilities. The test plan shall also include a go-no/go date for implementation that will be agreed upon with the State. Testing shall cover all functionality of the MI-WIC system, and Data and Database Integrity Testing, including testing all associated code and parameter files (using production values). Identification of testing tools that shall be used and their purpose, and a method to track and manage test issues shall also be included. The Project Plan shall include test scripts that systematically exercise all functions of the system. The plan shall cover all test stages including:

- a. Unit Testing - The Contractor shall ensure that the product is functional and meets or exceeds test specifications.
- b. Integration Testing – Integration Testing shall ensure that all components including software and hardware work together. Integration testing shall be completed before system testing can begin.
- c. System Testing - Functional testing to ensure that all components of the MI-WIC system, including system interfaces, work correctly.
- d. User Acceptance Testing - The Contractor shall work closely with MDCH WIC to develop an Acceptance Test Plan for the User Acceptance Test. The Acceptance Test Plan shall be designed to ensure that, prior to placing any changes in production, all functionality to be introduced works properly in a simulation of the actual live environment in which it shall be used. The Acceptance Test Plan must address personnel training requirements, requirements for hardware delivery and testing, LAN and WAN compatibility, and backup and disaster recovery. The Acceptance Test Plan shall also address security and control requirements. User Acceptance Testing shall include Users as Testers, simulating the actual work situations.
- e. User Acceptance Testing shall not begin until the Contractor certifies to MDCH WIC that the changes to the MI-WIC system have been successfully implemented into the test environment and are operational. After such certification, MDCH WIC, working with the Contractor, shall begin to execute the User Acceptance Test Plan. The Contractor will make their dedicated project team available in person to MDCH WIC during User Acceptance Testing. User Acceptance Testing will occur at the MDCH WIC offices unless otherwise agreed to between MDCH WIC and the Contractor. Any defects, issues or problems identified during the User Acceptance Test shall be catalogued and treated as warranty items. The Contractor shall work with MDCH WIC to determine which stakeholders groups and how many of their representatives need to be part of the User Acceptance Testing effort.
- f. Regression Testing - After errors found in User Acceptance Testing have been corrected, a separate round of testing shall be performed by the Contractor, which not only tests the functions where the errors occurred (to make sure that they have been corrected), but also tests all other functions of the system to assure that new errors were not introduced with the corrected code.
- g. Production Testing - The Contractor shall work with MDCH WIC to develop this plan. The completion of this stage indicates that the modified system is functional in a "live" environment. The warranty period shall commence at the conclusion of the production test.
- h. Signoff - At its discretion, MDCH WIC may authorize the conversion to production status at the successful conclusion of the Production Test. MDCH WIC shall require some or all of the warranty items identified during the Production Test to be corrected (and tested) before authorizing the conversion to production status.

Note: All enhancements, modifications, patches, etc. shall be fully regression-tested by the Contractor. It is the Contractor's responsibility to develop and maintain a development and test environment that simulates the systems being utilized by MDCH WIC. It is the Contractor's responsibility to provide MDCH WIC with any test environment needed to test the MI-WIC system both at MDCH WIC's and Contractor's test facilities. This includes scripts and data. No software enhancements, modifications, patches, etc. shall be deployed without first being tested by MDCH WIC's quality assurance representatives and approved by MDCH WIC.

3. System Software Enhancements/Modification/Maintenance

The need for enhancements, modifications, and maintenance can be from any combination of users, MDCH WIC, State, USDA, and/or third party sources in the form of needs, recommendations, guidelines, requirements, regulations, or mandates. All enhancements and/or modifications shall be coordinated with MDCH WIC and USDA as applicable, received prior approval, and logged and tracked. All enhancements or modifications to the MI-WIC system shall be first tested and approved by the Contractor and then made available to MDCH WIC for its user acceptance testing before the change can be implemented by the operations and maintenance Contractor into production. The Contractor shall provide support for all testing of enhancements and modifications, including providing onsite support.

Unless otherwise agreed to by MDCH WIC during the course of the Contract, the Contractor shall provide at least three (3) software builds annually, or more frequently as necessary to meet critical business problems, including response to issues caused by the Contractor's distribution of software with deficiencies. All enhancements and modifications shall be scheduled for release with either the next scheduled software release or, if the enhancement is deemed critical, at the earliest possible time. All enhancements and modifications must complete the MDTMB RFS/RFC procedures prior to deployment into production.

The Contractor shall provide system maintenance. This consists of, but is not limited to, database maintenance to assure data integrity and processing efficiency of the Statewide Oracle database and the MI-WIC system. Database activities and modifications such as purges shall be monitored for inaccuracies.

Any future system changes or enhancements successfully implemented into the MI-WIC system prior to the execution of this contract will be considered in scope and subject to maintenance and enhancements. Such items may include, but are not limited to:

- Michigan PNSS and PedNSS reports
 - The purpose of this project is to develop a series of reports that are congruent with the current Pregnancy Nutrition Surveillance System (PNSS) and Pediatric Nutrition Surveillance System (PedNSS) reports provided by the CDC within MI-WIC.
- Text Messaging
 - The purpose of this project is to increase client participation by enhancing current automated outreach efforts to include text messaging services for appointment reminders and informational notices to clients on an opt-in basis. This service will be provided by an existing third party vendor.
- Client Portal
 - The intent of this project is to increase client accessibility to WIC and give them information needed to manage their benefits. The client portal is a public facing website that will serve both potential and current WIC clients.
- Context Help
 - A contextual help project will implement a help icon on each individual screen which, when selected, would provide staff a detailed picture of the screen and description of the fields on the screen within the MI-WIC application.
- National UPC Interface
 - This project created an interface between the MI-WIC system and USDA for transferring UPC related data. Further enhancement of this interface will be needed based on the approved ICD provided by USDA.
- Microsoft SQL Server Reporting Services
 - The purpose of this project is to transition the MI-WIC reporting software platform from Oracle Reports to Microsoft SQL Server Reporting Services. This reporting platform change will be implemented into MI-WIC for all system based reports.

4. Operational Deficiencies

Operational deficiencies shall be handled on a situational basis so that each deficiency can be evaluated and the impact to daily operations be determined jointly by the Contractor and MDCH WIC. Timelines for correcting operational deficiencies are

determined by the severity of the deficiency. If the issue is impacting daily operations, the Contractor must fix it immediately. MDCH WIC shall be notified of any and all deficiencies discovered within 24 hours. Work on all operational deficiencies shall be tracked and status reported to the MDCH WIC on a weekly basis by Friday 12:00 pm of each week.

5. Training on System Modifications

The Contractor shall provide training for all new system enhancements and/or modifications for quality assurance testers and MDCH WIC staff as defined in the project plan. Training shall occur before deployment unless otherwise specified by MDCH WIC. Training will be provided to end-users as needed according to geographic location (region) and job classification as shown in Appendix B. Training location and technique will be approved by the State.

6. Help Desk

The Contractor shall provide MDCH WIC with telephone help desk support for MI-WIC for all system users at the State and Local WIC Agencies. The help desk hours of operation shall be 8:00 am to 5:00 pm EST Monday through Friday for support. The help desk will provide technical support on all days except for recognized State of Michigan holidays. MDCH WIC will provide an annual holiday closing schedule to the Contractor in December for the upcoming calendar year. Any other coverage will be considered extended coverage. Extended coverage must be provided by the Contractor when needed and requested by MDCH WIC and shall be billed according to the hourly rates schedule as awarded to the Contractor. The help desk shall answer all calls within five rings. The help desk shall provide resolution to all calls immediately or escalate the call to the Contractor's development team within one business hour. All calls received that are escalated to the Contractor's development team must also be immediately communicated to MDCH WIC. Help desk personnel must be knowledgeable and have a thorough understanding of Michigan WIC policies and system processes and be thoroughly trained in all aspects of MI-WIC.

All calls to the Help Desk must be tracked using industry standard help desk software that must be approved by the MDCH WIC before the implementation and utilization "Go Live" date. The Contractor must provide real time access to their help desk logs and/or application upon request. The help desk software must have the ability to group calls based upon problem areas and trends noticed within the help desk calls. Weekly reports must be generated and provided to MDCH WIC electronically by the end of each month unless otherwise specified by MDCH WIC. The weekly reports must be based on any of the information that is collected in the software. Standard reports shall be provided. The ability to generate custom reports on an as-needed basis is required and is dependent upon MDCH WICs' needs. Any potential problems discovered by the Contractor must be reported to MDCH WIC within two (2) business hours of discovery. Any system issues that would limit the user's ability to service WIC clients (e.g. system unavailability or slowness) shall be reported to MDCH WIC immediately. In the event that issues arise with MDTMB managed components (e.g. Networks, servers, SSO, etc.) then the Contractor in conjunction with MDCH and MDTMB will request opening remedy tickets and follow the established MDTMB procedures.

7. Transferable MI-WIC software package

The Contractor shall develop and provide State of Michigan with a transferable MI-WIC software package that can be shared with other State WIC agencies and USDA at the request of and as approved by MDCH WIC. The software package must include all components necessary for the transferred software to be successfully acquired and implemented including:

- Source code
- Executable code
- Required system documents

The transfer of the MI-WIC software package from MDCH WIC to another State WIC agency shall not be construed as an agreement for additional services between the Contractor and the receiving State WIC agency.

8. Compliance with WIC Universal MIS-EBT Interface

The contractor shall develop and execute a plan to modify the MI-WIC system to be in compliance with the current and final approved version of the Universal MIS-EBT Interface document. This task shall include the:

- Design,
- Development,
- Conversion of existing information where needed,
- Testing (both internal and with the EBT provider),
- Documentation, and
- Transition/Implementation.

For a complete review of the WIC Universal MIS-EBT Interface document, please visit:
<http://www.fns.usda.gov/wic/ebt/WICUniversalMISEBTInterfaceSpecification.pdf>

OUT OF SCOPE

The following services are out of scope for this procurement:

1. Any brand new system development from ground up to accomplish the business requirements outlined in this contract.
2. Desktop upgrades, if required.
3. Coupon redemption validation, processing, and payment,
4. Coupon digital scanning software and equipment.
5. Production of Electronic Benefit Transfer (EBT) cards and the actual processing of EBT cards at authorized vendors/retailers.
6. Local Agency's Hardware, Software, and Network Configurations.

1.022 Work and Deliverable

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

General Business Environment

1. **Location of Work** – The Contractor will perform the work at the following locations:
 - a. The State requires the Contractor to maintain a project office with adequate space to house their project team, which will consist of at least the key personnel required by Section 1.031, for the duration of the Maintenance and Operations Phase.
 - b. Contractor's offsite location as agreed upon by the State of Michigan.
 - c. The State will provide office space in the MDCH WIC office, including all equipment and network connections. The Contractor's project manager must maintain a physical presence for the Contractor at the MDCH WIC offices.
 - d. Key personnel, and other required personnel, as described in Appendix E – Minimum Qualification of Key Personnel. Must be available to travel to the Lansing Michigan area for all phases of the project.
2. **Hours of Operation**
 - a. Normal State working hours are 8:00 a.m. to 5:00 p.m., Monday through Friday, with work performed as necessary after those hours to meet project deadlines. In addition, MI-WIC is a red card application and the system must be maintained and operating at all times. If MI-WIC is not operational, the Contractor will continue work until all issues are resolved.
 - b. The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.
 - c. Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.
3. **Delivery Conditions**
 - a. All items shall be delivered within the timeframe(s) stated on a purchase order.
 - b. The State and Contractor shall agree on a schedule of events regarding the delivery of required services and products to achieve the State's project plan.
 - c. All items shall be bid FOB destination to the location specified in the Purchase Order. The term FOB destination shall mean delivered and accepted at the identified agency destination receiving site and with all charges for transportation and unloading paid by the Contractor. These charges are to be built into the price of each item bid. "Accepted" means delivered as specified in a Purchase Order for purchase of the equipment. Mere acknowledgement by State personnel of the delivery or receipt of the equipment shall not be deemed or construed as accepted.
 - d. All deliveries shall be "Inside deliveries".
 - e. The Contractor will pay title and risk of loss or damage charges.

