



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 **071B6600116**

CONTRACTOR	ACCENTURE
	3000 Town Center , #2400
	Southfield, MI 48075
	Eyal Darmon
	517-515-3028
	eyal.darmon@accenture.com
	CV0062320

STATE	Program Manager	Suzanne Pauley	MULTI
		517-242-8745	
		PauleyS@Michigan.gov	
	Contract Administrator	Mike Breen	DTMB
		(517) 249-0428	
		breenm@michigan.gov	

CONTRACT SUMMARY				
PRE-QUAL PROGRAM DEVELOPMENT OF MOBILE APPS				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
August 5, 2016	June 5, 2019	4 - 1 Year	June 5, 2020	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS				EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	12 months	<input type="checkbox"/>		June 5, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$1,124,319.00	\$0.00	\$1,124,319.00		
DESCRIPTION				
Effective with mutual signature the contract is amended to exercise a one year option to 6/5/2021. All other terms and conditions remain the same.				



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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 **071B6600116**

CONTRACTOR	ACCENTURE	STATE	Program Manager	Suzanne Pauley	MULTI
	3000 Town Center , #2400			517-242-8745	
	Southfield, MI 48075			PauleyS@Michigan.gov	
	Eyal Darmon		Contract Administrator	Mike Breen	DTMB
	517-515-3028			(517) 249-0428	
	eyal.darmon@accenture.com			breenm@michigan.gov	
	CV0062320				

CONTRACT SUMMARY				
PRE-QUAL PROGRAM DEVELOPMENT OF MOBILE APPS				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
August 5, 2016	June 5, 2019	4 - 1 Year	June 5, 2020	
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"/>		June 5, 2020
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$791,194.00	\$333,125.00	\$1,124,319.00		
DESCRIPTION				
Effective with Ad Dd {8/27} approval funds are added to support the ORS Mobile Application with 2nd year cost being \$333,125.00 All other terms and conditions remain the same.				

**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 **3**

to

Contract Number **071B6600116**

CONTRACTOR	ACCENTURE
	3000 Town Center , #2400
	Southfield, MI 48075
	Eyal Darmon
	517-515-3028
	eyal.darmon@accenture.com
	CV0062320

STATE	Suzanne Pauley	MULTI
	517-242-8745	
	PauleyS@Michigan.gov	
	Mike Breen	DTMB
	(517) 249-0428	
	breenm@michigan.gov	

CONTRACT SUMMARY

PRE-QUAL PROGRAM DEVELOPMENT OF MOBILE APPS

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
August 5, 2016	June 5, 2019	4 - 1 Year	June 5, 2019
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

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DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	RESET/EXP. DATE
<input checked="" type="checkbox"/>		<input type="checkbox"/>		June 5, 2020
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$791,194.00	\$0.00	\$791,194.00		

DESCRIPTION

Effective with mutual signature the contract is amended to exercise a one year option to 6/5/2020. All other terms and conditions remain the same.



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 **071B6600116**

CONTRACTOR	Accenture LLP
	3000 Town Center
	Southfield, MI 48075
	Eyal Darmon
	eyal.darmon@accenture.com
	*****2904

STATE	Program Manager	Suzanne Pauley	MULTI
		517-242-8745	
		PauleyS@Michigan.gov	
	Contract Administrator	Simon Baldwin	DTMB
		(517) 284-6997	
		baldwins@michigan.gov	

CONTRACT SUMMARY				
PRE-QUAL PROGRAM FOR DEVELOPMENT OF MOBILE APPS				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
August 5, 2016	June 5, 2019	4 - 1 Year	June 5, 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"/>		June 5, 2019
CURRENT VALUE	VALUE OF CHANGE NOTICE		ESTIMATED AGGREGATE CONTRACT VALUE	
\$495,626.00	\$295,568.00		\$791,194.00	
DESCRIPTION				
Effective 11/14/2017, This Contract is increased by \$295,568.00 per the attached Statement of Work (SOW). The Contractor contact information has also changed. All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency agreement, DTMB Procurement approval, and State Administrative Board approval on 11/14/2017.				



MICHIGAN DEPARTMENT OF TECHNOLOGY
MANAGEMENT AND BUDGET
IT SERVICES

Contract Name / Number:	Contract #071B6600116, Change Notice #1 for Pre-Qualification for Mobile Application Development
Contract Amendment Name / Number:	Contract Amendment_001 - Office of Retirement Services – Mobile Application Web Services Integration
Estimate Submitted By:	Eyal Darmon
Date Submitted:	August 22, 2017
Requesting Department/Agency	Michigan Office of Retirement Services
Approval Due Date:	

This amendment (the “Amendment”) is made by Michigan Department of Technology, Management and Budget, Office of Retirement Services and Accenture LLP, parties (the “Parties”) to the Contractor Commitment SOW (Contract #071B6600116) effective March 20, 2017, (the “Agreement”)

The Agreement stipulates in *Section 1- Description of Services to Be Provided* – “leveraging interfaces”, *Section 3 Deliverables-A. Assessment-Contractor Commitment* – “assess organizational, technical and system readiness at MI ORS”, *Section 3 Deliverables-A. Assessment-Contractor Commitment* – “The Assessment results would point to the appropriate options for successfully implementing a self-service mobile functionality for MI ORS members. We would also be able to identify appropriate architectural considerations...and security options”, *Section 3 Deliverables-B Business Requirements and Planning 1)-Contractor Commitment* – “This deep dive into the MI ORS infrastructure would help the team first confirm if any technical gap exists and then determine how to close the gap prior to implementation.” *Section 3 Deliverables-B. Business Requirements and Planning-2)* – “Define the implementation approach for deploying the SaaS solution to leverage the existing web interfaces”. *Section 3 Deliverables-C. Integrated Solution 1) Contractor Commitment* – “We understand that that MI ORS would will provide the required developers and technical resources to enhance and integrate existing web services to connect ARMA” This Amendment further affirms the stipulations above. The Services in the Agreement do not include development or construction Services of MI ORS Web Services or Architectures.

The Agreement shall be Amended as follows:

1. Section 3, C. Integrated Solution, paragraph 2 is amended as follows:

ARMA is a delivered service and would be enhanced as necessary for MI ORS based upon the results of the Fit/Gap assessment and MI ORS’ business requirements. From the identified gaps of ARMA, the Accenture team would create a design change portfolio. Accenture would work with the appropriate MI ORS stakeholders to prioritize and group the design gaps into logical implementation and integration sprints. **Deliverable 3: Mobile Implementation Plan** would outline the functional and technical specification implementation timeline and the resources required for each of these sprints. We would also work with MI ORS to identify any changes needed to MI ORS’ existing web services from the line of business solution (Clarety). ~~We Accenture LLP~~ understands that that MI ORS ~~would~~ **will** provide the required developers and technical resources to enhance and integrate existing web services to connect ARMA. **If resources with the expertise necessary to implement secure Web Services are not available, MI ORS, may request contract services at a negotiated hourly rate.** Accenture would lead the effort to complete testing of the mobile application as defined in **Deliverable 6: Mobile Implementation Test Plan**, but we would solicit participation from ORS for user acceptance testing. The phase would conclude with the deployment of the mobile application to both the Apple App Store and Google Play Store.

2. Section 3, Deliverables, add:

F. Implementation

The State of Michigan and Accenture have developed this Contract Amendment to document the high-

level approach for the implementation. All activities will be coordinated with staff and leadership in ORS Customer Education and DTMB.

Contractor Commitment

Phase	Major Activities
1. Clarety Architectural Assessment for Secure Web Services	<p>During this phase, Accenture will review and provide recommendations for architectural changes that allows Clarety to expose secure web services.</p> <ul style="list-style-type: none"> Assess current Clarety web services architecture Determine if additional backend obfuscation development is needed Implement and set up required changes to the web services architecture in IIS and WebSphere
2. Secure Web Services for ARMA	<p>Accenture will create a secure set up of web services:</p> <ul style="list-style-type: none"> Duplicate current miAccount web services in a secure https protocol for the MI ORS instance of ARMA Assess, develop and implement secure web services for Release 1 of the MI ORS instance of ARMA. This will be determined by Activity 1: Fit/Gap Analysis of the Mobile Application Project Contract Amendment.
3. Testing Support	<p>Accenture will conduct testing of the MI ORS instance of ARMA with Clarety:</p> <ul style="list-style-type: none"> Unit testing of newly developed web services System Integration Testing of ARMA and newly created secure web services User Acceptance Testing of ARMA Security Testing of newly created secure web services Defect Resolution of Web Services
4. Knowledge Transfer	<p>Accenture will conduct Knowledge Transfer activities of the newly created secure web services:</p> <ul style="list-style-type: none"> Provide an operational document that describes how to support changes made to Clarety Architecture and new set of web services Deliver four Knowledge Transfer sessions to designated ORS Technical staff for the changes made

Project Control and Reports:

Accenture will also submit a monthly status report to the ORS Project POC throughout the life of this project.

Work Plan

The anticipated performance period for this Contract Amendment is defined in work plan below.

Activity and Milestone Timetable

Description	Estimated Hours	Proposed Start	Proposed Finish
Activity 1: Clarety Architectural Assessment for Secure Web Services	48 hours – non-prod 24 hours – production	9/18/17 11/6/17	9/29/17 11/8/17
Activity 2: Secure Web Services for ARMA	748	9/18/17	11/15/18
Activity 3: Testing Support	508	11/1/17	1/31/18
Activity 4: Knowledge Transfer	128	1/1/18	1/15/18
Total	1456	9/18/17	1/15/18

3. Section 4, Assumptions, add:

- a) Actual Services will commence upon execution of this Contract Amendment by parties, State purchase order issuance, and confirmed final project with agency, DTMB, and Accenture.
- b) Additional hours required to complete the work described in this Contract Amendment shall be negotiated as an amendment to this Contract Amendment.
- c) ORS will provide facilities for up to three Accenture personnel working on this Contract Amendment. If additional space is needed, shared workspace can be arranged. Facilities include: standard office work space, wireless (guest) internet access, and LAN connectivity – restricted and determined by ORS.
- d) ORS will assign technical staff who are subject matter expert (SME) on ORS Infrastructure, Clarety Technical Architecture, and the existing miAccount web services. These staff are necessary to assist Accenture with technical (web service & architecture) fit/gap analysis and building of technical artifacts. Delays with respect to access to these SMEs will have a significant impact on project timeline and activity.

4. Section 5, Pricing, add:

Time & Material Rate Card

The following are the three roles that are identified as part of the Contract Amendment. These roles and associated rates are part of Contract #071B6600116 for Pre-Qualification for Mobile Application Development Schedule B – Pricing. The hours identified for the roles directly correlate to the Contract SOW Amendment activities. Additional management hours for this Contract Amendment will be completed by the existing Accenture Team at Michigan ORS, at no additional cost.