4. Modification to Meet New Requirements

- a. During the Contract period, if changes occur in federal or state systems standards and they require modifications to hardware, software or components, such changes will be accepted through procedures outlined in Change Management (Section 1.041).
 - i. The Contractor shall make minor or routine system and software modifications at no additional charge.
- b. The Contractor shall perform the following at no additional cost:
 - i. Apply Contractor-opted modifications to all previously-installed systems at no cost to the State when a system is covered by maintenance and operations contract.
 - ii. Contractor shall notify entities if 3rd Party software upgrades are required. The purchase of any upgrades of 3rd Party software will be the responsibility of the State.

5. State and Agency Rules

- a. Contractor must follow State/Agency rules for computer and Internet usage and will be required to sign any agreements as required of the State's employees.
- b. The Contractor is responsible for maintaining the confidentiality of their passwords and is liable for any harm resulting from disclosing or allowing disclosure of any password.
 - i. Any conduct that restricts or inhibits the legitimate business use of MDCH/MDTMB systems or networks is prohibited.
 - ii. Each person must use MDCH/MDTMB systems and networks for lawful purposes only.
 - iii. Specifically prohibited is any use of MDCH systems or disclosure of MDCH data which would constitute a criminal offense, give rise to civil liability, violate any MDCH, MDTMB, or State of Michigan policy, or otherwise violate any applicable local, state or federal law.
 - iv. This also applies to any computer systems or networks that are accessed from MDCH/MDTMB computer systems and networks.
- c. The Contractor shall use all MDCH/MDTMB software in accordance with applicable license agreements and any further restrictions imposed by MDCH or MDTMB.
 - i. Contractors shall not make any unauthorized copies of any MDCH/MDTMB licensed software under any circumstances.
 - ii. Contractors found copying or knowingly using copyrighted software other than for backup purposes, are subject to removal.
 - iii. Contractors shall not provide software to any outsiders including consultants, local governmental units and others when this would be in violation of law or copyright or license agreements.

6. Security and Confidentiality

- a. MDCH WIC will retain administration of data access security, including application security (granting of access, resetting of passwords, monitoring of access violation reports, etc.).
- b. MDTMB will provide the approved standard for configuration parameters and the process for reviewing security profile and database configuration settings.
- c. MDTMB will oversee and coordinate security issues related to user access to MDTMB managed system components (e.g. Networks, Servers, SSO, etc.).
- d. The Contractor is responsible for the function of security software implementation and maintenance within the MI-WIC application.
- e. The Contractor must ensure the system meets all MDTMB security requirements as approved by MDCH WIC and MDTMB. To review current MDTMB security policies and procedures, please review the Enterprise IT Security Policy and Procedures below.

Detailed Business and Technical Environment

1. State Technical Environment policies, standards and procedures

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 are expected to 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 state compliance in their response.

a. Enterprise IT Policies, Standards and Procedures:

http://www.michigan.gov/dmb/0,4568,7-150-56355_56579_56755---,00.html

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

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. All environment changes must follow MDTMB standards and follow the RFS/RFC procedures as established by MDTMB. The MDCH WIC Data and System Management Director must approve any changes, in writing, and MDTMB, before work may proceed based on the changed environment.

b. Enterprise IT Security Policy and Procedures:

http://www.michigan.gov/documents/dmb/1310_183772_7.pdf

http://www.michigan.gov/documents/dmb/1310.02_183775_7.pdf

http://www.michigan.gov/documents/dmb/1325_193160_7.pdf

http://www.michigan.gov/documents/dmb/1335_193161_7.pdf

http://www.michigan.gov/documents/dmb/1340_193162_7.pdf

http://www.michigan.gov/documents/dmb/1350.10_184594_7.pdf

c. The State's security environment includes:

- MDTMB Single Login.
- MDTMB provided SQL security database.
- Secured Socket Layers.
- Secure ID (State Security Standard for external network access and high risk Web systems).

d. IT Strategic Plan:

<http://www.michigan.gov/itstrategicplan>

e. IT eMichigan Web Development Standard Tools:

http://www.michigan.gov/documents/som/Look_and_Feel_Standards_302051_7.pdf

f. The State Unified Information Technology Environment (SUITE):

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

The Contractor shall conform to SUITE and adopt said processes and templates in performance of the project, as applicable and approved by the MDCH WIC Data and System Management Director and MDTMB as needed.

g. Agency Specific Technical Environment (as of 1/10/2013)

Detailed MI-WIC application environment information regarding hardware and software, including information related to hardware, OS, Programming Language, database, Network Server, and TCP/IP can be found in Appendix C.

Detailed MI-WIC application environment information regarding interfaces can be found in Appendix A and Appendix I.

2. MDCH Business and Technical Environment

- a. The detailed description of the MI-WIC business and technical environment is set forth in Appendix A - System Requirements Document. The current business and technical environment is provided to guide the Contractor in understanding MDCH WIC's requirements for the current maintenance and operations needs within MI-WIC. The functions include the online functionality required to:
 1. Enroll and certify participants to receive WIC-EBT benefits,
 2. Food benefit issuance and redemption,
 3. Vendor management, monitoring and compliance investigations,
 4. FMNP program management, and
 5. Reporting.
- b. For further information regarding the Department of Community Health, Department of Information, Management and Budget, or the WIC program, please review Appendix H.

Services

1. The Contractor will provide services identified in Section 1.021 for the enhancement, support, and maintenance of the MI-WIC system providing the functionality required for the business operations for the State's WIC Program. In addition to the activities and deliverables described below, the Contractor will:
 - a. Provide support to keep the WIC application running.
 - b. Respond to support calls within five rings during regular business hours and provide an emergency number for immediate support and after hours support.
 - c. Work with MDCH WIC to ensure data quality in the system.
 - d. Provide support for all hardware and software upgrades and releases.
 - e. Continue to enhance and modify the MI-WIC system in order for the system to remain viable and meet future requirements of the regulating agencies and institutions.
 - f. Supply complete up-to-date manuals for the WIC application, its components, operations, maintenance, administration, and use that are easily referenced, easily used, and searchable.
 - g. Provide user and administrative training for MI-WIC, its components, operation, and maintenance as needed following implemented changes to the system.
 - h. Partner with EBT EFT Host Contractor to implement and maintain deliverables needed for EBT Benefits issuance and redemption.
 - i. Partner with other State agencies, public health agencies (CSFP or Commodity Supplemental Food Programs), and State Contractors to implement and maintain the MI-WIC system requirements.
 - j. Enhance, support, and maintain all USDA-mandated reports and data transfers (including interfaces with other human health service systems, EBT EFT Host, and other State and external systems) that are presently in MI-WIC. The reports and data feeds include, but are not limited to:
 - i. Result of file/report transmission,
 - ii. Management,
 - iii. Financial (billing),
 - iv. System status,
 - v. Client status, and
 - vi. Data feeds to FNS.
- Further information regarding system reports can be found in Appendix A
- k. Plan and perform the installation, including network connectivity, setup, and testing of the enhancements to the MI-WIC application.
 - l. The MDCH WIC administrator(s) and Local WIC program administrator(s)/coordinator(s) will assist and/or observe the installation, setup, and testing in order to gain knowledge of the system.
 - m. The Contractor will perform and/or assist MDCH WIC and MDCH WIC contracted affiliates in the customization of the WIC application in order for it to fit into the operations, workflows, reporting, etc. of the 48 local agencies.
2. The services being provided must use the State's Project Management Methodology.
 3. MI-WIC support and maintenance will consist of one identifiable phase with Milestones, described in further detail below.
 - a. The first phase is a maintenance period for support of the system software.
 - i. For further information regarding current system hardware and software, please see Appendix C.
 - ii. For further information regarding the current database structure, please see Appendix K.
 4. Within the phase of the project, the Contractor must meet a series of Milestones.

- a. Contractor payments will be based on successful completion of the Milestones.
 - b. The Milestones include a set of deliverables that make up the requirements of the milestone.
 - c. The MDCH WIC Data and System Management Director must approve each deliverable.
5. The Milestones and activities and deliverables associated with each milestone are:
- a. **Milestone 1 – New Contractor Transition (as applicable and at no cost to the State)**
 - i. *Activities for Milestone 1*- Contractor transition will include but is not limited to the following activities:
 - 1. Transition of System Maintenance and Operation from former Contractor to new Contractor
 - a. Establishing development environment
 - b. Partner with former Contractor's development team and participate in system bug fixes and enhancement development
 - c. Partner with former Contractor's DBA and participate in all DBA activities including:
 - i. Database backup
 - ii. Database tuning
 - iii. Database logs review
 - 2. Transition of Help Desk services from former Contractor to new Contractor
 - a. Review and update Turnover Plan from former Contractor to new Contractor
 - b. Review and update a Help Desk Transition Plan to transition the Help Desk function from the former Contractor to the new Contractor.
 - c. Participate in help desk activities with former Contractor
 - d. Document best practices and learning outcomes
 - ii. *Deliverables for Milestone 1*
 - 1. Knowledge transfer reports
 - a. Meeting agendas and minutes
 - b. Task completion/remediation outcomes
 - c. Identification of outstanding knowledge transfer items.
 - 2. Participation in regular system support tasks
 - a. Successful development environment setup as determined by former Contractor and MDCH WIC.
 - b. Number of bug fixes deemed successful by MDCH WIC
 - 3. Participation in regular help desk activities
 - a. Number of tickets opened.
 - b. Number of support calls answered by the fifth ring
 - c. Number of support calls not answered by the fifth ring
 - d. Number of tickets closed.
 - e. Problems identified.
 - f. Problem type or category.
 - 4. Participation in MDCH WIC and MDTMB meetings related to system maintenance and enhancement
 - 5. Participation in regular performance reviews by former Contractor and MDCH WIC staff
 - a. Review of assigned training activities
 - b. Assessment of training activity outcomes
 - c. Approval of training activity outcomes by the MDCH WIC Data and System Management Director or recommendations for remediation.
 - b. **Milestone 2 – Software Maintenance and Enhancement**
 - i. *Activities for Milestone 2*- Software Maintenance and enhancement will include but is not limited to the following activities:
 - 1. System Maintenance.
 - 2. Adaptive and Preventive Maintenance.
 - 3. Performance Maintenance.
 - 4. System Enhancement.
 - 5. Documentation Update.
 - 6. Provide a routine status report to the State.
 - 7. Provide Help Desk support activities.
 - 8. The Contractor will provide on-site staff for enhancements or trouble-shooting on the system.