Rate Card Role	Rate	Total Hours (Not to Exceed)	
Sr. Programmer/Developer	\$244/hr	144	\$35,136
Programmer/Developer	\$220/hr	656	\$144,320
Jr. Programmer/Developer	\$177/hr	656	\$116,112
Total Hours		1,456	-
Total Contract SOW Amendment Cost			\$295,568

Payment Schedule

Accenture will submit a monthly invoice of hours completed by each role and as part of the monthly status report.

Travel and Expenses

The State will not pay for any travel expenses, including hotel, mileage, meals, parking, etc. Travel time will not be reimbursed.~~Costs presented in this Contract Amendment are inclusive and contain no estimates for travel and expenses.~~



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 071B6600116

CONTRACTOR	Accenture LLP
	3000 Town Center
	Southfield, MI 48075
	James Rice
	517-515-3028
	james.h.rice@accenture.com
	*****2904

STATE	Program Manager	Suzanne Pauley	DTMB-IT
		517-242-8745	
		PauleyS@Michigan.gov	
	Contract Administrator	Vacant IT	DTMB
		unknown	

CONTRACT SUMMARY				
PRE-QUALIFICATION PROGRAM FOR DEVELOPMENT OF MOBILE APPLICATIONS - ENTERPRISE DTMB CSS				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
August 5, 2016	June 5, 2019	4 - 1 Year	June 5, 2019	
PAYMENT TERMS		DELIVERY TIMEFRAME		
		See attached SOW		
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				
NA				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		June 5, 2019
CURRENT VALUE	VALUE OF CHANGE NOTICE		ESTIMATED AGGREGATE CONTRACT VALUE	
\$1.00	\$495,625.00		\$495,626.00	
DESCRIPTION				
Effective March 20, 2017, the attached SOW detailing the provision of a Software as a Service (SaaS) solution mobile application for ORS to provide customers with a user friendly, personalized pension and post-retirement application allowing for access to the variety of plans within the retirement system of which they are a part. Functionality will include access to areas such as defined benefit, defined contribution and hybrid; and retiree healthcare benefits, including traditional insurance plans, Personal Healthcare Funds, and Health Reimbursement Accounts.				



**MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
OFFICE OF RETIREMENT SERVICES
ORS Mobile Application
Contractor Commitment**

Project Title: DTMB Office of Retirement Services Mobile Application	Bid #: 071B6600116_CCN 1 SOW
Requesting Department: DTMB – Office of Retirement Services	
CSS Project Manager: Suzanne Pauley	
IT Project Manager: Mike Bilek	
Agency Project Managers: Ian Broughton and Deb Grescowle	

1. DESCRIPTION OF SERVICES TO BE PROVIDED:

Contractor to provide a Software as a Service (SaaS) mobile pension application for the Office of Retirement Services (ORS) to provide customers with a user friendly, personalized pension and post-retirement experience on mobile devices. The mobile application must leverage interfaces to access customer data from the legacy system and display so customers can view and manage their information. Fixed Pricing includes an annual subscription to provide security updates, ongoing design and development based on business/user needs; and resourcing to maintain the app. This project will be done in four phases – assessment, business requirements and planning, legacy system integration/solution and maintenance.

2. BACKGROUND:

ORS services active, inactive, and retired members of five retirement systems - Michigan Public School Employees Retirement System (MPERS), State Employees Retirement System (SERS), State Police Retirement System (SPRS), Judges Retirement System (JRS), and Michigan Military Retirement System (MRS). Each system has members that participate in a variety of plans within that system, such as defined benefit, defined contribution and hybrid. ORS also provides various retiree healthcare benefits, including traditional insurance plans, Personal Healthcare Funds, and Health Reimbursement Accounts. This app should instill confidence in all customers by providing a personalized experience that enables them to learn about and manage their retirement from a mobile device.

3. DELIVERABLES:

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

A. Assessment

- 1) Meet with ORS stakeholders to understand and document the desired ORS member experience for customers. Align desired member experience with mobile app best practices.

Contractor Commitment

Contractor approach combines three disciplines: 1) Service Strategy and Design, 2) Experience Design, and 3) Design Realization as described in Figure 1. Our process to develop a comprehensive understanding of the business and end user needs is known as a “Rumble.” Quite simply, a Rumble is a well-prepared, highly structured, and disciplined discussion format; its hands-on approach is a great way to on-board and kick-off new work collaborations. We would complete Fjord-style Rumbles to facilitate the development and implementation of the Accenture Retirement Mobile Application (ARMA) for MI ORS.

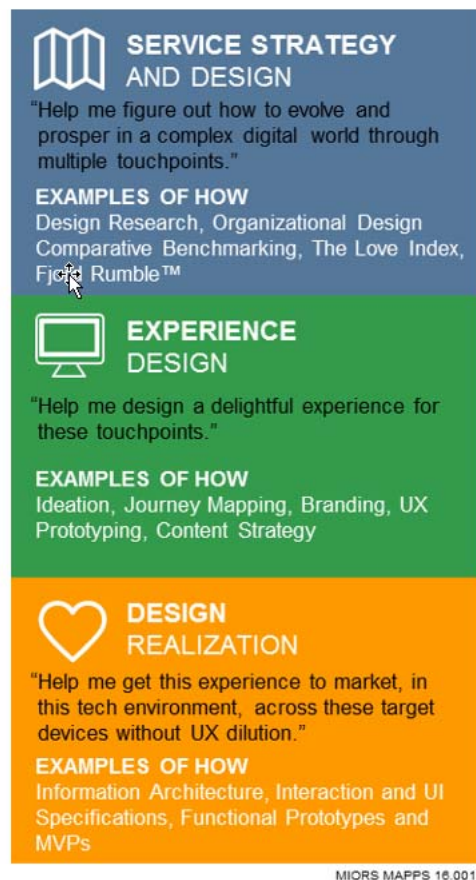


Figure 1: The three disciplines of our user experience design approach for ORS

The following types of Rumble sessions would enable the development of the deliverables identified in Phase 1: Assessment and Phase 2: Business Requirements and Planning:

- **Strategic Vision:** In these sessions, we would meet with MI ORS stakeholders and explore the mobile proposition, offering, functionality, and overall user-focused package. The output is usually rough diagrams, member experience sketches, and scenarios for mobility usage.
- **User Experience:** In these sessions, Accenture and the MI ORS stakeholders would explore the Pension member user experience across the functions of the mobile solution (e.g., Benefit functions).

Accenture and MI ORS would identify functional requirements and would align the desired member experience with the leading practices in mobility as a result of each Rumble. During our discussions, interviews, and observations with ORS stakeholders, we would discover functional nuances that would develop our understanding of the interactions and perceptions between members and MI ORS, and we would uncover pain points and opportunities for improvement through the mobile solution.

Rumble session outputs can also include:

- Targeted functions and features that would provide the best value to the business
- A marketing and engagement approach that would improve MI ORS members' adoption of the mobile offering

As input to our work, we would leverage materials used in the development of Accenture's Digital Retirement practice. This includes content such as the Accenture-developed target user groups and associated personas. **Error! Reference source not found.** illustrates examples of personas in each user group. As part of our activities, Accenture would confirm these personas' applicability to MI ORS and would tailor them to meet your business requirements.

- 2) Provide professional, experienced consulting to determine organizational and system readiness for mobile app connectivity with Clarety. Bidder will collaborate with the ORS Application Support Team to document the existing web service interfaces, map them to the business requirements and identify gaps.

Contractor Commitment

Accenture's approach includes leveraging Accenture's Public Pensions Digital Capability Assessment Model (DCAM) to assess organizational, technical and system readiness at MI ORS. The DCAM provides the basis for an assessment of an organization's performance within a capability and enables the identification of potential opportunities for improvement. Using the DCAM, we would assess the functional and technical feasibility of implementing ARMA with MI ORS' line of business solution (Clarety).

From a functional perspective, DCAM results would help us determine which features to enable from Accenture's library of pension mobile functions. They also guide important implementation decisions, including how broadly to deploy the mobile application available across the five retirement systems served by MI ORS. From a technical perspective, we would determine how to integrate the mobile application with MI ORS' line of business solution through web services.

Accenture would assess organizational readiness using the DCAM by categorizing MI ORS' methods of delivering digital capabilities across a scale of mastery (Basic, Advanced, and Market Leading). This assessment includes three key capabilities: Digital Strategy, Digital Services, and Digital Enterprise. A digital capability is a set of integrated skills, knowledge, technologies, and cumulative learning that is exercised through a set of processes. The digital capabilities also collectively represent an organization's ability to create value by producing outcomes and results. Market leading capabilities defined by Accenture's research would be defined in each subcategory that would contribute to the development of the overall service offering of MI ORS. The assessment results would point to the appropriate options for successfully implementing a self-service mobile functionality for MI ORS members. We would also be able to identify appropriate architectural considerations with the preferred platforms (iOS and Android), and security options.

Scale of Mastery		
Basic (1)	Advanced (3)	Market Leading (5)
<ul style="list-style-type: none">✓ Uncompetitive on a domestic and global basis✓ High level, unclear, undisciplined, or unsophisticated ability to execute the capability in a consistent, traceable, and repeatable manner	<ul style="list-style-type: none">✓ Advanced (i.e., in the top 50% of performers) when compared to global peer group✓ Conservative ability to execute the capability in a fairly consistent, traceable, and repeatable manner with proven techniques, tools and commonly accepted practices that are readily available and maintained, i.e., "good enough"	<ul style="list-style-type: none">✓ Few organizations globally performing at this level✓ Emerging best innovations that represent the most effective delivery of a capability✓ Highly detailed, clear, and often iterative and sophisticated ability to execute the capability, continuous improvement, benchmark

MIORS MAPP 16.0016

Figure 1: Accenture's Digital Capability Assessment Scale of Mastery

The DCAM would measure MI ORS against data collected from clients in the same or similar industries (pensions, government, financial services), and would produce categorical scoring based on comparison models. Based on the DCAM results and our prior mobile experience at clients such as Citibank, Discover, and the City of Chicago, we would work with MI ORS to deliver functionality that provides active and retired members a convenient and simple way to complete end-to-end mobile transactions.

B. Business Requirements and Planning

- 1) Define the process to document the mobile app business requirements with ORS stakeholders to confirm the SaaS solution will provide the required functionality.

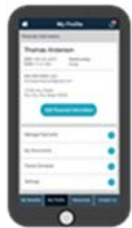
Contractor Commitment

Accenture's Retirement Mobile Application (ARMA) solution includes a repository of pension mobile requirements that defines the functional and technical specifications of the mobile application. Fjord-style Rumble sessions would be completed

to review functional requirements against Accenture's SaaS solution, while DCAM results would be leveraged to confirm technical requirements against Accenture's SaaS solution.