9. Ensure all software modifications and enhancements to be implemented into MI-WIC after the MIS-EBT Universal interface is operational are in compliance with the WIC Universal MIS-EBT Interface.
 - a. The Contractor will review the WIC Universal MIS-EBT Interface functional requirements document
 - b. The Contractor will assess vulnerabilities within MI-WIC
 - c. The Contractor will identify proposed solutions to be implemented into MI-WIC as applicable
 - d. The Contractor will work with the EBT contractor as applicable to implement any changes necessitated by the WIC Universal MIS-EBT Interface functional requirements document and approved by MDCH WIC and USDA, as applicable, into MI-WIC.
10. The maintenance period is the five-year period from the full contract execution date to the end of the contract.
 - a. All maintenance will be performed by qualified personnel who are familiar with the system.
 - b. The Contractor will provide backup maintenance resources.
 - c. The Contractor will provide for escalation of maintenance issues to ensure critical issues are resolved.
 - d. The Contractor will provide remote diagnostic capabilities.
 - e. The Contractor will provide one point of contact to report system malfunction whether malfunction is due to software or is of unknown origin. The Contractor will then be responsible for providing the appropriate remedy.
 - f. The Contractor will make maintenance of the system available from the Contractor on an annually renewable Contract basis.
 - g. For the first year and all subsequent Contract years, the Contractor will provide the following services for the system, commencing upon installation of the deliverable(s):
 - i. Error Correction. Upon notice by State of a problem with the system (that can be verified), the Contractor shall use reasonable efforts to correct or provide a working solution for the problem.
 - ii. The Contractor shall notify the State of any material errors or defects in the deliverables known, or made known to the Contractor from any source during the Contract term that could cause the production of inaccurate or otherwise materially incorrect, results.
 - iii. The Contractor shall initiate actions, as may be commercially necessary or proper to effect corrections of any such errors or defects.
- ii. *Deliverables for Milestone 2 –*
 1. The contractor will review and update all key plans and reports needed for the continued maintenance of the MI-WIC system. All revisions of key plans and reports will be provided to the MDCH WIC Data and System Management Director within thirty (30) days of the execution of the Contract. Final approval and acceptance of any revisions to the key plans and reports will be at the sole discretion of the MDCH WIC Data and System Management Director. Key plans and reports are as follows:
 - a. **Project Plan for Pending Enhancements-** within 15 days of execution of the Contract, the Contractor will update the draft Project Plan from their proposal. See Section 1.041 Project Plan Management, for detailed requirements on the Project Work Plan.
 - b. **Electronic Project Library** - The Contractor is required to provide and maintain an Electronic Project Library to serve as a foundation for defining, managing, and monitoring the MI-WIC system and also act as a repository to retain and track critical project information.
 - c. **Quality Management Plan** - This plan contains the current Quality Management Approach which is a description of the Contractor's approach for assuring the quality of work and deliverables completed during the Project.
 - d. **Software Enhancement Approach** - This deliverable describes the administrative and technical procedures to be used throughout the software development life cycle

(SDLC) to control enhancements and releases of the software. This deliverable will describe how the Contractor will control software enhancements with different schedules for different functionality.

- e. **Project Staffing and Facility Plan** - This deliverable details the Contractor's plan for establishing their State-approved dedicated project team.
 - f. **Risk Management Plan** - The Contractor will create a Risk Management Plan to be used throughout all phases of the project.
 - g. **Documentation and Standards Plan** - Standards for how systems, applications, work flows, and business processes are documented.
 - h. **Facility and Data Security Plan** - This Plan includes Contractor's plan for maintaining a physically secure office site, ensuring that all data (particularly Protected Health Information, (PHI) is secure, policies and procedures that will be followed and any additional documentation that the State requires to document adherence to information security standards.
 - i. **Business Continuity and Disaster Plan** - The Contractor's plan, policies, and procedures for maintaining a systems and business operations environment that will be minimally impacted by hardware and software failures, human error, sabotage, natural disasters, or other emergencies that have the potential to interrupt operations. The Contractor's plan will also include a provision for annual testing of the interoperability of the MI-WIC disaster recovery environment with the EBT production environment and the EBT disaster recovery environment with the MI-WIC production environment.
 - j. **Test Plan** – Enhancements to the MI-WIC system necessitate the Contractor to provide a detailed approach to Unit Testing, System Testing, Acceptance Testing, Quality Assurance, Performance, and Operations Testing.
 - k. **Capacity Plan** – The capacity plan includes planning and sizing estimates for all environments; environmental requirements; and ongoing updates to the plan throughout the project
 - l. **Configuration Plan** - The configuration management (CM) plan includes directions for configurations of all environments and how they should be managed, verified and promoted; and how the Contractor has utilized the experimental environment for testing configuration changes.
 - m. **Installation Plan** - The Contractor is responsible for the initial installation and deployment of all software related to enhancements, including the installation of additional hardware that may be required at the local agencies and clinics.
2. **Updated Application Source Code Artifacts** - The Contractor will follow the agreed upon procedures to modify, test, and implement code.
3. **Updated Documentation –**
- a. The Contractor will update any MI-WIC documentation that has been previously created to reflect the updated and enhanced functionality of the application/system.
 - b. The Contractor will provide updated versions of all systems, user, training, and operations documentation prior to the implementation date.
 - c. Documentation must meet all requirements of the approved Documentation Standards Plan and be provided in electronic and hard copy, if requested by State.
 - d. Documentation includes:
 - i. System Requirements Document
 - ii. Complete system documentation.
 - iii. User manuals.
 - iv. Training manuals.
 - v. Updates to the Help Desk Guide to reflect new functionality as it is released.
 - vi. All operations procedures not covered in a user manual.
4. **Help Desk Support**
- a. The Contractor will provide Help Desk services for State and Local WIC Agency staff, from the United States, preferably Michigan, during normal WIC business hours (Monday through Friday 8:00 AM to 5:00 PM) to perform the following tasks:
 - i. Implement a triage process to determine criticality of request.

- ii. Perform initial investigation, impact assessment, and prioritization of all requests.
 - iii. Forward non-MI-WIC related issues to the State's Client Service Center.
 - iv. Forward requests that cannot be resolved immediately to the Contractor's development team.
 - v. Capture and track Help Desk requests.
- b. Help Desk Guide –
 - i. The Vendor will develop a Help Desk Guide with help desk processes and scripts to support the application, data, and workflow for both State and Local WIC Agency staff as applicable.
 - ii. The Contractor shall provide the Help Desk Guide two months prior to implementation of the Help Desk.
- c. Help Desk Support Metrics –
 - i. The Contractor will generate a Help Desk Support Metrics Report every week. The report will minimally contain:
 - 1. Number of tickets open during the current period.
 - 2. Number of support calls answered by the fifth ring
 - 3. Number of support calls not answered by the fifth ring
 - 4. Year-to-date (YTD) number of tickets opened.
 - 5. Number of tickets closed during the current period.
 - 6. YTD number of tickets closed.
 - 7. Number of tickets open for more than three days.
 - 8. Problems identified.
 - 9. Problem type or category.

5. Document Maintenance

- a. The contractor will create, update and maintain all system related documents that pertain to the MI-WIC system. Current versions of documents must be located in an accessible electronic location for MDCH WIC staff. Documentation includes, but is not limited to:
 - i. Architecture And Configuration
 - ii. Capacity Plan
 - iii. Database -ERDs
 - iv. Data Dictionary
 - v. Disaster Recovery
 - vi. Documentation and Standards Plan
 - vii. EOD and Interfaces
 - viii. Help Files - Published
 - ix. Reference Materials
 - x. Technical Documentation
 - xi. Test Scripts
 - xii. User Manuals
 - xiii. Use cases and System Requirement Document

6. Reports as specified

1.030 Roles and Responsibilities

1.031 Contractor Staff, Roles, and Responsibilities

1. Contract Staff

All persons assigned to this contract shall be employees, or subcontractors, of the Contractor and, in the case of key personnel, meet the qualifications in Appendix E – Minimum Qualifications for Key Personnel. The Contractor needs to include a similar provision in any contract with any subcontractor selected to perform work under this project. Contractor's staff must be able to pass a security clearance check conducted by the Contractor. Contractors must present certifications evidencing satisfactory

background checks and drug tests for all staff identified for assignment to this project. Contractor is responsible for any costs associated with ensuring their staff meets all requirements. In general, the Contractor must provide the following:

- Implement project policies and procedures.
- Acquire and provide the resources needed to achieve the Service Level Guarantees established in the contract with the State
- Maintain staff technical proficiency and productivity, and provide training where required.
- Establish and maintain quality in the project.
- Identify and procure tools to be used on the project.

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.

The Contractor shall provide a project manager. The Contractor's project manager has primary responsibility for the quality of a project's deliverables and its successful completion. The project manager shall be the primary contact and liaison with the MDCH WIC Data and System Management Director. The Contractor's project manager responsibilities include, at a minimum:

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

The project manager prior experiences and education levels will include, at a minimum:

- Minimum education qualification – MS in Computer Science
- 5 years project management experience in WIC MIS system including Design, Development, Implementation and Maintenance.
- 5 years working experience in design and developing web applications using Microsoft vb.NET technologies experience with a strong Oracle SQL experience.

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

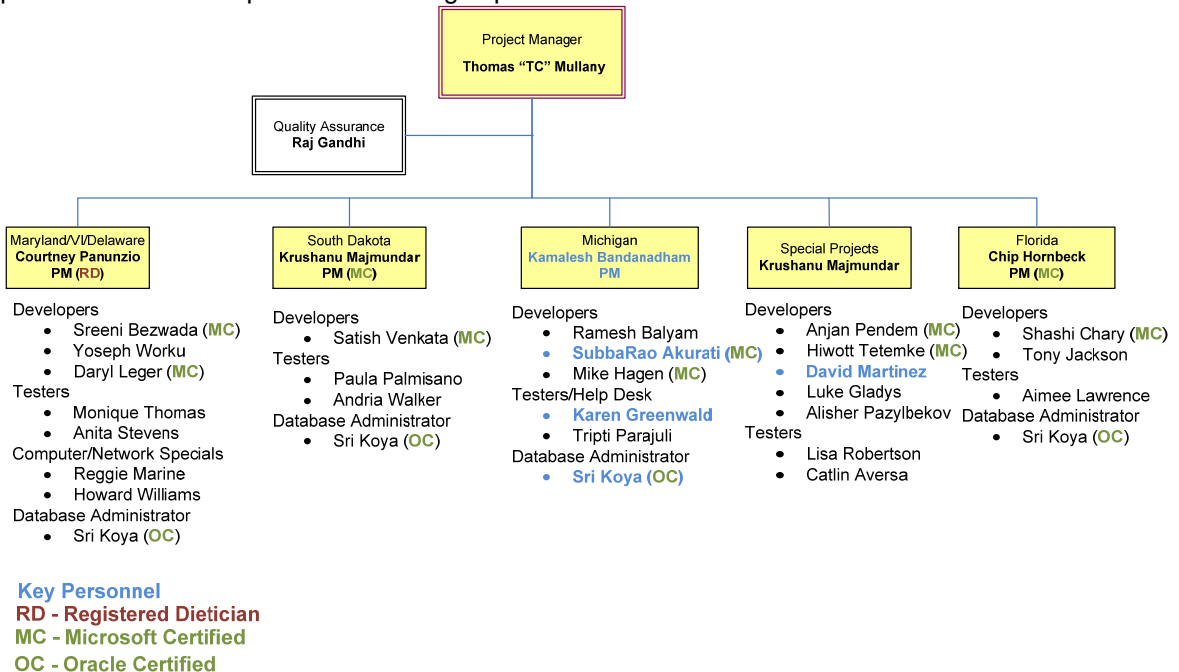
Contractor will provide:

- a. Personnel will consist of Contractor's staff, or sub-contractors to the Contractor, who are specifically dedicated to Michigan WIC unless otherwise approved by the MDCH WIC Data and System Management Director.
- b. Personnel with the ability to work professionally with the users, administrators, MDCH WIC Division, WIC Division-contracted local WIC programs, other State agencies and external contractors serving the citizens of the State of Michigan
- c. Personnel with abilities to work with state and local agency personnel that have wide ranges of application and computer-related knowledge
- d. Personnel with the ability to work with MDTMB personnel
- e. Personnel with the ability to work with public health professionals from MDCH and MDCH WIC Division-contracted local WIC programs

- f. Personnel with the ability to train and/or educate while assisting MDCH personnel
- g. Personnel with the ability to document and act on customer suggestions and complaints
- h. Provide personnel with the ability to document problems, fixes, resolutions, and preventative measures for the future
- i. Personnel with the ability to troubleshoot problems and provide timely resolutions in order to prevent downtime

2. Key Personnel

The Organizational chart shown below, presents the staff that are currently employed by Three Sigma Software, and those anticipated to work on the Michigan Support Contract. As shown in the organization chart, in addition to the staff that are assigned to a particular State, Three Sigma has a group (Special Projects) that is tasked with executing additional tasking that may be requested by one of our customers. This is the group that will be tasked with developing the enhancements identified in the Statement of work should they be requested. All of the personnel assigned to this group have previous WIC development and testing experience.