As part of the Rumble sessions, the Accenture team and MI ORS stakeholders would review our collection of functional specifications and determine which requirements support the needs of MI ORS customers. After defining functional requirements, MI ORS can assign each requirement a priority. When assigning priority, Accenture and MI ORS stakeholders should consider how each requirement aligns to the personas defined during the Assessment Phase. For example, requirements supporting the functionality and user experience for the most common personas should be given higher priority than personas aligned to small user groups. This prioritization would allow the team to determine the order in which the requirements should be implemented, similar to the "sprint" development structure used by Accenture for the Compass Intranet SharePoint project.

Our software-as-a-service mobile solution for the Pensions Industry has numerous out-of-the-box features (e.g., alerts, notifications, upload and management of documents, beneficiary designation, address change, view of account values and benefit amounts, etc.). For each functional requirement, Accenture and the MI ORS stakeholders would review the inherent mobile application features to determine if and how they can address the needs of MI ORS members. After MI ORS stakeholders establish necessary functional requirements, Accenture would confirm which requirements are "fits" (functionality met by the out-of-the-box mobile application) and which are "gaps." Gaps are functionalities where modifications to ARMA are identified, and the resolution is agreed upon between Accenture and MI ORS. We would record and present this analysis in Deliverable 1: Mobile Fit/Gap Document. This analysis would contribute to the sprint structure defined for implementation, as the fits and gaps directly correlate to the level of work effort necessary to implement the functionality



MIORS MAPP 16.0022

We would also leverage the Accenture DCAM tool to identify technical requirements. Accenture would hold stakeholder sessions in which the team can analyze the existing capabilities of MI ORS technical applications. This deep dive into the MI ORS infrastructure would help the team first confirm if any technical gap exists and then determine how to close the gap prior to implementation. Deliverable 2: Digital/Mobile Capability Assessment Model Results Report would record and provide proposed resolutions to identified technical gaps in addition to assessing organizational and system gaps. In summary, this report would be a result of the following sessions:

- Four functional requirements validation Rumble sessions
- Four technical assessment meetings
- A final assessment closeout meeting with both functional and technical stakeholders

We conduct the functional and technical requirement analyses in parallel, assuming that each activity's stakeholder participants are distinct. This allows a timelier result for the mobile application analysis.

- 2) Define the implementation approach for deploying the SaaS solution to leverage the existing web interfaces based on the defined business requirements. This must include an implementation plan as a deliverable. The implementation plan must include details around how the SaaS solution provides for the: functional specifications; technical specifications; and testing plan.

Contractor Commitment

The following are the proposed deliverables during the Business Requirements and Planning Phase:

- **Deliverable 1: Mobile Fit/Gap Assessment.** Document with a fit/gap assessment of MI ORS' mobile expectations identified during the Assessment Phase with ARMA.
 - **Deliverable 2: Digital/Mobile Capability Assessment Model Results Report:** An organization, system, and technical assessment to integrate Accenture's mobile application with ORS' line of business solution
 - **Deliverable 3: Mobile Implementation Plan.** Document with an implementation and integration plan, approach and timeline of Accenture's mobile application with ORS' line of business solution
 - **Deliverable 4: Mobile Functional Specifications.** Document containing mobile functional specifications for ARMA modifications needed to meet ORS' functional business needs
-

- **Deliverable 5: Mobile Technical Specifications.** Document containing the technical design for the web services to integrate with ORS’ line of business solution
- **Deliverable 6: Mobile Implementation Test Plan.** Document that would describe approach, roles, responsibilities, and timelines of production, integration, performance, and user acceptance testing of the mobile application.
- **Deliverable 7: Client Data Protection Plan.** Document establishing client data protection controls that Accenture would establish during the implementation.

- 3) The SaaS solution design must follow Web Content Accessibility Guidelines (WCAG) 2.0 – level AA compliance (<https://www.w3.org/TR/WCAG20/>). Define how the solution will meet this requirement and what experience you have with implementing and maintaining apps with level AA compliance.

Contractor Commitment

For Web Content Accessibility Guidelines (WCAG) review and compliance, Accenture would review the required guidelines during a dedicated session in the Assessment Phase to review and identify any gaps for level AA compliance. If a particular guideline is identified as a gap, it would be added to the mobile design change portfolio and implemented during an appropriate development sprint.

Since the WCAG guidelines could change after the initial implementation, Accenture would work with MI ORS to conduct regular reviews of the WCAG 2.0 guidelines during the Maintenance Phase. If a guideline is updated, the project would complete an impact assessment and determine the appropriate next steps to implement the change.

- 4) The SaaS solution Design must follow eMichigan look and feel standards and it needs to pass standards review. (www.michigan.gov/standards). Define how the solution will meet this requirement.

Contractor Commitment

As discussed in Section A, Question 1, as a part of the Assessment Phase of the project, Accenture would conduct a user experience Fjord-style Rumble session. This session would include a focused review on the look and feel of ARMA SaaS solution, along with an assessment the eMichigan look and feel standards. The Accenture team would work with the appropriate MI ORS stakeholders to facilitate a standards review and work closely with MI ORS to address the results of the review. Any changes identified during the review would be classified as “Gaps” in **Deliverable 1: Mobile Fit/Gap Document**, and we would add the requested changes to a change portfolio.

C. Integrated Solution

- 1) Define your implementation plan and approach for delivering the mobile app SaaS solution, including connecting it to the existing system web services to present personal data to the customer. The proposed design must preclude the contractor from hosting State of Michigan data.

Contractor Commitment

Accenture has used the ADM for Agile Development for a variety of public and private sector clients. This methodology is the source from which we would execute the Implementation Plan for MI ORS.

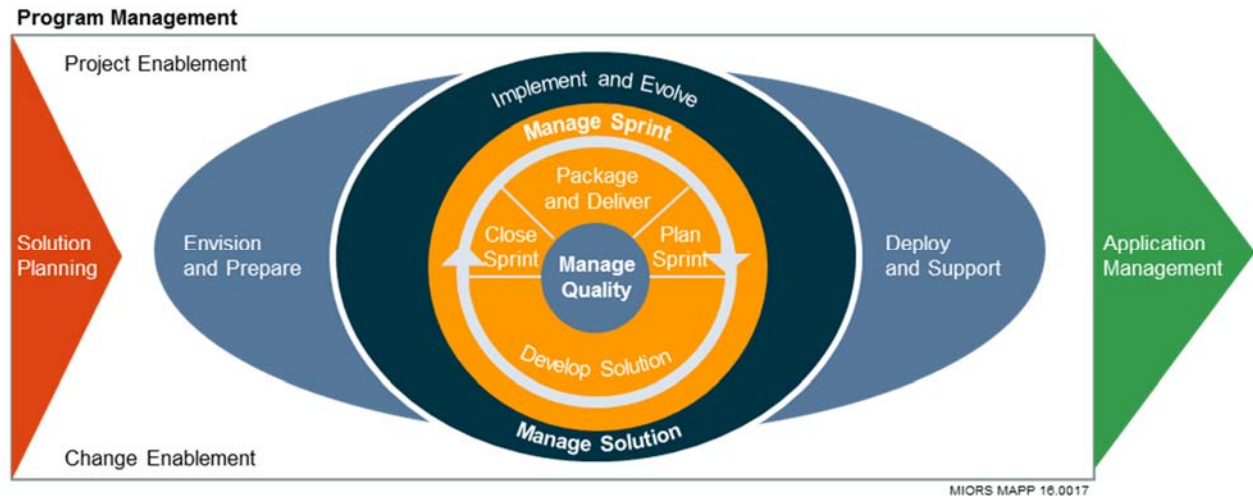


Figure 2: Accenture Delivery Methods (ADM) for Agile Development

ARMA is a delivered service and would be enhanced as necessary for MI ORS based upon the results of the Fit/Gap assessment and MI ORS' business requirements. From the identified gaps of ARMA, the Accenture team would create a design change portfolio. Accenture would work with the appropriate MI ORS stakeholders to prioritize and group the design gaps into logical implementation and integration sprints. **Deliverable 3: Mobile Implementation Plan** would outline the functional and technical specification implementation timeline and the resources required for each of these sprints. We would also work with MI ORS to identify any changes needed to MI ORS' existing web services from the line of business solution (Clarety). We understand that that MI ORS would provide the required developers and technical resources to enhance and integrate existing web services to connect ARMA. Accenture would lead the effort to complete testing of the mobile application as defined in **Deliverable 6: Mobile Implementation Test Plan**, but we would solicit participation from ORS for user acceptance testing. The phase would conclude with the deployment of the mobile application to both the Apple App Store and Google Play Store.

Finally, our proposed design and development activities would not host any State of Michigan data. All web service integration would take place at the State of Michigan. All data would remain in MI ORS' line of business solution (Clarety).

Integrated Solution Phase Deliverables

The following are the proposed deliverables during the Integrated Solution Phase:

- **Deliverable 8: Test Results Report.** Document containing the results of product, integration, and user acceptance testing
- **Deliverable 9: Security Assessment Report.** Document containing the results of a static code assessment and dynamic application test to minimize vulnerabilities with the web service integration to ORS' line of business solution
- **Deliverable 10: Marketing and Communication Plan.** Document describing the marketing and communication plan to advertise the availability of an ORS mobile application to ORS' members
- **Deliverable 11: Memorandum of Understanding for Mobile Application Support.** Document mobile application support structure between ORS, DTMB and Accenture

2) Describe the technologies used in your proposed SaaS solution.

Contractor Commitment

Accenture built the ARMA SaaS solution on the AngularJS development library, which is a structural framework for dynamic applications. The following table outlines the proposed development and test tools that we use as a part of our proposed solution:

Software	Purpose/Description	Software License Type
WSO2	WSO2 is an open source platform for building, integrating and managing mobile communication with enterprise applications.	Open Source

ionic	Ionic is an open source mobile SDK framework for developing native and progressive web applications.	Open Source
AngularJS	AngularJS is a structural framework for web applications. It uses HTML as a template language, which lets a developer extend HTML's syntax to express the applications components clearly and succinctly.	Open Source
Npm	npm is a build tool, which is a NodeJS package manager. It makes it easier to specify and link dependencies within the code.	Open Source
Gulp	Gulp is a CSS compiler, and it is a streaming build system which doesn't write temp files.	Open Source
Karma, jasmine	Karma and jasmine are unit test tools and frameworks created by the AngularJS team.	Open Source
Cordova	Cordova, formerly known as Phone Gap, is a platform integration used to build native mobile applications using HTML5, CSS, and Java Script.	Open Source
Android Studio	Android Studio is the official integrated development environment for Android platform development.	Open Source
Xcode	Xcode is an integrated development environment containing a suite of development tools developed by Apple for macOS, iOS, WatchOS, and tvOS.	Open Source
SonarQube	SonarQube is an open source quality management platform dedicated to continuously analyzing and measuring source code quality.	Open Source

Table 1: Development and Test Tools

The following table outlines the proposed project management tools that we would use as a part of our proposed solution:

Tool	Purposed Description
Jira	Jira is a software development tool used by agile teams to track defects and project management functions.
GIT	GIT is a widely used code repository version control system.
Gerrit	Gerrit is a web based code review tool built on top of the git version control system.
Jenkins	Jenkins is a continuous integration server used for unit/development testing.

Table 2: Project Management Tools

D. Maintenance

- 1) Define a SaaS maintenance plan to be managed by bidder for an annual fee. Plan should include: stated warranty period after implementation; security updates; mobile device operating system upgrades; user support and resourcing. In response, include details on how updates to smart phone and tablet devices will be managed, keeping in mind that the minimum requirement is to support iOS and Android devices. Also include the mechanism to be used for updating the application, including release timing and management.

Contractor Commitment

The project enters the Maintenance Phase after implementation and the completion of the Integrated Solution phase. After implementation, the mobile app accessible to members on the Apple App Store and Google Play Store. The first 45 days of the maintenance phase is a 45-day warranty period.

During this phase, Accenture would perform defect fixes, regular maintenance (focusing on iOS and Android operating system upgrades), and quarterly forward porting activities based on a pre-approved release cycle. Accenture would develop and execute a Maintenance Plan that defines how we would address security updates, mobile device operating system upgrades, and user support and resourcing. The Maintenance Plan would be executed with an agreed upon annual fee that is detailed in Accenture's price proposal.

After the initial deployment, Accenture would maintain MI ORS' mobile application through Accenture's Global Delivery Network (GDN) using a maintenance team that is responsible for the ARMA SaaS solution. The GDN maintenance team would coordinate with an onsite Accenture functional resource to complete any integration-related testing and user acceptance testing prior to each release deployment to the Apple App and Google Play Stores.

Due to device fragmentation and consumer demands, there are numerous challenges to mobile application maintenance that ORS would need to address:

1. **Speed:** Typically, there are 3-4 minor version releases per quarter and one major release per year. The market demands apps work on the latest version of the operating system (Android or Apple)
2. **Complexity:** There are permutations across devices and operating system versions
3. **Completeness:** A need to provide application upgrades to address bugs, OS version releases, and new feature updates
4. **Technology:** API changes across versions keeps varying and increasing. For example, with the release of Apple's iOS8, there were 4500+ API changes

Accenture's continued maintenance of ARMA would include a combination of regular release cycles of defect fixes, maintenance and quarterly forward porting activities of minor OS upgrades and annual porting activities of major OS upgrades. [Figure 3](#) outlines a proposed approach on maintaining the mobile application with specified time intervals. At the time of implementation, **Deliverable 11: Memorandum of Understanding for Mobile Application Support** would detail the agreed-upon periodic maintenance releases and content.

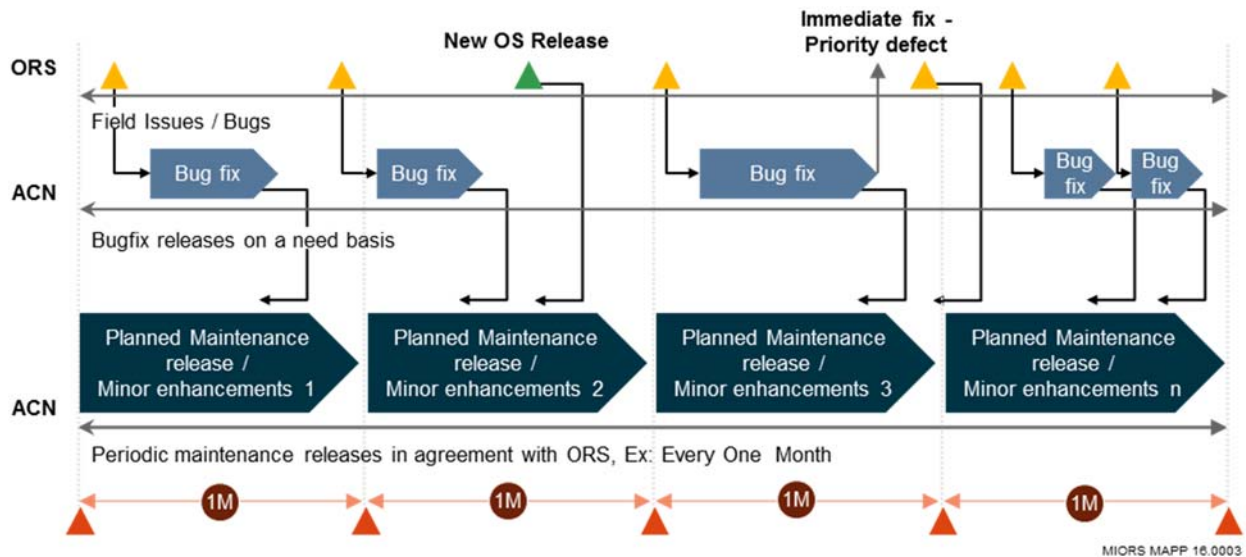


Figure 3: Proposed periodic model for bug fixes and maintenance of the mobile application

In addition to the periodic OS releases, Accenture would provide an operating model for user support, incident and services requests. The traditional help desk support model is divided into three levels:

- Level 1 support usually filters help desk calls and provides support and troubleshooting. Once an issue is identified as a problem that needs to be escalated, it goes to Level 2.
- Level 2 support would investigate and resolve the issue without software updates.
- Level 3 support traditionally handles issues with the application that cannot be resolved by configuration changes and require a code change.

Accenture would provide Level 2 and Level 3 support for ARMA only, and MI ORS would be responsible for updates to the web services that integrate with ARMA to MI ORS' line of business system (Clarety). ~~Figure 4~~ Figure 4 presents detail on the proposed support operating model and the roles Accenture and ORS would play.

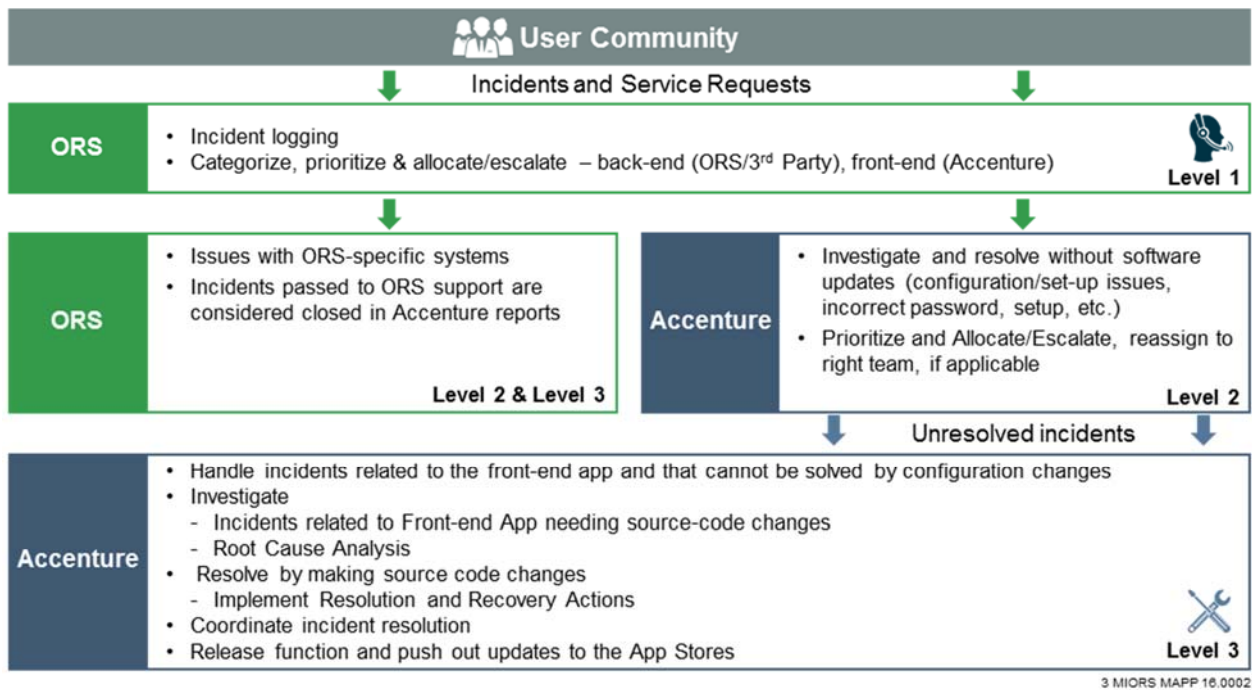


Figure 4: A flexible operating model for support addresses ORS' requirements

Accenture only supports ARMA on the Apple iOS and Android OS platforms. For Apple, Accenture would only support iPhones and iPads and for Android devices, Accenture would only support two mobile devices and two tablet devices.

Deliverable 4: Mobile Functional Specifications would include the specific, agreed-upon supported Android devices.

Maintenance Phase Deliverables

The following are the proposed deliverables provided during the Maintenance Phase of the project:

- **Deliverable 12: SaaS Maintenance Plan.** Document detailing the plan for the implementation and integration of Accenture's mobile application SaaS solution. This plan would include specifics and details for:
 1. Warranty period
 2. Security updates
 3. Mobile device operating system upgrades User Support and resourcing
 - **Deliverable 13: Change Control Methodology.** Document detailing change control methodology for application enhancements outside of normal maintenance
 - **Deliverable 14: Maintenance Release Test Results Report.** Document containing test results of an updated release for an OS (major or minor) to be delivered with each release
 - **Deliverable 15: Maintenance Release Notes.** Detailed notes containing fixes and enhancements for every release made per OS to be delivered with each release
- 2) Define in the SaaS maintenance plan how enhancements to the app outside of maintenance covered by the annual fee will be managed.

Contractor Commitment

In the SaaS Maintenance Plan, we will detail Accenture's approach to enhancements to the mobile app outside of the maintenance that is covered by the annual fee. Accenture leverages a change portfolio that lists any requested changes to the ARMA mobile app that are specific to MI ORS after the initial implementation/go-live. The project's change portfolio will be

regularly integrated into Accenture's Retirement Mobile Application (ARMA) change portfolio for consideration to be added into ARMA's base solution. MI ORS can choose to request that Accenture add the specific change into the MI ORS solution outside of the ARMA change portfolio timeline. For those instances, Accenture would complete an impact assessment for each requested change to determine level of effort, cost and timelines for the specific requested change.

- 3) Define the test strategies to be used during release cycles and porting activities.