- a. Maintenance and Operations Phase
 - i. Project Manager
 - ii. Systems Development Manager
 - iii. Database Administrator
 - iv. Senior Developer
 - v. WIC Analyst/Help Desk Support staff

3. Approval of Key Personnel

The MDCH WIC Data and System Management Director shall have the absolute right to approve or disapprove the Contractor's and any subcontractor's key personnel assigned to this contract. The MDCH WIC Data and System Management Director may also approve or disapprove any proposed changes in key staff or require the removal or reassignment of any key Contractor employee or subcontractor personnel found unacceptable by the State.

- a. Notice of Change to Key Personnel
 The Contractor shall notify the MDCH WIC Data and System Management Director in writing of any changes in key personnel at least 30 days prior to the change, except in the case of immediate risk to the health and safety

of project staff, or in the case of unlawful security breaches. The Contractor shall, upon request, provide MDCH with a resume of any members of its staff or a subcontractor's staff assigned to or proposed to be assigned to any part of this contract.

Individuals assigned by the Contractor are employees of that Contractor, and are not, under any circumstances or conditions, employees of MDCH.

MDCH WIC reserves the right to interview and approve the Contractor's personnel. MDCH WIC reserves the right to reject any proposed staff member and require the appointment of a satisfactory Contractor staff member, as well as to require verification of a proposed staff member's skills through demonstration and/or testing.

MDCH WIC will retain the right to release outright or request the replacement of any Contractor representative who is working at an inferior level of performance, as determined by the MDCH WIC Data and System Management Director. The Contractor will be given 24 hours advance notice of this action. The Contractor shall provide an acceptable replacement within five (5) working days of notice of this release.

The Contractor will assume full responsibility for the behavior of its employees and will remove any of its employees from MDCH WIC premises at the request of the MDCH WIC Data and System Management Director.

The individual(s) assigned to the project may not be replaced during the course of the project without the prior approval of the MDCH WIC Data and System Management Director. The WIC Data and System Management Director and/or their representatives may interview candidates prior to this approval.

4. State Team

The State will work to assist the Contractor in maintaining and supporting the MI-WIC system. The State will provide system experts and liaisons from MDCH WIC including the WIC System Requirements Manager, the WIC System Management Specialist, and the WIC System Administrator, and MDCH WIC administration including the WIC Division Director and the WIC Data and System Management Director. These senior managers will lead the project.

The MDCH WIC system experts and liaisons will be responsible for ensuring that the project is in compliance with the contract and satisfies the requirements. The MDCH WIC Data and System Management Director will consult with the MDCH WIC Director on a continuing basis.

The MDCH WIC Data and System Management Director will provide expertise, assistance, and technical leadership in all matters such as policy, organization and staff, environment, data, information processing, current systems, acceptance testing, and so forth. The MDCH WIC Data and System Management Director will work closely with the Contractor's Project Manager in day-to-day project activity.

The MDCH WIC Data and System Management Director will provide the following services:

- Provide State facilities, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external Contractors
- Facilitate communication between different State departments/divisions
- Milestone acceptance sign-off
- Resolution of project issues
- Escalation of outstanding/high priority issues to the MDCH management
- Utilize change control procedures
- Conducting regular and ongoing review of enhancements to confirm that they meet original objectives and requirements as applicable
- Documentation and archiving of all important MI-WIC system decisions
- Arrange, schedule and facilitate State staff attendance at all MI-WIC system meetings

The MDCH WIC system experts and liaisons, along with the Contractor's Project Manager, will report to MDCH management. MDCH management includes, but is not limited to, The Division Director and the WIC Data and System Management Director.

MDCH management shall be available on an as needed basis. They will be solicited for a decision when there is a need to:

- Approve the MI-WIC system enhancement schedule as applicable
- Authorize modifications for scope, resources, and budget
- Ensure senior management commitment to the project
- Act as a final arbiter on proposed changes that significantly affect the business interests of the State
- Resolve MI-WIC system enhancement issues in a timely manner
- Review the MI-WIC system enhancement project plan, status, and issues
- Resolve deviations from MI-WIC system enhancement project plan
- Utilize change control procedures

1.040 Project Plan

1.041 Project Plan Management

Within 15 days of the execution of the Contract the Contractor must submit a detailed Project Plan. The Project Plan will cover both Contractor and State tasks and responsibilities, as well as a work schedule

At a minimum, the Plan must contain the following items, or reasonable substitutions:

1. Project team and organization
 - a. A description of how the Contractor will organize, deploy, and administer the project team.
2. Project Work Plan, which includes the following:
 - a. Implementation Planning
 - i. Develop detailed project plan, tailoring methodology to reflect project's needs. Transition to take over operations and maintenance shall take no longer than ninety (90) days.
 - ii. Ensure that management, users, affected State organizations, and contractors commit to the project.
 - b. Implementation Project Start-Up
 - i. A finalized project baseline plan.
 - ii. Updates to the project plan as needed.
 - iii. A plan for monitoring the Service Level Agreement (SLA) between the operations and maintenance Contractor and the State, and delivering in accordance with it.
 - c. Project Implementation
 - i. Compliance with the SLA
 - ii. Promptly correct any production item that does not conform to specifications, or is not delivered in accordance with the SLA.
 - iii. For any enhancements or modifications, the Contractor must provide the following:
 1. Develop a project plan, and ensure that it is updated and approved.
 2. Review the results of quality assurance with WIC program management, and take corrective action in a timely manner.
 3. Maintain a log of project risks and establish prevention and mitigation procedures, as required by WIC Management. The project risk log, as well as the mitigation strategy, shall be periodically reviewed with WIC program management.
 4. Incorporate time for USDA review in approval in system enhancements and modifications as applicable.
 - d. Implementation Closeout (For Enhancements and Modifications)

- i. Develop an action plan for correcting any deliverable that does not receive user sign-off.
 - ii. Obtain user and management approval of tested enhancements and modifications and final system deliverables.
 - iii. Closeout open action items.
- e. Continued Maintenance and Operations
 - i. Maintain the operations and maintenance Plan in an up-to-date manner
 - ii. Assign resources for operations and maintenance sufficient to achieve the standards inherent in the WIC SLA.
 - iii. Regularly review operations and maintenance procedures and suggest and/or implement improvements as necessary.
 - iv. Coordinate and manage all requests from MDCH WIC to the Contractor.

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 Change Point for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. This 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 60 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.

3. Orientation Meeting

Upon 5 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.

4. 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 MDCH WIC Data and System Management Director 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 MDCH WIC and the Contractor)
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description.

5. Risk Management

A risk is an unknown circumstance or event that, if it occurs, may have a positive or negative impact on the Contract. Risk management generally involves (1) identification of the risk, (2) assigning a level of priority based on the probability of occurrence and impact to the project, (3) definition of mitigation strategies, and (4) monitoring of risk and mitigation strategy.

The Contractor will create a risk management plan. A risk management plan format will be submitted to the State for approval within twenty (20) business days after the effective date of the contract. 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 monitored and updated monthly, or as agreed upon. The risk management plan will be developed 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.

6. Change Management

Controlling scope and providing for system changes that result from legislative mandates, agency request, or Contractor suggestion is extremely important to the State in maintaining project accountability. For enhancements and change orders requested by the State, the Contractor will provide to the State its cost estimate, including programming time and/or any incremental changes for the State's review prior to implementing any requested changes. The cost estimate will be provided by hour, utilizing the hourly rate for the labor grades provided in the Contractor's pricing. The Contractor will provide its cost estimate for enhancements and change orders requested by the State within two weeks of receiving the request. If the Contractor is unable to provide an accurate estimate within two (2) weeks, the Contractor will provide, within a two week timeframe, a date when a complete estimate will be delivered to the State. Work will not begin on the enhancement and/or change order by the Contractor until written approval is received from MDCH WIC Management.

Change control is ongoing throughout the duration of the contract and is subject to the following limitations:

- a. The Contractor will perform system maintenance, as defined in this contract Section 1.022, at no additional cost to MDCH WIC.
- b. The Contractor will perform system enhancement tasks approved by the State. System enhancements include the following:
 - i. Implementation of capabilities not included in the contract.
 - ii. Activities necessary to meet new or revised federal requirements.
 - iii. Activities necessary to meet new or revised State requirements.
 - iv. Changes to established reports, screens, or tape formats.
 - v. The contractor hourly rates are provided in Attachment A for system enhancements
- c. All Change Requests for Enhancement work require prior approval from State Contract Managers prior to the onset of any work.
- d. All Change Order descriptions must be in writing with estimates of required resources and costs.

If a proposed contract change is approved by the Contract Compliance Inspector, the Contract Compliance Inspector will submit a request for change to DTMB, Acquisition Services Buyer, who will make recommendations to the Director of Acquisition Services regarding ultimate approval/disapproval of a change request. If the MDTMB Acquisition Services Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the Acquisition Services 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 MDTMB Office of Acquisition Services, risk non-payment for the out-of-scope/pricing products and/or services.

1.042 Reports

Reporting formats must be submitted to the State for approval within ten (10) business days after the effective date 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. The following reports must be provided, together with any reports identified in Section 1.022, Work and Deliverables, and the following requirements met:

- A. Written monthly summaries or progress reports that outline work accomplished during the reporting period, work to be accomplished during the subsequent reporting period, if known; problems, real or anticipated, which should be brought to the attention of the MDCH WIC Data and System Management Director and notification of any significant deviation from the

previously agreed upon work plans. All areas of decision making that pertain to this contract must be reviewed in detail with the MDCH WIC Data and System Management Director prior to any final decision. Each monthly progress report will contain the following:

1. Project schedule status.
 - a. Identify if the project is on schedule or if there is any deviation from the previously agreed upon schedule.
 - b. If the project has deviated from the previously agreed upon schedule, identify the reason for the deviation and the affected areas.
 - c. Identify in detail the steps that will be taken to resolve the deviation.
 - d. Specify any schedule adjustments that have resulted from the deviation.
 2. Activities of the past month - Summarize the actions taken and progress made on the project during the past month.
 3. Activities of the following month - Summarize the actions planned for the following month in order to meet the project delivery and performance schedule requirements.
 4. Deliverables - Identify deliverables delivered to MDCH in the past month and deliverables planned for delivery to MDCH in the following month.
 5. Issues - Identify problems, difficulties, either anticipated or encountered, and suggested solutions.
 6. Resolution of prior issues - Identify resolutions to issues identified in previous progress reports.
 7. Percentage completed. Indicate the percentage completed for each task defined in the work plan during the past month, the total percentage completed for each task, total percentage completed for the development phase, and the total percentage completed for the project phase.
- B. The Contractor will maintain progress and resource schedules for all tasks under this contract. This documentation will include, as appropriate, progress Gantt charts, resource schedule reports, and progress reports. The Contractor is responsible for tracking hours expended on each task.
- C. All documentation prepared by the Contractor must be submitted to MDCH WIC as both a printed hard copy and in Microsoft Word electronic format. MDCH WIC and the Contractor must mutually agree upon alternative electronic formats.
- D. The Contractor's name, logo, or other company identifier may not appear on documentation delivered to the State without written authorization from the Contract Administrator. An exception to this will be transmittal of cover letters showing delivery of said documents and invoices.
- E. All documentation submitted to MDCH WIC by the Contractor must contain a title page with the following information:
1. Contract Number
 2. Contract Expiration Date
 3. Task Name (if applicable)
 4. Deliverable Name
 5. Name of Contractor
 6. Contractor Project Director
 7. Date of Deliverable or Report
 8. Time Period of Deliverable or Report
- F. All reports and deliverables to be furnished by the Contractor, as described in Section 1.022, Work and Deliverables, will be delivered to the MDCH WIC Data and System Management Director for their approval. The Contractor will inspect all reports and deliverables for accuracy and adequacy prior to delivery.

1.050 Acceptance

1.051 Criteria

The following criteria will be used by the State to determine Acceptance of the Services or Deliverables provided under this SOW:

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

The criteria also covers two aspects of compliance: performance of the Contractor in meeting the contract compliance, both financial and non-financial.

- A. Document Deliverables - Documents include, but are not limited to plans, design documents, project schedules, user guides, and procedure manuals.
 - 1. Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Section 1.042.
 - 2. Draft documents are not accepted as final deliverables.
 - 3. The documents will be reviewed and accepted in accordance with the requirements of the Contract and Appendix A.
 - 4. MDCH WIC will review business documents within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by MDCH WIC Data and System Management Director.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit documents for approval within 30 days of receipt.
- B. Software Deliverables - Software includes, but is not limited to, software product, development tools, support tools, integration software, and installation software.
 - 1. Beta software is not accepted as final deliverable.
 - 2. The software will be reviewed and accepted in accordance with the requirements of the contract.
 - 3. MDCH WIC will review software within a mutually agreed upon timeframe for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery, and operation.
 - a. Approvals will be written and signed by MDCH WIC Data and System Management Director.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit software for approval within 30 days of receipt.
 - 4. Software is installed and configured, with assistance from MDTMB, in an appropriate environment (e.g. development, conversion, QA testing, UAT testing, production, and training).
 - 5. Contingency plans, de- installation procedures, and software are provided by the Contractor and approved by MDCH WIC Data and System Management Director.
 - 6. Final acceptance of the software will depend on the successful completion of UAT.
 - 7. MDCH WIC will review test software, data, and results within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by MDCH WIC Data and System Management Director.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval within 30 days of receipt.
- C. Service Deliverables - Services include, but are not limited to help desk, and support.
 - 1. The services will be accepted in accordance with the requirements of the contract.
 - 2. MDCH WIC will review a Request for Approval of Services within a mutually agreed upon timeframe from completion or implementation.
 - a. Approvals will be written and signed by MDCH WIC Data and System Management Director.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit a Request for Approval of Services for approval within 30 days of receipt.
 - 3. MDCH WIC staff are properly trained and supplied with the proper tools and documentation to support, upgrade, monitor, operate, and configure the application in accordance with the requirements of this contract.
 - 4. The Contractor has the tools and connectivity installed, in compliance with MDTMB standards, to properly support and monitor the application.
- D. Ongoing Operations - For ongoing activities, such as project status reports and work plan updates, acceptance of the initial report or plan will constitute acceptance of the deliverable, for purposes of milestone payment.
 - 1. Ongoing operations will include operation of all WIC subsystems, food benefit processing, accounting, and reporting activities by State staff, along with Contractor support for all interfaces required for the routine operation (including WIC EBT) of the Michigan WIC Program

1.052 Final Acceptance

- 1. All documents, software and services are delivered and accepted by MDCH WIC in accordance with the requirements of the contract.

2. For thirty (30) days after installation and configuration in the staging environment (model office), the software and any related infrastructure must meet or exceed acceptance testing requirements in accordance with the requirements of the contract.
3. Due to the nature of required reporting at various times throughout the year, there will be a thirty (30) day period after the creation of quarterly, semi-annual, and yearly reports, in which the performance and reliability requirements must be met in order to prove the creation, operation, and accuracy of those first reports.
4. All bills related to this contract have been submitted and approved for payment.
5. A product roadmap is available to MDCH WIC including information such as technical requirements, functional enhancements, and product availability periods.

1.060 Pricing

1.061 Pricing

See Attachments A

Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the travel expense at the State's current travel reimbursement rates. See http://www.michigan.gov/dmb/0,1607,7-150-9141_13132---,00.html for current rates.

1.062 Price Term

Prices quoted are firm for the entire length of the Contract.

1.063 Tax Excluded from Price

(a) Sales Tax: For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices must not include the taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

(b) Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.

1.064 Holdback – Deleted – N/A

1.070 Additional Requirements

1.071 Additional Terms and Conditions specific to this contract

1. The Contractor, during the performance of services detailed in this contract, will be responsible for any loss or damage to original documents belonging to MDCH WIC that are in the Contractor's possession. Restoration of lost or damaged original documents shall be at the Contractor's expense.
2. All questions which may arise as to the quality and acceptability of work, the manner of performance and rate of progress of the work, the interpretation of designs and specifications, and as to the satisfactory and acceptable fulfillment of the terms of this agreement shall be decided by the MDCH WIC Data and System Management Director.
3. The Contractor shall agree that it will not volunteer, offer, or sell its services to any litigant against MDCH WIC with respect to any services that it has agreed to perform for MDCH WIC, provided that this provision shall not apply either when the Contractor is issued a valid subpoena to testify in a judicial or administrative proceeding or when the enforcement of this provision would cause the Contractor to be in violation of any Michigan or Federal law.
4. The Contractor will certify in writing that they are in conformance with applicable federal and state civil rights laws and practices, equal employment opportunity for all persons regardless of race, creed, color, religion, national origin, gender or handicap. The Contractor is also in conformance with the requirements of the Americans with Disabilities Act. Failure to comply with the aforementioned laws may result in the termination of the Contract.

5. MDTMB has developed, and will continue to develop during the course of this effort, a growing number of information technology standards. The Contractor must follow any and all standards adopted by MDTMB. Where standards do not exist, the final acceptance of any new technique, technology, or design will rest with MDTMB. The acceptance of any new technique, technology, or design by MDTMB must be in writing. Current IT Standards are available at http://www.michigan.gov/dmb/0,4568,7-150-56355_56579_56755---,00.html. DTMB will provide the applicable standards to the Contractor as well as notices of changes that occur during the life of the contract.
6. MDCH, in accordance with Title VI of the Civil Rights Act of 1964, 78 stat. 252, 42 U.S.C. 2000d to 2000d-4, hereby notifies all respondents that in any Contract entered into pursuant to this Request for Proposal, minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.
7. The Contractor shall use and take advantage of existing data sources created by other MDCH automation projects. These data sources shall not be duplicated without prior written approval by the MDCH WIC Data and System Management Director.
8. The Contractor will not be limited to the tasks identified in this document or work plan, and may supplement them with an alternate list of tasks or sub-tasks that will still permit the proper workflow of the project. Any additions or modifications of the tasks by the Contractor must be so noted, along with reasons the changes were necessary. Changes and modifications are subject to written approval by the MDCH WIC Data and System Management Director.
9. All products (software, documents, and other) will remain in the public domain, as WIC is a 100% federally funded program. The Contractor will have no claim or rights over the work products developed under this contract.
10. The federal government reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for federal government purposes, the copyright in any work developed under a grant, sub-grant, or contract under a grant or sub-grant or any rights of copyright to which a contractor purchases ownership.
11. In accordance with this assurance, Contractor understands that it must comply with Federal Executive Order 11246, Section 306 of the Federal Clean Air Act, Section 308 of the Federal Clean Water Act, the Anti-Lobbying Act, the Americans with Disabilities Act, and Drug-Free Workplace requirements. Contractor understands that it has certified that neither it nor its principals are debarred or suspended from Federal financial assistance programs and activities and to complete and return in pursuit of such certification any appropriate form required by the State agency (see Federal Executive Order 12549 and 7 CFR Part 3016)

Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

The Contract is for a period of five years beginning February 4, 2014 through February 4, 2019. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002 Options to Renew

The 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 two additional one year periods.

2.003 Legal Effect

Contractor must show acceptance of the Contract by signing two (2) copies of the Contract and returning them to the Contract Administrator. The Contractor must not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a Contract release/purchase order that authorizes and defines specific performance requirements.

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

2.004 Attachments & Exhibits

All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing the Contract, are incorporated in their entirety and form part of the 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 the Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order's or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, the Contractor must 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

(a) 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**.

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

2.007 Headings

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

2.008 Form, Function & Utility

If the Contract is for use of more than one (1) 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 (1) 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

The Contract is issued by the Department of Technology Management and Budget, Procurement and Department of Community Health (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Procurement is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. Procurement **is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of the Contract.** The Contractor Administrator within Procurement for the Contract is:

Whitnie Zuker, Buyer
Procurement
Department of Technology Management and Budget
Mason Bldg., 2nd Floor
PO Box 30026
Lansing, MI 48909
ZukerW@michigan.gov
(517)335-5306

2.022 Contract Compliance Inspector

After DTMB-Procurement receives the properly executed Contract, it is anticipated that the Director of Procurement, in consultation with Department of Community Health, will direct the person named below, or any other person so designated, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of the Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract as that authority is retained by DTMB Procurement.** The CCI for the Contract is:

To be Determined

2.023 Project Manager

The following individual will oversee the project:

From the Michigan Department of Community Health:

Dr. Kobra Eghtedary, WIC Data and System Management Director
Department of Community Health, WIC Division
320 South Walnut St., Lansing, MI 48913
Eghtedaryk@michigan.gov
Phone: 517-335-9834
Fax: 517-335-8835

2.024 Change Requests

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

If the Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

Change Requests:

- (a) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under the Contract, describing the Change and its effects on the Services and any affected components of the Contract (a "Contract Change Notice").
- (b) No proposed Change may be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the DTMB-Procurement.
- (c) 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 the 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 State contact as noted in Section 2.021 and the Contractor's contact as noted on the cover page of the contract, 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.

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

2.026 Binding Commitments

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

2.027 Relationship of the Parties

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

2.028 Covenant of Good Faith

Each party must act reasonably and in good faith. Unless stated otherwise in the Contract, the parties must 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

(a) 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 requirements of the Contract. The State may withhold consent from proposed assignments, subcontracts, or novation 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.