Contractor Commitment

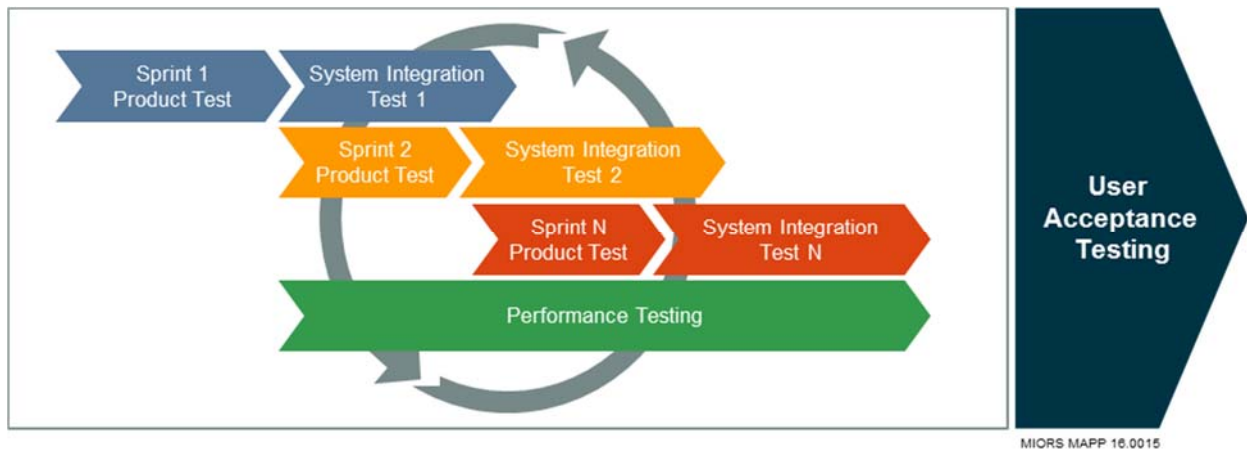


Figure 5: Accenture's Agile Test Framework

During maintenance, the MI ORS stakeholders and the Accenture functional team would prioritize a backlog of defects. The Accenture maintenance team would then use the prioritization to organize logical sprints to fix identified ARMA defects.

Each sprint would have a product test, system integration test, performance test, and a user acceptance test (UAT). Product test is testing that would be contained within ARMA and solely be focused on fixing any identified defects within the application. Testers on the maintenance team would use pre-existing scripts to validate that the ARMA functionality is working as expected. Similarly, System Integration would test the web service calls that the ARMA application would make with the Clarity solution. Testing of defects with web services would require MI ORS developers to fix and work closely with the Accenture developers. UAT would be the final testing phase before a release is deployed to the App Stores. Accenture expects that MI ORS would participate in UAT.

The Agile-testing framework allows for increased delivery efficiency. As fixes are made available to testers, development activities on the next sprint would begin. This allows for rapid validation and fixing of any defects.

- 4) Define how the maintenance plan will include ongoing compliance review for eMichigan standards and Web Content Accessibility Guidelines (WCAG) 2.0 – level AA compliance

Contractor Commitment

Accenture understands that MI ORS needs to stay compliant with eMichigan Application Development standards and WCAG 2.0 – level AA. As a part of the Maintenance Plan deliverable, the Accenture team would do a quarterly review with MI ORS for the eMichigan standards and WCAG 2.0 – level AA compliance. If a gap is identified due to a new iteration of the eMichigan standards or the WCAG 2.0 – level AA compliance, the Accenture team would work with MI ORS to identify and agree upon the next steps.

For example, as referenced in the **State of Michigan Look and Feels Standards** document, if the MI.gov Brand Logo were to change, MI ORS would notify Accenture. Once full requirements are understood and agreed upon, Accenture would work with MI ORS to conduct an impact assessment on the production version of ARMA. After verifying the impact, Accenture would work with MI ORS to determine the next steps and to align the change with the appropriate maintenance release.

E. Other

- 1) Provide an estimate of the number of staff and overall project plan including a timeline (in days/weeks) to complete each phase of the work effort as described in the Deliverables section. Include the functional role of each staff person (e.g., project manager, business analyst, technical architect, etc.).

Contractor Commitment

Overall Project Plan

Figure 6 illustrates our four-phase approach for the Mobile Application Implementation and integration.

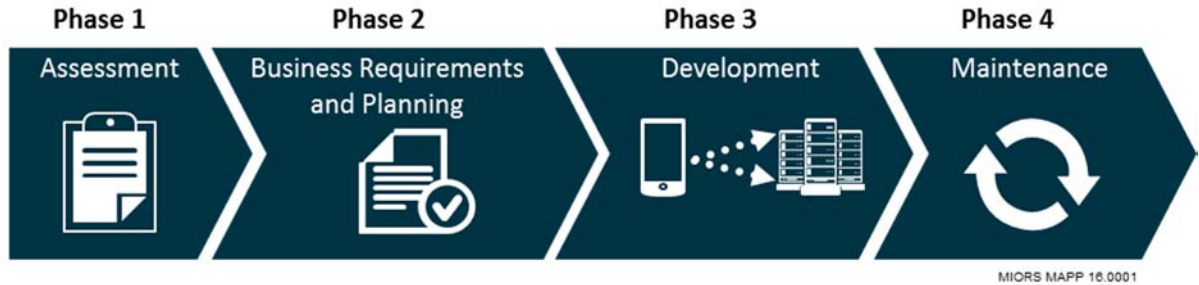


Figure 6: Accenture's Pension Mobile Application Implementation Approach

The Assessment and Business Requirements and Planning Phases (Phase 1 and Phase 2) would be a five-week effort, followed by the Development and Maintenance Phases (Phase 3 and Phase 4). The final duration of the Development Phase would be determined during the Business Requirements and Planning Phase. Subsequent to the Development phase and rollout of the MI ORS mobile app, we would begin the Maintenance Phase.

The following is a breakdown of the project plan, including timelines to complete each of the 4 phases of the project. All staff proposed are ready and available to start this project as soon as Monday, April 10, 2017.

Work plan

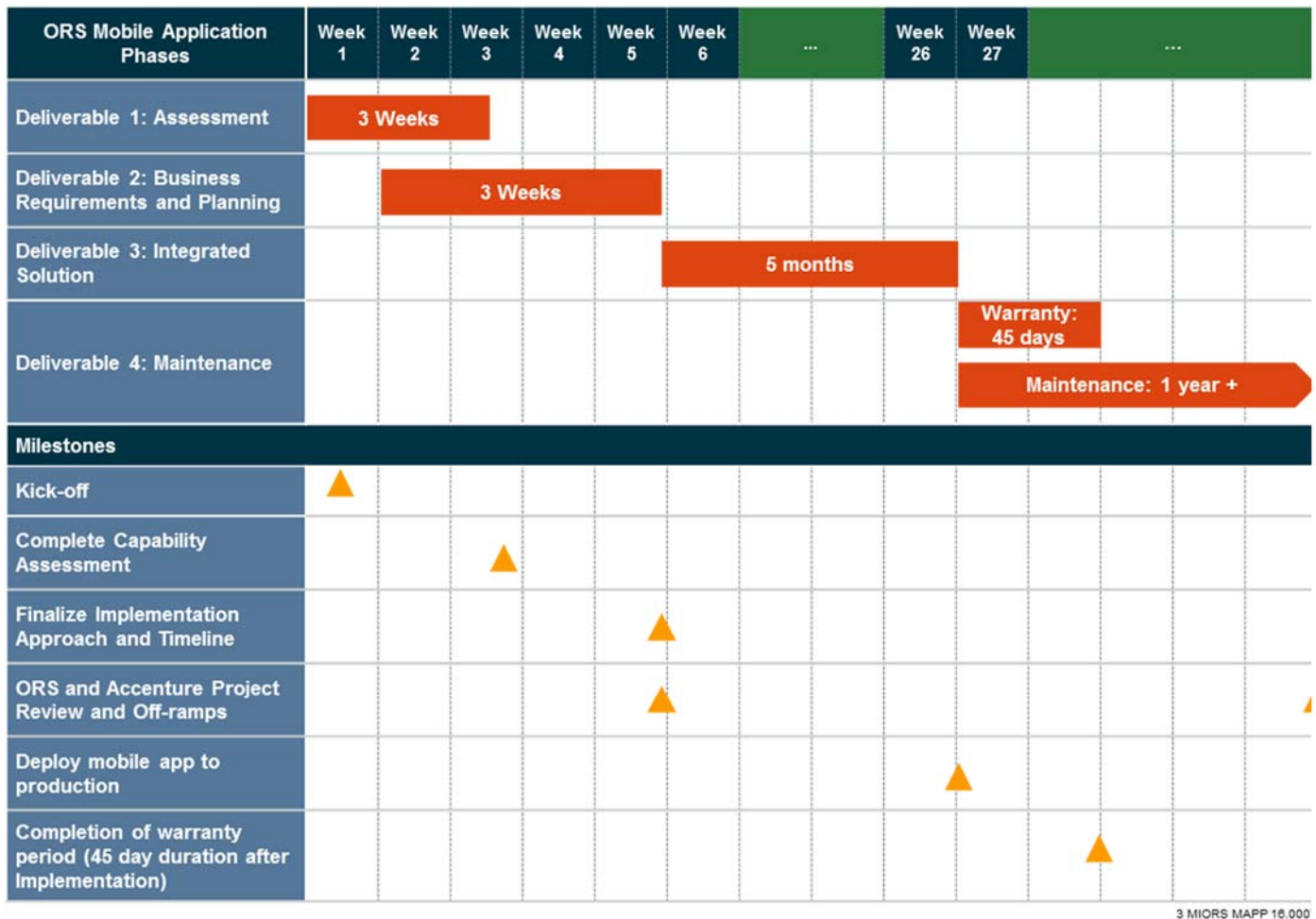


Figure 7: Our proposed schedule aligns with the work period outlined by ORS.

Organization Chart

Accenture understands MI ORS' desire to provide a user friendly, personalized pension and post-retirement experience on mobile devices to its active and retired members. Our priority is to help MI ORS advance that agenda and become a leader in the digital retirement space by providing mobile capabilities to its customers.

Pulling from our pool of pension and digital experts, we propose a team and structure that promotes teamwork through communication and collaboration. Our project team would work collaboratively with MI ORS to integrate the mobile application with MI ORS' line of business solution without disrupting service to MI ORS' members.

As illustrated in [Figure 8](#), in addition to the typical leadership and management roles, we are including a mobile advisor. During the Assessment and Business Requirements and Planning Phases, the team would consist of Project Executive, Technical Mobile Consultant, Pension Mobile Consultant, and Subject Matter Advisors (SMAs). For the Development and Maintenance Phases, the team would also include our Global Delivery Network (GDN) Team who would make enhancements and updates to Accenture's Retirement Mobile Application (ARMA).