(b) 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 (1) entity continues.

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

2.030 General Provisions

2.031 Media Releases

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

2.032 Contract Distribution

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

2.033 Permits

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

2.034 Website Incorporation

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

2.035 Future Bidding Preclusion

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

2.036 Freedom of Information

All information in any proposal submitted to the State by Contractor and the Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 PA 442, MCL 15.231, et seq (the "FOIA").

2.037 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under the Contract must 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 the Contract must specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.042 Adjustments for Reductions in Scope of Services/Deliverables

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

2.043 Services/Deliverables Covered

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

2.044 Invoicing and Payment – In General

(a) Each Statement of Work issued under the Contract must 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 must 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 must show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.

(c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 PA 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 will be agreed upon between the CCI and the Contractor.

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

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

2.045 Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services must 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 the Contract.

2.047 Final Payment

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one (1) party against the other arising from unsettled claims or failure by a party to comply with the 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 the Contract must constitute a waiver of all claims by Contractor against the State for payment under the 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. The Contractor must register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in 1984 PA 431, all contracts that the State enters into for the purchase of goods and services must provide that payment will be made by Electronic Fund Transfer (EFT).

2.050 Taxes

2.051 Employment Taxes

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

2.052 Sales and Use Taxes

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

must notify the State of the proposed assignment, must introduce the individual to the appropriate State representatives, and must 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 must 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, and 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 must 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 will not be counted for a time as agreed to by the parties.

2.064 Contractor Personnel Location

All staff assigned by Contractor to work on the Contract must perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel must, 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 must 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 must 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 the Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and must not unnecessarily or unreasonably interfere with, delay, or otherwise impede Contractor's performance under the Contract with the requests for access.

2.067 Contractor Return of State Equipment/Resources

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

2.068 Contract Management Responsibilities

The Contractor must assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State considers the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contract must include a list of Subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve Subcontractors and to require the Contractor to replace Subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the Subcontractor to all provisions of the Contract. Any change in Subcontractors must be approved by the State, in writing, prior to such change.

2.070 Subcontracting by Contractor

2.071 Contractor Full Responsibility

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

2.072 State Consent to Delegation

Contractor must not delegate any duties under the Contract to a Subcontractor unless the DTMB-Procurement has given written consent to such delegation. The State reserves 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 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 Subcontractor(s) for the removed Subcontractor must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

2.073 Subcontractor Bound to Contract

In any subcontracts entered into by Contractor for the performance of the Services, Contractor must require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of the Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by the 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 is the responsibility of Contractor, and Contractor must remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor must make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under the Contract will not relieve Contractor of any obligations or performance required under the Contract.

2.074 Flow Down

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

2.075 Competitive Selection

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

2.082 Facilities

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

2.090 Security

2.091 Background Checks

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

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

2.092 Security Breach Notification

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

2.093 PCI Data Security Requirements Deleted – N/A

2.100 Confidentiality

2.101 Confidentiality

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

2.102 Protection and Destruction of Confidential Information

The State and Contractor must each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication, or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by the 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 must limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of the Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under the 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 of **Section 2.100** will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of **Section 2.100** will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104 No Implied Rights

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.105 Respective Obligations

The parties' respective obligations under this Section must survive the termination or expiration of the Contract for any reason.

2.110 Records and Inspections

2.111 Inspection of Work Performed

The State's authorized representatives must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

2.112 Examination of Records

For seven (7) years after the Contractor provides any work under the Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

2.113 Retention of Records

Contractor must maintain at least until the end of the Audit Period, all pertinent financial and accounting records (including time sheets and payroll records, information pertaining to the Contract, and to the Services, equipment, and commodities provided

under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114 Audit Resolution

If necessary, the Contractor and the State will meet to review each audit report promptly after issuance. The Contractor must respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

2.115 Errors

(a) If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) invoices. If a balance remains after four (4) invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the Contract, whichever is earlier.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.

2.120 Warranties

2.121 Warranties and Representations

The Contractor represents and warrants:

(a) It is capable in all respects of fulfilling and must fulfill all of its obligations under the Contract. The performance of all obligations under the Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under the 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 the 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 the Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

(d) If, under the 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 the 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 the 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 the 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 (2) days of learning about it.

(h) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after the Contract start date, the Contractor must report those changes immediately to DTMB-Procurement.

2.122 Warranty of Merchantability

Goods provided by Contractor under this agreement must be merchantable. All goods provided under the Contract must be of good quality within the description given by the State, must be fit for their ordinary purpose, must be adequately contained and packaged within the description given by the State, must conform to the agreed upon specifications, and must 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 must, in providing goods to the State, convey good title in those goods, whose transfer is right and lawful. All goods provided by Contractor must 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 the Contract, must be delivered free of any rightful claim of any third person by of infringement or the like.

2.125 Equipment Warranty Deleted – N/A

2.126 Equipment to be New

If applicable, all equipment provided under the Contract by Contractor must 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, is 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 must remain consistent for the term of the Contract, unless 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 the Contract.

2.130 Insurance

2.131 Liability Insurance

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims which may arise out of or result from the Contractor's performance of Services under the terms of the Contract, whether the Services are performed by the Contractor, or by any Subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain under the Contract.

All insurance coverage's provided relative to the Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance must be written for not less than any minimum coverage specified in the Contract or required by law, whichever is greater.

The insurers selected by Contractor must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in the Contract must be issued by companies that have been approved to do business in the State. See www.michigan.gov/deleg.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State must be entitled to coverage to the extent of the higher limits.

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

- ☒ 1. Commercial General Liability with the following minimum coverage:

\$2,000,000 General Aggregate Limit other than Products/Completed Operations
\$2,000,000 Products/Completed Operations Aggregate Limit
\$1,000,000 Personal & Advertising Injury Limit
\$1,000,000 Each Occurrence Limit

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSURED on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- ☒ 2. If a motor vehicle is used to provide services or products under the Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSURED on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- ☒ 3. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision must not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

- ☒ 4. Employers liability insurance with the following minimum limits:

\$100,000 each accident
\$100,000 each employee by disease
\$500,000 aggregate disease

- ☐ 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts

committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of \$1,000,000.00 with a maximum deductible of \$50,000.00.

- ☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.
- ☒ 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: \$3,000,000.00 each occurrence and \$3,000,000.00 annual aggregate.
- ☐ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under the Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

2.132 Subcontractor Insurance Coverage

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor must require all of its Subcontractors under the Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor must fully comply with the insurance coverage required in this Section. Failure of Subcontractor to comply with insurance requirements does not limit Contractor's liability or responsibility.

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DTMB-Procurement, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverage afforded under the policies **MUST NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED** without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Procurement, DTMB. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insured under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three (3) years following the expiration or termination for any reason of the Contract. The minimum limits of coverage specified above are not intended, and must not be construed, to limit any liability or indemnity of Contractor under the Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in the Contract, or if any insurer cancels or significantly reduces any required insurance as specified in the Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

2.140 Indemnification

2.141 General Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or

damaged by the Contractor in the performance of the 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 must 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 the 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 the Contract.

(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend

against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under the 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 must 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 the Contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under the 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 the Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating the 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 the 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 the Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under the Contract.

(c) If the State chooses to partially terminate the Contract for cause, charges payable under the Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates the 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 the Contract for a termination for convenience.

2.153 Termination for Convenience

The State may terminate the 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 the 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 the Contract in part, the charges payable under the Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of the Contract that are terminated for cause must cease on the effective date of the termination.

2.154 Termination for Non-Appropriation

(a) Contractor acknowledges that, if the Contract extends for several fiscal years, continuation of the Contract is subject to appropriation or availability of funds for the Contract. If funds to enable the State to effect continued payment under the Contract are not appropriated or otherwise made available, the State must terminate the Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under the Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

(c) If the State terminates the Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 Termination for Criminal Conviction

The State may terminate the 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 the 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 must 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 the 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 the 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 the 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 the 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 the 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 the Contract, and may further pursue completion of the Services/Deliverables under the Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

Any termination of the 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 the Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under the Contract, (ii) breaches its other obligations under the 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 2.190** before it terminates the Contract.

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates the Contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If the 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 ninety (90) project days. These efforts must include, but are not limited to, those listed in **Sections 2.171, 2.172, 2.173, 2.174, and 2.175**.

2.172 Contractor Personnel Transition

The Contractor must work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by the 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 must notify all of Contractor's subcontractors of procedures to be followed during transition.

2.173 Contractor Information Transition

The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under the Contract. The Contractor must provide the State with asset management data generated from the inception of the Contract through the date on which the Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor must deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

2.174 Contractor Software Transition

The Contractor must reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under the Contract. This must include any documentation being used by the Contractor to perform the Services under the 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, reimbursement must be governed by the termination provisions of the Contract. 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 must prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.176 State Transition Responsibilities

In the event that the Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.

2.180 Stop Work

2.181 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.180**. 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 2.150**.

2.182 Cancellation or Expiration of Stop Work Order

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment must conform to the requirements of **Section 2.024**.

2.183 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.150**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.180**.

2.190 Dispute Resolution

2.191 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

2.192 Informal Dispute Resolution

(a) All disputes between the parties must be resolved under the Contract Management procedures in the Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Procurement, DTMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

- (i) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
- (ii) During the course of negotiations, all reasonable requests made by one (1) party to another for non-privileged information reasonably related to the Contract must be honored in order that each of the parties may be fully advised of the other's position.
- (iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
- (iv) Following the completion of this process within 60 calendar days, the Director of Procurement, DTMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section must not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under **Section 2.193**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.194 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.

2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, or physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of the Contract or any purchase order resulting from the Contract must contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL

37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under Section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under Section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor must comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

2.204 Prevailing Wage

The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of the Contract in privity of contract with the Contractor must not be less than the wage rates and fringe benefits established by the Michigan Department of Energy, Labor and Economic Development, Wage and Hour Bureau, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor must 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 the Contract in privity of contract with the Contractor must keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the contract. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Energy, Labor and Economic Development, the office responsible for enforcement of the wage rates and fringe benefits. The Contractor must keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with the Contract. This record must 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 must also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

2.210 Governing Law

2.211 Governing Law

The Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.212 Compliance with Laws

Contractor must comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

2.213 Jurisdiction

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.220 Limitation of Liability

2.221 Limitation of Liability

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the Contract.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Assurances. If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of the Contract would cause a reasonable party to be concerned about:

(i) the ability of Contractor (or a Subcontractor) to continue to perform the Contract according to its terms and conditions, or

(ii) 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 the 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:

(a) Contractor and its Subcontractors must be able to continue to perform the Contract and any Statements of Work according to its terms and conditions, and

(b) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.

(c) Contractor must make the following notifications in writing:

(1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DTMB-Procurement.

(2) Contractor must 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 must 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 the Contract providing call or contact center services to the State must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of the Contract.

2.233 Bankruptcy

The State may, without prejudice to any other right or remedy, terminate the 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 the Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance

2.241 Time of Performance

(a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.

(b) Without limiting the generality of **Section 2.241(a)**, Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.

(c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreements (SLAs)

- (a) SLAs will be completed with the following operational considerations:
- (i) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
 - (ii) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
 - (iii) 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.
 - (iv) 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:
 - 1. 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.
 - 2. 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) is 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 must not affect any tiered pricing levels.

(c) Root Cause Analysis must be performed on any business critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor must 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 the contract and an additional \$50,000.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

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, 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 Responsibilities

Unless otherwise specified by the State within an individual order, the following must be applicable to all orders issued under the Contract.

(a) Shipment responsibilities - Services performed/Deliverables provided under the Contract must be delivered "F.O.B. Destination, within Government Premises." The Contractor must have complete responsibility for providing all Services/Deliverables to all site(s) unless otherwise stated. Actual delivery dates must be specified on the individual purchase order.

(b) Delivery locations - Services must be performed/Deliverables must be provided at every State of Michigan location within Michigan unless otherwise stated in the SOW. Specific locations will be provided by the State or upon issuance of individual purchase orders.

(c) Damage Disputes - At the time of delivery to State Locations, the State must examine all packages. The quantity of packages delivered must be recorded and any obvious visible or suspected damage must be noted at time of delivery using the shipper's delivery document(s) and appropriate procedures to record the damage. Where there is no obvious or suspected damage, all deliveries to a State Location must be opened by the State and the contents inspected for possible internal damage not visible externally within 14 days of receipt. Any damage must be reported to the Contractor within five days of inspection

2.252 Delivery of Deliverables

Where applicable, the Statements of Work/POs contain lists 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"), a good ("Physical Deliverable") or a Service. All Deliverables must be completed and delivered for State review and written approval and, where applicable, installed according to the State-approved delivery schedule and any other applicable terms and conditions of the Contract.

2.253 Testing

(a) Before delivering any of the above-mentioned Statement of Work Physical Deliverables or Services to the State, Contractor must first perform all required quality assurance activities to verify that the Physical Deliverable or Service is complete and conforms with its specifications listed in the applicable Statement of Work or Purchase Order. Before delivering a Physical Deliverable or Service to the State, Contractor must certify to the State that (1) it has performed the quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during the quality assurance activities and testing, (4) the Deliverable or Service 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.

(b) If a Deliverable includes installation at a State Location, then Contractor must (1) perform any applicable testing, (2) correct all material deficiencies discovered during the quality assurance activities and testing, and (3) inform the State that the Deliverable is in a suitable state of readiness for the State's review and approval. To the extent that testing occurs at State Locations, the State is entitled to observe or otherwise participate in testing.

2.254 Approval of Deliverables, In General

(a) All Deliverables (Physical Deliverables and Written Deliverables) and Services require formal written approval by the State, according to the following procedures. Formal approval by the State requires the State to confirm in writing that the Deliverable meets its specifications. Formal approval may include the successful completion of Testing as applicable in **Section 2.253**, to be led by the State with the support and assistance of Contractor. The approval process will be facilitated by ongoing consultation between the parties, inspection of interim and intermediate Deliverables and collaboration on key decisions.

(b) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables/Services being reviewed.

(c) Before commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor according to **Section 2.253**.

(d) The State must approve in writing a Deliverable/Service after confirming that it conforms to and performs according to its specifications without material deficiency. The State may, but is not be required to, conditionally approve in writing a Deliverable/Service 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/Service that remain outstanding at the time of State approval.

(e) If, after three (3) opportunities (the original and two (2) repeat efforts), the Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that the Contractor cure the failure and give the Contractor additional time to cure the failure at the sole expense of the Contractor; or (ii) keep the Contract in force and do, either itself or through other parties, whatever the Contractor has failed to do, and recover the difference between the cost to cure the deficiency and the contract price plus an additional sum equal to 10% of the cost to cure the deficiency to cover the State's general expenses provided the State can furnish proof of the general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure the breach. Notwithstanding the foregoing, the State cannot use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

(f) The State, at any time and in its reasonable discretion, may halt the testing or approval process if the process reveals deficiencies in or problems with a Deliverable/Service in a sufficient quantity or of a sufficient severity that renders continuing the process unproductive or unworkable. If that happens, the State may stop using the Service or return the applicable Deliverable to Contractor for correction and re-delivery before resuming the testing or approval process.

2.255 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 Deliverable (and if the Statement of Work does not state the State Review Period, it is by default five (5) Business Days for Written Deliverables of 100 pages or less and 10 Business Days for Written Deliverables of more than 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 before 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 Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State notifies the Contractor about deficiencies, the Contractor must correct the described deficiencies and within 30 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 must be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State must have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected. An additional review period and approval for written deliverables may also be required by USDA.

2.256 Process for Approval of Services

The State Review Period for approval of Services is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 Business Days for Services). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Services (or at the State's election, after approval of the Service). If the State delivers to the Contractor a notice of deficiencies, the Contractor must correct the described deficiencies and within 30 Business Days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts must be made at no additional charge. Upon implementation of a corrected Service from Contractor, the State must have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Service for conformity and that the identified deficiencies have been corrected.

2.257 Process for Approval of Physical Deliverables

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 continuous Business Days for a Physical Deliverable). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State delivers to the Contractor a notice of deficiencies, the Contractor must correct the described deficiencies and within 30 Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts must be made at no additional charge. Upon receipt of a corrected Deliverable from the Contractor, the State must have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.258 Final Acceptance

Unless otherwise stated in the Article 1, Statement of Work or Purchase Order, "Final Acceptance" of each Deliverable must occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.251-2.257**. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

2.260 Ownership

2.261 Ownership of Work Product by State

The State owns all Deliverables as they are works 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

(a) 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 must 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 must 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.

(b) 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 must 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/dit>.

2.272 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/dit/service>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

2.273 Systems Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the Project Manager. Any changes Contractor makes to State systems with the State's approval must be done according to applicable State procedures, including security, access, and configuration management procedures.

2.280 Extended Purchasing

2.281 MIDEAL Deleted – N/A

2.282 State Employee Purchases Deleted – N/A

2.290 Environmental Provision

2.291 Environmental Provision

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 such as batteries and circuit packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act.

(a) The Contractor must use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State, and local laws. The State must provide a safe and suitable environment for

performance of Contractor's Work. Before the commencement of Work, the State must advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor must immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.

(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State's convenience.

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.242** for a time as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html

Refrigeration and Air Conditioning:

The Contractor must 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 the Contract.

Environmental Performance:

Waste Reduction Program: Contractor must establish a program to promote cost-effective waste reduction in all operations and facilities covered by the Contract. The Contractor's programs must 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 Other Provisions

2.311 Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials

Equipment, materials, or supplies, that will be furnished to the State under the Contract must not be produced in whole or in part by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

"Forced or indentured child labor" means all work or service: exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.

Attachment A, Cost Tables

Pricing Schedules for Cost Proposal

WIC Application and Operations

A. WIC Management Information System with Electronic Benefits Transfer

#	Cost Category	Price for Component
1	Maintenance & Operations Phase (From Pricing Schedule B)	\$12,498,800.00
	Grand Total	\$12,498,800.00

Pricing Detail B
Maintenance and Operations Phase

Note: Contractor is required to provide the fully loaded cost for supporting one FTE onsite for a five (5) year maintenance period. Office space, supplies and workstation will be provided by the State for on-site personnel only.

#	Cost Category	FTE Not-to-exceed Hourly Rate	No. of FTE	Estimated Annual Hours Allocated	Estimated Annual Cost	Total Estimated 5 year Cost
1	Personnel Costs (1 FTE onsite Project Manager)	\$129.50	1	2080	\$269,360.00	\$1,346,800.00
2	Personnel Costs (3 FTE offsite Senior Developers)	\$120.00	3	6240	\$748,800.00	\$3,744,000.00
3	Personnel Costs (0.5 FTE DBA)	\$120.00	.5	1040	\$124,800.00	\$624,000.00
4	Personnel Costs (2 FTEs help desk operations/QA analysts)	\$105.00	2	4160	\$436,800.00	\$2,184,000.00
	Estimated Enhancements				\$920,000.00	\$4,600,000.00
	Grand Total				\$2,499,760.00	\$12,498,800.00

Note:

1. Price quoted are fixed price
2. Ongoing production support during the maintenance period to be invoiced and paid monthly.
3. If the State extends the contract the prices will remain the same (fixed) for the extended additional period. The contract value will not exceed \$17,498,320.00 for the scheduled five year contract period and any optional contract years, if optional years are exercised.
4. The hours estimated in line item 5 are to be used for approved enhancements. The State does not commit to procuring services in the quantities estimated or in other amounts. The State at its discretion may not use the hours. The payment will be spanned over multiple time periods based on approved deliverables and agreed upon timelines. Hours and Prices are non-binding and will be used at the State's discretion to determine best value to the State. The State reserves the right to add more hours/dollars to the Contract.

Pricing Detail C - RESERVED

Pricing Schedule D
System & Service Enhancements Price Information

Staffing Category	Hourly Rate
Junior Analyst/Developer	\$ 100.00
Senior Analyst/Developer	\$ 120.00
Business Analyst	\$ 110.00
DBA	\$ 120.00
Technical Architect	\$ 130.00
Trainer	\$ 110.00
Site Support Technician	\$ 110.00
Tester	\$ 110.00
Help Desk Technician	\$ 90.00
Project Manager	\$ 129.50

Note:

1. Price quoted is fixed and will remain the same for duration of the contract and any optional contract years, if exercised.
2. The rate identified in Pricing Schedule D applies to any system enhancement work or required system modifications requested during the Maintenance and Operations Phase as needed. The State is not obligated to purchase the full amount of hours estimated in the Contract. The State reserves the right to add more hours to the Contract.

Appendix A: MIWIC Requirements Document

Please be advised that Appendix A is not posted to the web for this Contract. These files are large and therefore are available on CD-ROM by request only. Contractors should contact The Contractor Administrator within Purchasing Operations (Section 2.021) in order to make arrangements to obtain these documents. Please indicate "<Contract#>" on the subject line of the email.

Appendix B
Program Statistics

Michigan WIC Program and System Statistics		
Counties	83	
Local Agencies	48	
Clinics (Full time and part time)	216	
Average number of families served/day (statewide)	2,615	
Average number of families issued benefits/day (statewide)	5,152	
Number of current system users ¹	1,304	
	2010	2011
Participant Data		
Total Unduplicated Participants Served	427,252	421,605
Average Monthly Participation	256,229	252,705
Benefit Issuance and Redemption Data		
Average Monthly Food Expenditure	\$14,248,291	\$14,478,424
Average Monthly Formula Rebate	\$4,331,847	\$4,163,065
Average Monthly Food Cost Per Person	\$55.61	\$57.28
Project FRESH Coupons issued		
Project FRESH Coupons redeemed		

Notes:

¹Does not include State Agency users.