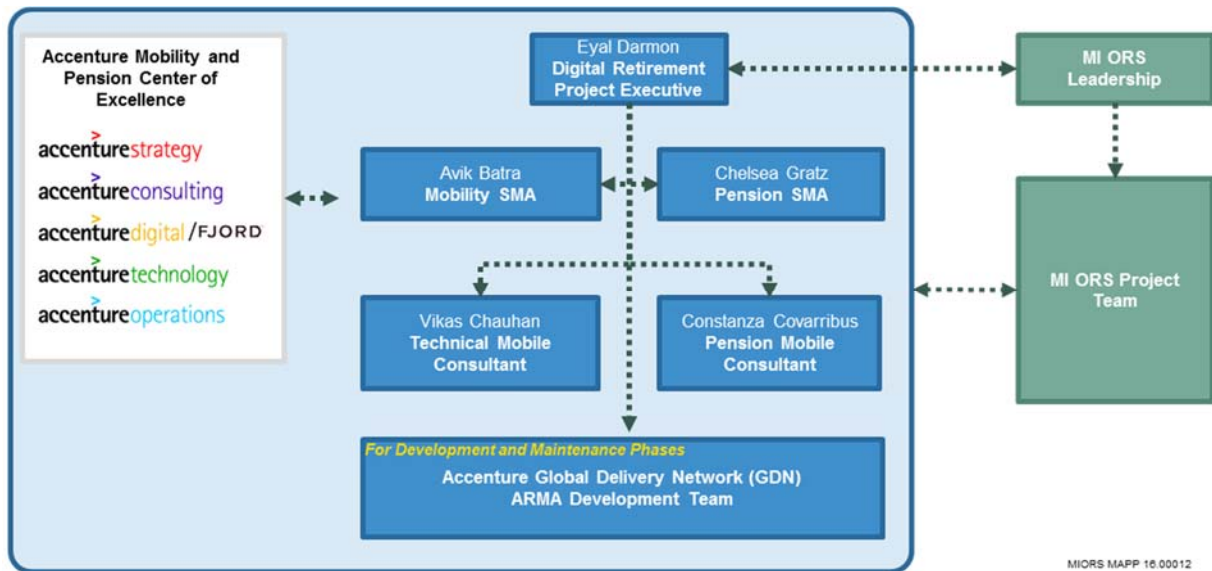


Figure 8: Organization Chart of proposed Accenture Project Team.

Staffing Roles and Responsibilities

Table 3 outlines the roles and responsibilities that would help our team to efficiently conduct a mobile assessment, implement integration between ARMA and ORS' Line of Business system (Clarety), and enable a maintenance structure to support bug fixes and future operating system releases.

Role and Responsibilities	
Project Executive Eyal Darmon	<p>As Project Executive, Eyal would set the direction, manage, and coordinate Accenture's services. His responsibilities include:</p> <ul style="list-style-type: none"> • Leadership responsibility for Accenture's scope of Services • Obtaining resources for the project • Serving as first point of contact for coordinating, scheduling, and driving issues to resolution • Resolving problems escalated from the MI ORS • Authorized and empowered by Accenture to make decisions relating to Accenture's scope of activities
Mobility and Pensions Subject Matter Advisors Avik Batra and Chelsea Gratz	<p>As Mobility and Pensions Subject Matter Advisors, Avik and Chelsea would work closely with the Accenture team during the Assessment, Business Requirements and Planning, Development, and Maintenance phases to solution and deliver ARMA. Their responsibilities include:</p> <ul style="list-style-type: none"> • Sharing mobile/digital strategies and insights based on prior experience in similar industries • Aligning MI ORS' mobile vision with the Accenture team • Advising and consulting on business functionality, solution architecture, and implementation activities
Pension Mobile Consultant Constanza Covarrubias	<p>The Pension Mobile Consultant's responsibilities include:</p> <ul style="list-style-type: none"> • Conducting digital capability assessment to determine fits and gaps with Accenture's mobile application and MI ORS' requirements • Designing mobile functional specifications for any new functions • Completing product and integration testing of the mobile application • Facilitating User Acceptance Testing of mobile application with MI ORS' resources • Creating a marketing and communication plan based on best practices

Technical Mobile Consultant – Vikas Chauhan	<p>The Technical Mobile Consultant’s responsibilities include:</p> <ul style="list-style-type: none"> • Determining fits and gaps with Accenture’s mobile application and MI ORS’ requirements • Conducting a security assessment • Documenting the technical functional specifications • Deploying the application to the Apple App Store and Google Play Store
Accenture Mobility and Pension Center of Excellence	<p>Accenture would provide the MI ORS Pension Mobile App project with access to our Mobility and Pension Center of Excellence. This would help the team to readily access any and all specialized knowledge across Accenture. For example, as part of assessing the communication functions that are available through self-service, the team would have collaboration sessions that would include resources such Emily DeMarco who was responsible for the Social Media Implementation project that MI ORS and Accenture completed in 2013.</p>

Table 3: Roles and responsibilities of key Accenture staff

- 2) Identify off-ramp milestones that allow either ORS or the Contractor to terminate the project with good cause and without penalty throughout the phases of the project and during maintenance.

Contractor Commitment

During the project, there are logical assessment points that give MI ORS and Accenture the opportunity to discontinue the project. These “off-ramp” milestones allow either MI ORS or Accenture to decide to terminate the project with good cause and without penalty. The following are the identified logical “off-ramp” timeframes:

- At the completion of the Assessment Phase
- At the completion of Year 1 of Maintenance
- At the completion of Year 2 of Maintenance

4. ASSUMPTIONS:

In addition to any other responsibilities described in this SOW, set forth below is a list of obligations for which the State will be responsible, conditions on Accenture's performance, and assumptions upon which Accenture has developed its proposal in response to the Bid (collectively, “Assumptions”). If any of the Assumptions are not performed or prove to be incorrect, the Contractor will present documentation supporting a request for an equitable adjustment to the Project schedule and the associated fees and expenses as a result of the corresponding changes in the SOW; for review and approval by the State.

1. State will commit the necessary resources and management involvement to support the Project.
2. Decisions to be made by the State will be made promptly and without delay.
3. The State is responsible for its operation and use of the Deliverables and for ensuring the Deliverables meet the State’s requirements.
4. State will be responsible for obtaining, at no cost to Accenture, consents for Accenture's use of any third party products, including, but not limited to software, necessary for Accenture to perform its obligations.
5. State will be responsible for the contractual relationship with and the performance of other contractors or vendors engaged by State in connection with this SOW and for ensuring that they cooperate with Accenture.
6. The Parties acknowledge that Accenture will not actively Process Client Personal Data as a part of the Services under this SOW. The Client will use commercially reasonable efforts to restrict Accenture's access to Client Personal Data to those types of access that are unavoidable as incidental to the Services. Once Accenture is aware that it has received Client Personal Data from the Client that is not required for the performance of Accenture’s Services, Accenture shall give notice to the Client, and the Client shall give prompt direction to Accenture regarding the destruction or return of such Client Personal Data.
7. Actual services will commence upon execution of this SOW by parties, State purchase order issuance, and confirmed final project work plan with agency, DTMB, and Accenture.
8. MI ORS will assign a dedicated point of contact for Accenture to assist with scheduling MI ORS resources and expeditious access to information.

9. MI ORS will provide facilities for up to five Accenture personnel working on this SOW. If additional space is needed, hoteling can be arranged. Facilities include: standard office work space, telephone, wireless (guest) internet access, and LAN connectivity—restricted and determined by ORS.
10. Pursuant to Section 14 of the State's Contract which contemplates a different licensing approach for Background Technology, the Accenture Retirement Management Application (ARMA) is solely licensed pursuant to the ARMA Licensing Agreement set forth in Exhibit 1 of this response.
11. Building access will be controlled by MI ORS.
12. It is not expected that access to confidential customer information will be needed by any Accenture contractor. Limited access to file sharing repositories will be accommodated.
13. There is no federal tax information (FTI), Personally Identifiable Information (PII), or sensitive data requiring secure methods and/or encryption is required.
14. Accenture will be provided with access to the ORS test environment with necessary test data, hardware and supporting documents for functional testing.
15. MI ORS will mask data with FTI, PII, or sensitive data in any test environments.
16. Accenture's solution only supports the Apple OS and Android OS. The Windows OS and Blackberry phones will not be supported.
17. For Android OS devices, only two mobile devices and two tablet devices will be supported. The devices to be supported will be decided at the time of project initiation.
18. Maintenance of Accenture's mobile application will occur at Accenture's Global Delivery Centers.
19. The mobile application will only support a portrait orientation on phones and landscape orientations on tablets.
20. The application is supported for the English language only.
21. There will be no user guide and/or training materials for end users. Accenture will support MI ORS with a marketing, communication and change campaign.
22. Accenture will only support the OS' native keyboard and not custom or third party keyboards.
23. Accenture will provide Level 2 and Level 3 support and maintenance for the mobile application only.
24. Accenture will not provide Level 0 and Level 1 support and maintenance for the mobile application.
25. MI ORS will provide test management tools for tracking during bug fixes and enhancement activities.
26. Accenture will conduct manual testing and regression testing for bug fixes and enhancements during maintenances.
27. Accenture will not be responsible for activities related to non-mobile related backed issues.
28. Accenture will not be responsible for any configuration of firewalls, load balancers, etc.
29. Accenture will not be responsible for automation testing.
30. Accenture will not be responsible for supporting the mobile application outside of the United States.
31. Accenture will not be responsible for supporting other time zones other than 9:00 AM EST to 6:00 PM EST.

5. PRICING:

Proposal is a fixed-rate for the implemented SaaS solution, incorporating all deliverables A, B, C, D into a blended fixed price, and include a warranty period as described above (D.1). Maintenance will begin after the warranty period. Deliverable D pricing must be based on a "Software as a Service" pricing model (annual fee).

Award will be based on SOW deliverables plus 1 year of maintenance.

Cost Categories	Cost (\$)		Comments
1. SaaS Solution - Initial Mobile App Implementation including all project phases: Assessment, Business Requirements and Planning, Integrated Solution and Maintenance. This cost should also include any application and support prior to the first year maintenance.	Deliverables	Cost	<ul style="list-style-type: none"> Figure 1 below shows the Project phases, including the deliverable phases, Warranty, and Maintenance timeline Annual SaaS Fee is \$325,000 per year with a
	A. Assessment	\$0	
	B. Business Requirements and Planning	\$0	
	C. Integrated Solution	\$0	
	D. Maintenance	\$0	
	Total	\$0	

2. First Year Maintenance – including software as a service fee that includes licensing and support (including help desk, release management and technical support)	\$162,500	2.5% cost increase per year. The annual fee for the first year is discounted by 50% to \$162,500.
3. Second Year Maintenance (optional)	\$333,125	
Combined Total	\$ 495,625	

Year	Project Year 1												Project Year 2												Project Year 3											
Month	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12

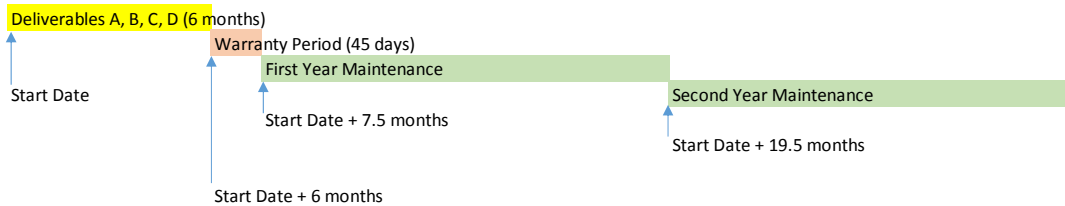


Figure 1. Project Phases Timeline (Deliverables, Warranty, and Maintenance)

6. ADDITIONAL PROVISIONS

- Notwithstanding any other statements in the Agreement, Third Party and Open Source Software provided under this Agreement are provided and warranted solely under the terms and conditions of any such Third Party or Open Source Software licenses/agreements governing such Third Party or Open Source Software. With respect to any Third Party or Open Source Software provided by Contractor to the State, Contractor shall pass through or assign to the State any rights Contractor obtains from the manufacturers and/or vendors of such Third Party or Open Source Software (including warranty), to the extent that such rights are assignable.
- Pursuant to Section 14 of the Contract which contemplates a different licensing approach for Background Technology, Accenture Retirement Management Application (ARMA) is solely licensed pursuant to the ARMA Licensing Agreement set forth below and attached as Exhibit 1 to this SOW.

EXHIBIT 1

ARMA License Agreement

This Exhibit 1 (“License Agreement”) is attached to the ORS Mobile Application Statement of Work, negotiated by the Parties and dated 2017 issued under the State of Michigan (SOW) Mobile Application Prequalification Contract #071B6600116, dated August 5, 2016, by and between Accenture LLP (“Accenture”) and the State of Michigan (“Client” or “Licensee”) (the SOW and the Contract together, the “Agreement”). This Accenture Retirement Mobility App (ARMA) being provided by Accenture pursuant to the above referenced Statement of Work is provided as a Software-as-a-Service (SaaS) solution. As such, the Parties agree that ARMA is not “Software” as defined by the Agreement, and that this License Agreement shall govern use and access to the Software/ARMA, as well as the applicable Intellectual Property and Licensing rights of the Parties, which shall, for purposes of this Statement of Work only, supersede the terms of the Contract only as related to ARMA and software development related to ARMA. Notwithstanding the foregoing, the Contract shall control all other aspects of Accenture’s provisioning of services to Client under the Statement of Work.

1. DEFINITIONS

1.1 “End Users” means the individuals authorized by the Licensee to use ARMA.

2. GRANT OF LICENSE

2.1 License Grant. Subject to payment in full of the fees set forth in the Agreement for the licensing of ARMA (“**License Fees**”) and Licensee’s compliance with the terms of this License Agreement, Accenture hereby grants to Licensee a limited, non-transferable, non-exclusive right and license (“**License**”) to:

- (a) access, install, use and distribute ARMA solely for the purpose of providing remote, mobile access to Licensee’s pension members as set forth herein;
- (b) distribute ARMA to End Users through the Apple and/or Google online stores (i.e., application store) or as otherwise expressly approved by Accenture; provided that no

further distribution of ARMA is permitted; and,

- (c) sublicense to End Users the right to install, use and access ARMA solely as set forth herein, provided that all rights granted to the End User with respect to ARMA shall be subject to an end user license agreement (“EULA”) provided by or on behalf of Licensee to the extent that the terms and conditions do not conflict with those of the State Contract (**#071B6600116**) and/or this edited Agreement, which shall include any terms and conditions required by the third party Apple and/or Google online stores (i.e., application store), and approved in advance by Accenture in its sole discretion.

In the event that Licensee has knowledge of a breach of the applicable EULA by any End User, Licensee will report the usage to Accenture and shall, if requested by Accenture, consult with Accenture to determine appropriate remedial action. The License granted hereunder is limited and ARMA may only be used as described in this License Agreement and subject to any additional restrictions set forth herein, including in an applicable Schedule. All rights not expressly granted to Licensee in this License Agreement and the applicable Schedules are expressly reserved to Accenture.

2.3 Accenture Audit Rights. Accenture reserves the right annually, upon reasonable prior notice to Licensee, in accordance with Licensees reasonable security requirements and during normal business hours, to audit usage of ARMA for the purpose of verifying Licensee’s compliance with the terms of this License Agreement. Licensee shall audit its use of ARMA on an annual basis and shall certify to Accenture that its use of ARMA is in compliance with the obligations set forth in this License Agreement.

2.4 Federal Use. The software licensed under this License Agreement is “commercial computer software” as that term is defined in 48 CFR 2.101. All US Government end users acquire ARMA with only those rights set forth in this License Agreement, in accordance with 48 CFR 12.212(b)

and/ or 48 CFR 227.7202-1(a) and 48 CFR 227.7202-4, as applicable.

3. TERM. The term of the License granted hereunder shall be concurrent with the term of the Statement of Work.

4. DELIVERY, INSTALLATION AND SERVICES

4.1 Delivery. ARMA shall be delivered electronically to the Apple and/or Google online stores (i.e., application store) for purchase and/or download. Accenture will not provide any tangible personal property including but not limited to CD-ROM's, electronic data storage devices, printed manuals, books, or binders. Licensee acknowledges that Accenture is under no further delivery obligation under this License Agreement, electronic download or otherwise.

5. PROPRIETARY PROTECTION AND RESTRICTIONS.

5.1 Ownership. Accenture (and/or Accenture's licensors as applicable) shall have sole and exclusive ownership and all rights, title and interest in and to ARMA. Accenture (and/or Accenture's licensors as applicable) shall have sole and exclusive ownership and all rights, title and interest in and to all derivative works, modifications, upgrades, and enhancements (including ownership of all trade secrets, patents, copyrights and any other intellectual property rights pertaining thereto) of ARMA. Licensee shall keep ARMA free and clear of all claims, liens, and encumbrances. Licensee acknowledges and agrees that (a) this License Agreement is a non-exclusive agreement and Accenture reserves the right to provide ARMA to third parties without restriction during or after the Term; and (b) nothing in this License Agreement shall preclude Accenture from marketing, developing or using for itself or others, services or products that are the same as, or similar to, those provided to Licensee by Accenture pursuant to this License Agreement.

5.2 Restrictions. Licensee may not and shall not permit others to directly or indirectly: (a) use, copy, reproduce, modify, create derivative works of or distribute all or any part of the Licensed Materials (electronically or otherwise), or any copy, adaptation, transcription, or merged portion thereof, except as expressly authorized by this License Agreement; (b) disassemble, reverse engineer, decompile, or otherwise translate or attempt to discover the source code, object code or underlying structure or ideas or algorithms of the

Licensed Materials in any manner, solely except to the extent that applicable Law specifically prohibits such restrictions; (c) rent, pledge, transfer, lease, encumber or assign the rights granted by Accenture herein; (d) remove any proprietary notices or labels contained within or accompanying the Licensed Materials; (e) except as expressly set forth herein, license, sublicense, sell, resell, transfer, assign, distribute or otherwise commercially exploit or make available to any third party the Licensed Materials or access to the Licensed Materials in any way including via a hosted work, multiple-user license, multi-party access arrangement, time-share, aggregation, outsourcing, utility or surface bureau purposes or otherwise similar purpose for the benefit of a third party; (f) create Internet links to ARMA or frame or mirror ARMA on any other server or wireless or Internet-based device or in any other manner; or (g) access ARMA in order to: (i) build a competitive product or service; (ii) build a product using similar ideas, features, functions or graphics of ARMA; or (iii) copy any ideas, features, functions or graphics of the Licensed Materials. Licensee's rights herein may not be transferred, leased, encumbered, or assigned.

5.3 Access by Contractors. Licensee may only disclose ARMA and related code or materials to third parties performing services for Licensee and with a need to know, provided the third parties sign a nondisclosure agreement with Accenture prior to their use or access. Any use or access by such third parties shall be solely for the purpose of conducting, or assisting Licensee with the conduct of, its internal business operations. Licensee shall be jointly and severally liable with any such third party contractors for any loss, misuse, or misappropriation of Accenture's Confidential Information. Any such loss, misuse, or misappropriation shall be deemed a material breach of this License Agreement and shall be just cause for termination of this License Agreement and any License(s) granted hereunder. Under no circumstances may Licensee disclose Accenture Confidential Information to any competitor of Accenture.

6. DISCLAIMER AND INDEMNITY

6.1 DISCLAIMER. ACCENTURE MAKES NO WARRANTIES AND EXPRESSLY DISCLAIMS ANY OTHER WARRANTY, EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO ARMA INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A

PARTICULAR PURPOSE, NON INFRINGEMENT OF THIRD PARTY RIGHTS, INFORMATIONAL CONTENT, PERFORMANCE (INCLUDING RELIABILITY, TIMELINESS, QUALITY, SUITABILITY, AVAILABILITY, ACCURACY OR COMPLETENESS OF ARMA), SYSTEMS INTEGRATION, INTERFERENCE WITH ENJOYMENT, OR OTHERWISE, AND THOSE ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE. NO WARRANTY IS MADE THAT USE OF THE SOFTWARE WILL BE ERROR-FREE, TIMELY, SECURE, OR UNINTERRUPTED, THAT THE SOFTWARE IS FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS, THAT ANY ERRORS OR DEFECTS IN THE SOFTWARE WILL BE CORRECTED, OR THAT THE SOFTWARE'S FUNCTIONALITY WILL MEET LICENSEE'S REQUIREMENTS, INCLUDING COMPLIANCE WITH LAWS APPLICABLE TO LICENSEE (INCLUDING ANY PARTICULAR DATA PRIVACY, SECURITY OR RELATED LAW). EXCEPT AS EXPRESSLY SET FORTH HEREIN, LICENSEE'S USE OF THE SOFTWARE IS AT ITS OWN RISK ON AN "AS IS" BASIS AND LICENSEE ACCEPTS RESPONSIBILITY FOR THE SELECTION AND ASSESSMENT OF ARMA AND THE MOBILITY SOLUTION TO ACHIEVE ITS

INTENDED RESULTS AND TO MEET PRIVACY AND SECURITY REQUIREMENTS TO WHICH IT IS SUBJECT. ARMA MAY BE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS. The warranty terms of the Agreement shall continue to apply to, and govern, the provisioning of services by Accenture under the Statement of Work.

7. THIRD PARTY SOFTWARE. With respect to all Third Party Software and Open Source Software contained within or included with the Software: (a) any rights and warranties will be according to the applicable license agreement associated with such software; and, (b) Licensee shall comply with the obligations of the applicable license agreement related to such Third Party Software. Notwithstanding any statements to the contrary, to the extent that any of the Software contains any Open Source Software or such material is made available by Accenture to Licensee, it is provided "AS IS" and without express or implied warranties of any kind.

SCHEDULE 1

Documentation

As of the Schedule Effective Date, the Third Party Software consists of:

- AngularJS
<https://angularjs.org/>
- Phonegap plugin 4.1.2
<http://phonegap.com/about/license/>
<https://libraries.io/npm/phonegap/4.1.2-0.22.12>
- Push notification plugin 2.4.0
<https://github.com/phonegap-build/PushPlugin/blob/master/MIT-LICENSE>
<https://github.com/phonegap-build/PushPlugin/blob/2.4.0/MIT-LICENSE>
- Pdf viewer
https://github.com/SunboX/st2_pdf_panel/blob/master/LICENSE
- Pdf viewer library 1.1.469
<https://github.com/mozilla/pdf.js/blob/master/LICENSE>
- Pdf view 1.0.104
<http://opensource.org/licenses/mit-license>

SCHEDULE 2 ARMA SUPPORT & UPDATES

1. SUPPORT AND MAINTENANCE.

1.1 Services. Accenture will only provide the level of Support and Updates Services set forth below for six months after implementation for a fee of \$0. Accenture will notify (electronically or otherwise) Client of any amendments to such Support and Update Services descriptions.