ID	Local Agency Name	City	2011 De-duplicated Enrollment	LA Staff Count
01	District Health Department No. 2	West Branch	2,852	22
02	Luce-Mackinac-Alger-Schoolcraft District Health Dept.	Munising	1,483	16
04	District Health Department #4	Alpena	3,045	31
05	Health Department of Northwest Michigan	Charlevoix	5,003	45
06	Central Michigan District Health Department	Gladwin	8,512	59
07	Western Upper Peninsula Health Dept.	Hancock	2,579	15
08	Barry-Eaton District Health Department	Charlotte	5,273	17
09	Bay County Health Department	Bay City	4,667	7
10	Grand Traverse County Health Department	Traverse City	3,696	36
11	Berrien County Health Department	Benton Harbor	7,433	15
12	Branch-Hillsdale-St. Joseph Community Health Agency	Coldwater	9,096	37
13	Calhoun County Health Department	Battle Creek	7,687	12
14	Benzie-Leelanau District Health Department	Benzonia	1,165	15
15	InterCare Community Health Network, WIC Program	Bangor	24,241	48
17	Chippewa County Health Department	Sault Sainte Marie	1,952	12
19	Mid-Michigan District Health Department	Stanton	6,676	33
21	Public Health Delta & Menominee Counties	Escanaba	2,471	29
22	Dickinson-Iron District Health Department	Iron River	1,699	12
25	Genesee County Health Department	Burton	19,289	35
30	Health Delivery, Inc.- WIC Program	Saginaw	3,835	11
32	Huron County Health Department	Bad Axe	1,461	11
33	Ingham County Health Department	Lansing	12,512	36
35	Keweenaw Bay Indian Community	Baraga	447	4

37	Ionia County Health Department	Ionia	2,977	9
38	Jackson County Health Department	Jackson	8,284	39
39	Kalamazoo County Health & Comm. Serv.	Kalamazoo	5,176	13
40	Family Health Center	Kalamazoo	6,163	11
41	Kent County Health Dept. WIC Program	Grand Rapids	32,641	86
43	District Health Department #10	Cadillac	14,144	55
44	Lapeer County Health Department	Lapeer	3,402	14
45	Tuscola County Health Department	Caro	2,604	10
46	Community Action Agency	Adrian	3,991	11
47	Livingston County Department of Public Health	Howell	3,580	12
50	Macomb County Health Department	Clinton Township	16,835	31
51	Downriver Community Services - WIC	New Haven	5,624	11
52	Marquette County Health Dept. - WIC	Negaunee	2,299	8
56	Mid Michigan Community Action Agency	Midland	3,191	9
58	Monroe County Health Department	Monroe	5,637	30
61	Public Health - Muskegon County	Muskegon	11,646	21
63	Oakland County Health Division, WIC Program	Pontiac	28,002	51
73	Saginaw County Department of Public Health	Saginaw	7,883	12
74	St. Clair County Health Department	Port Huron	6,529	26
76	Sanilac County Health Department	Sandusky	1,843	8
78	Shiawassee County Health Department	Corunna	3,140	9
81	Washtenaw Co. Public Health, WIC Clinic	Ypsilanti	9,692	27
82	Wayne County Health Department	Wayne	31,153	62
89	Detroit Urban League	Detroit	20,806	26

90	Detroit Dept. of Health and Wellness Promotion	Detroit	50,694	86
<i>Total</i>			425,010	1,232

Appendix C Hardware and Software

The purpose of this table is to provide the Contractor with current inventory of hardware and software.

App servers

	Production				Test & Training		
	App Servers	Database Server	Report Server	Disaster Recovery	App Servers	Database Server	Report
Hardware	Dell Power edge 2950 2.33ghz 4 mb L2 cache dual core processor, 73 GB RAID-1, 4GB RAM	Sun Fire V490 4 X 1.5 GHz Ultra SPARC IV , 250 GB RAID 5 SAN, 8GB RAM	Dell Power edge 2950 2.33ghz 4 mb L2 cache dual core processor, 73 GB RAID-1, 4GB RAM	Sun Fire V490 4 X 1.5 GHz Ultra SPARC IV , 250 GB RAID 5 SAN, 8GB RAM	Dell Power edge 2950, 2.33ghz 4 mb L2 cache dual core processor, 73 GB RAID-1, 4GB RAM	Sun Fire V245 2 X 1.5 GHz Ultra SPARC IIIi, 8GB RAM, 146 GB (2x73 gb) 10000 rpm SAS Disks	Dell Pow edge 29 2.33ghz L2 cach core pr 73 GB R 4GB RA
OS	Windows 2003 IIS 6.0, .NET FRAMEWORK 4.0, AJAX	Sun Solaris Oracle i	Windows 2003 IIS 6.0, .NET FRAMEWORK 4.0, AJAX	Sun Solaris Oracle i	Windows 2003 IIS 6.0, .NET FRAMEWORK 4.0, AJAX	Sun Solaris Oracle	Windov IIS 6.0, .NET FRAME FRAME 4.0, AJAX
Programming Language	VB.NET	N/A	VB.NET	N/A	VB.NET	N/A	VB.NET
Database	N/A	Oracle 11g	N/A	Oracle 10g	N/A	Oracle 11g	N/A
Database utilities	N/A	RAC	N/A	RAC	N/A	RAC	N/A
TP Monitor	Cisco CSS 11506	N/A	Cisco CSS 11506	N/A	Cisco CSS 11506	N/A	Cisco CS 11506
Network Server	IBM web SEAL server	N/A	IBM web SEAL server	N/A	IBM web SEAL server	N/A	IBM we server
TCP/IP	LAN	LAN	LAN	LAN	LAN	LAN	LAN
File System	NTFS	UFS	NTFS	UFS	NTFS	UFS	NTFS

Appendix D: Reserved

Appendix E

Minimum Qualifications for Key Personnel

The State of Michigan will require minimum standards for essential named staff managing the operation, maintenance, support, enhancements and modifications as required and approved of the MI-WIC system. Michigan is only requiring a few key positions to be named, consistent with the belief that the Contractor should be in the best position to define the project staffing for their approach to meeting the requirements.

The Contractor is expected to propose sufficient staff, with the requisite skills, to meet all requirements in this contract. The State has listed a limited number of key positions for which the Contractor must identify personnel and provide resumes. In addition, the Contractor must provide representative job descriptions for other positions identified in the Contractor's organization for the Michigan WIC System contract.

Key Personnel

The named positions for the Maintenance and Operations Phase, which require identified personnel and current resumes, include the following:

- Project Manager
- Systems Development Manager
- Database Administrator
- Senior Developer
- WIC Analyst/Help Desk Support staff

The Project Manager must be an employee of the Contractor when the proposal is submitted. All key personnel must be employed by or committed to join the Contractor's organization by the beginning of the contract start date.

Prior Experience/Education

The named positions in the Key Personnel section above must meet the following minimum experience/educational requirements for inclusion in response to the staffing plan. This information must be demonstrated in the staff member's resume.

- Project Manager
 - o Minimum education qualification – MS in Computer Science
 - o Minimum of 5 years project management experience in WIC MIS system including Design, Development, Implementation, and Maintenance.
 - o Minimum of 5 years working experience in design and developing web applications using Microsoft vb.NET technologies experience with a strong Oracle SQL experience.
- Systems Development Manager
 - o Minimum of 5 years Development management experience in WIC MIS system including Design, Development, Implementation, and Maintenance.
 - o Minimum of 5 years working experience in design and developing web applications using Microsoft vb.NET technologies experience with a strong Oracle SQL experience.

- Database Administrator
 - o Minimum of 5 years Oracle Database Administrator experience
- Senior Developer
 - o Minimum of 3 years WIC MIS system Design, Development, Implementation, and Maintenance experience.
 - o Minimum of 3 years working experience in design and developing web applications using Microsoft vb.NET technologies experience with a strong Oracle SQL experience.
- WIC Analyst/Help Desk Support staff
 - o Minimum of 1 year WIC functional requirement experience.

- o Registered Dietician in good standing with the American Dietetic Association and the Commission on Dietetic Registration for the Academy of Nutrition and Dietetics.

Resumes for Key Personnel

Resumes for key personnel must show employment history for all relevant and related experience and all education and degrees, including specific dates, names of employers for the past five (5) years, and educational institutions attended. For any individual for whom a resume is submitted, the percentage of time to be dedicated to the Michigan WIC project must be indicated.

The resumes for key personnel must include their references and professional experience within the last five (5) years, as indicated below:

1. For each named key person, provide a minimum of two (2) professional references outside the employee's organization. References must be relevant to the assigned duties of the key person in relation to the project.
2. For each client project listed as a reference, provide the client's full name and street address. In addition, provide the current telephone number and email address of the client's responsible project administrator or a service official of the client who is directly familiar with the key person's performance and who may be contacted by the State during the proposal evaluation process.

Michigan reserves the right to check additional personnel references.

Appendix G: Reserved

Appendix H: Reserved

Appendix I
WIC System Interfaces

The successful Contractor must manage all existing interfaces required to support the MI-WIC System. The tables below list the current interfaces. The tables are organized into two sections: Inputs (Inbound to WIC MIS) and Outputs (Outbound from WIC MIS).

Note: The Contractor will be responsible to ensure that the interfaces are maintained as per approved specifications.

Inbound files				
Organization	Interface Name	Data Transmitted	Interface Type	Frequency
Xerox	EBT	Daily Activity Detail Record Adjustment Activity Card status change, Expired Benefit Details Daily Redemption (UPC/PLU and Benefit Grant) Detail Record Daily Vendor Activity Detail Record Reports	FTP	Daily
Center for Geographic Information, MDTMB	GIS	GIS Map(s)	Real Time Web service	On demand
Department of Technology, Management & Budget	ITEM AGE	Scanned Coupon redemption information	FTP	Daily
Division of Communicable Disease and Immunization, MDCH	Michigan Care Improvement Registry (MCIR)	Immunization Data	Real Time Web service	On demand
Medicaid Services Administration, MDCH	Medicaid Management Information System (MMIS)	Medicaid Participation validation for WIC Adjunct Eligibility	Real Time Web service	On demand

Inbound files				
Organization	Interface Name	Data Transmitted	Interface Type	Frequency
Michigan Department of Agriculture	L2K	Licensing system extract/dump Retailer food establishment licenses for WIC vendor/retailer authorization	FTP	Daily
Michigan Department of Community Health, Division of Family and Community Health – Maternal Infant Health Program (MIHP)	MIHP	Maternal Infant Health Data	Real Time Web service	On demand
NDG	APL	Updates on UPC, UPC Price, Vendor Pre-Auth Stock & Prices, Vendor Pre-Auth Training, Vendor Pre-Auth Visit Signatures file	FTP	Every 5 minutes
OneCall Now	AUTODIAL and Text Messaging	Data Regarding Call Results	Real Time Web service	Daily
CSFP agency	CSFP	Data from CSFP for WIC Dual participation	FTP	Weekly
Western Michigan University	www.wichealth.org	Participant nutrition education information	Real Time Web service	Every 30 Minutes



Outbound files				
Organization	Interface Name	Data Transmitted	Interface Type	
Xerox	EBT	Clinic Update, Future Benefits Issued, UPC Price Update, CAT/Subcat/UPC update, Vendor Update Real time EBT account card Setup/update, Benefit issuance, Benefits Void	FTP& Real time Web Service	I
CSFP agency	CSFP	Data from MI-WIC to CSFP for dual participation notification	FTP	V
Department of Technology Management and Budget/Print and Graphic Services	DTMB	WIC Participant Notification Data related to Appointments reminders	FTP	I
Division of Communicable Disease and Immunization, MDCH	Michigan Care Improvement Registry (MCIR)	MIWIC Clients Data	FTP	I
Food and Nutrition Services (FNS), USDA	PC	Participant Characteristics	FTP	F y
Formula Contractor	MEAD	Formula issuance and redemption data	FTP	M
Michigan Department of Treasury	Michigan Administrative Information Network (MAIN)	Warrants Information (For coupon redemptions only)	FTP	I



Outbound files				
Organization	Interface Name	Data Transmitted	Interface Type	I
NDG	APL	Updates on Peer Group, Category, Sub Category, UPC, UPC Price, Vendor, Vendor Phones, Vendor Minimum Stock Requirements	FTP	I
OneCall Now	AUTODIAL and Text Messaging	Data Regarding Appointments, Languages, Clinics	FTP	I