1.2 Exclusions. Accenture will have no obligation of any kind to provide support for problems caused by or arising out of any of the following (each, a “Client-Generated Error”): (i) modifications to the Software not made by Accenture; (ii) use of the Software other than as authorized in the Agreement or as provided in any documentation for the Software; (v) versions of the Software other than the most recent version; (vi) third-party products not expressly supported by Accenture ; or (vii) conflicts related to replacing or installing hardware, drivers, and software that has not been Accenture certified. If Accenture determines that it is necessary to provide support for a problem caused by a Client-Generated Error, Accenture will notify Client thereof as soon as Accenture is aware of such Client-Generated Error and Accenture will have the right to invoice Client at Accenture’s then-current time and materials rates for any such support provided by Client.

1.3 Support Descriptions.

1.3.1 Accenture Enterprise Support. Accenture Enterprise Support provides telephone support, online documentation, web forums, email and a web-based portal for submitting cases and tracking case status. Support cases are handled based on case priority levels as described in Section 1.3.2. When submitting a case, customers select the priority for initial response by logging the case online, in accordance with the priority guidelines set forth in Section 1.3.2. When the case is received, Accenture customer support may change the priority only if the issue does not conform to the criteria for the selected priority and will provide you with notice (electronic or otherwise) of such change. Accenture will respond to Accenture Enterprise Support requests and will provide Workarounds or fixes in accordance with the guidelines set forth in Section 1.3.3.

1.3.2 Case Priority Levels. Case priorities are assigned based on the technical importance of the problem to the Software, as defined below.

P1 = Software is completely inaccessible or the majority of its functionality is unusable;

P2 = One or more key features of Software are unusable;

P3 = Any other case where a Software feature is not operating as documented;

P4 = All other enhancement requests.

1.3.3 Target Fix, Workaround, Escalation and Response Times.

Priority	Acknowledgement	Target Workaround	Target Permanent Fix
<u>P1</u>	4 hours	1 Business Days	10 Business Days
<u>P2</u>	Next Business Day*	2 Business Days	20 Business Days
<u>P3</u>	Two Business Days	5 Business Days	As Appropriate (may be included in the next

			software release rather than as a patch, depending on the issue)
<u>P4</u>	Two Business Days	At Accenture's discretion	At Accenture's discretion

Escalation, by case priority

Email Status Updates for Open Cases, by case priority

P1: Manager: Immediate / VP: 1 business day

P1: Daily

P2: Manager: 1 business day / VP: 1 week

P2: Weekly

P3: VP Product Management reviews all open bugs quarterly

P3: None

P4: VP Product Management reviews all enhancement requests quarterly

P4: None

** Business Day – Business Days are defined as 8:00 a.m. United States (“U.S.”) Eastern Time Zone to 8:00 p.m. U.S. Eastern Time Zone Monday through Friday excluding U.S. national holidays.*

1.3.4 Authorized Support Contacts. Support will be provided solely to the authorized individual(s) specified by Client that Accenture will communicate with when providing Support (“Support Contacts”). Accenture strongly recommends that Client’s Support Contact(s) be trained on the Software.

1.3.5 Defect Resolution. If there is a defect in the Software, Accenture will, at its sole option, repair that defect in the version of the Software that Client is currently using or instruct Client to install a newer version of the Software with that defect repaired. Accenture reserves the right to provide Client with a workaround in lieu of fixing a defect should it in its sole judgment determine that it is more effective to do so.

1.3.6 Support Hours. Support is provided via telephone, email and web portal. Support will be delivered by a member of Accenture’s technical support team during the regional hours of operation listed below.

Enterprise Support

P1: Monday through Friday by region during standard business hours (8 am to 8 pm); excluding holidays

P2: Monday through Friday by region during standard business hours (8 am to 8 pm); excluding holidays

P3: Monday through Friday by region during standard business hours (8 am to 8 pm);

excluding holidays

P4: Monday through Friday by region during
standard business hours (8 am to 8 pm);
excluding holidays

1.3.7 Client's Assistance. Should Client report a purported defect in the Software to Accenture, Accenture may require Client to provide Accenture with the following information: (a) a general description of the operating environment, (b) a list of all hardware components, operating systems and networks, (c) a reproducible test case, and (d) any log files, trace and systems files. Your failure to provide this information may prevent Accenture from identifying and fixing that purported defect.

1.3.8 Software Upgrades and Software End of Life Policy. When available, Accenture provides upgrades only to Accenture Enterprise Support customers. Accenture Software comes with a three digit number version. The first digit represents the major release (i.e. upgrade), the second digit identifies the minor releases (i.e. updates) and the third digit identifies the maintenance releases. With a new major version, the number to the left of the decimal is changed and for minor releases, the number to the right of the decimal point is increased. Accenture provides full support, including, when available, bug fixes, only on the current major release and (a) the immediately prior major release or (b) any other major or minor release initially made generally available within twenty-four months from the then current major release, whichever period is greater ("Supported Prior Versions").

1.4 **Changes in Support and Software.** Subject to Section 1.3.8, Client acknowledges that Accenture has the right to discontinue the manufacture and development of any Software and the Support for any Software, including, without limitation, the distribution of older Software versions, at any time in its sole discretion. Accenture reserves the right to alter Support from time to time, using reasonable discretion but in no event shall such alterations result in (i) diminished support from the level of Support set forth herein; (ii) materially diminished obligations for Accenture ; (iii) materially diminished your rights; or (iv) higher Support Fees during the then-current term. Accenture shall provide you with thirty (30) days prior written notice (delivered electronically or otherwise) of any permitted material changes to the Support contemplated herein.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
 PROCUREMENT

525 W. ALLEGAN STREET
 LANSING, MI 48933

P.O. BOX 30026
 LANSING, MI 48909

NOTICE OF CONTRACT NO. 071B6600116

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Accenture LLP 3000 Town Center, # 2400 Southfield, MI 48075	James H. (Jay) Rice	james.h.rice@accenture.com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	517-515-3028	2904

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB - eMichigan	Suzanne Pauley	517-242-8745	PauleyS@michigan.gov
CONTRACT ADMINISTRATOR	DTMB - Procurement	Christine Mitchell	517-284-7020	Mitchellc4@michigan.gov

CONTRACT SUMMARY Com-code 920-40

DESCRIPTION:

Pre-Qualification Program for Development of Mobile Applications – Enterprise DTMB CSS

<u>INITIAL TERM</u>	<u>EFFECTIVE DATE</u>	<u>INITIAL</u> EXPIRATION DATE	<u>AVAILABLE</u> OPTIONS
2 Years, 10 Months	08/05/2016	06/05/2019	4; 1-Yr
PAYMENT TERMS	F.O.B.	SHIPPED TO	
Net 45	NA	NA	
<u>ALTERNATE PAYMENT OPTIONS</u>			<u>EXTENDED</u> 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			
NA			
MISCELLANEOUS INFORMATION			
This Contract is awarded from competitive solicitation #007115B0006009 for Pre-Qualification for Mobile Application Development published in Buy4Michigan. Statements of Work for new applications to be developed under this program will be posted on Buy4Michigan to all Pre-Qualified companies for award and PO issuance.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION		TBD	

For the Contractor:

Julie R. Booth, Managing Director
Accenture LLP

Date

For the State:

_____,

State of Michigan

Date



STATE OF MICHIGAN

CONTRACT TERMS CUSTOM SOFTWARE DEVELOPMENT

This CUSTOM SOFTWARE DEVELOPMENT CONTRACT (this “**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Accenture LLP, (“**Contractor**”), an Illinois Company. This Contract is effective on 8/5/2016 (“**Effective Date**”), and unless earlier terminated, will expire on 6/1/2019 (the “**Term**”).

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

The parties agree as follows:

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

“**Acceptance**” has the meaning set forth in **Section 9.5**.

“**Acceptance Tests**” means such tests as may be conducted in accordance with **Section 9** and the Statement of Work to determine whether any Software Deliverable meets the requirements of this Contract and the Specifications and Documentation.

“**Affiliate**” means any entity which directly or indirectly controls, is controlled by or is under common control of Contractor. The term “control” means the possession of the power to direct or cause the direction of the management and the policies of an entity, whether through the ownership of a majority of the outstanding voting rights or by contract or otherwise.

“**Aggregate Software**” means the Software, as a whole, to be developed or otherwise provided under the Statement of Work. For avoidance of doubt, if the Statement of Work provides for a single Software Deliverable, such Software Deliverable also constitutes Aggregate Software.

“**Allegedly Infringing Materials**” has the meaning set forth in **Section 18.3(b)(ii)**.

“**Approved Open-Source Components**” means Open-Source Components that the State has approved to be included in or used in connection with any Software developed or provided under this Contract, and are specifically identified in the Statement of Work.

“**Approved Third-Party Materials**” means Third-Party Materials that the State has approved to be included in or for use in connection with any Software developed or provided under this Contract, and are specifically identified in the Statement of Work.

“**Background Technology**” means all Software, data, know-how, ideas, methodologies, specifications, and other technology in which Contractor owns such Intellectual Property Rights as are necessary for



Contractor to grant the rights and licenses set forth in **Section 14.1**, and for the State (including its licensees, successors and assigns) to exercise such rights and licenses, without violating any right of any Third Party or any Law or incurring any payment obligation to any Third Party. Background Technology must: (a) be identified as Background Technology in the Statement of Work; and (b) have been developed or otherwise acquired by Contractor prior to the date of the Statement of Work, or have been developed by Contractor outside of its performance under the Statement of Work. Background technology will also include any general consulting tool or methodology created by Contractor, which will not be required to be identified in the Statement of Work.

“**Business Day**” means a day other than a Saturday, Sunday or State holiday.

“**Business Owner**” is the state employee appointed by the end-user agency procuring the software to (a) act as such agency’s representative in all matters relating to the Contract or applicable Statement of Work, and (b) co-sign off on the State’s notice of Acceptance for all Software Deliverables and Aggregate Software. The Business Owner will be identified in the Statement of Work.

“**Business Requirements Specification**” means the specification setting forth the State’s business requirements regarding the features and functionality of the Software, as set forth in the Statement of Work.

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

“**Change Notice**” has the meaning set forth in **Section 2.4(b)**.

“**Change Proposal**” has the meaning set forth in **Section 2.4(a)**.

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

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

“**Contract**” has the meaning set forth in the preamble.

“**Contract Administrator**” is the individual appointed by each party to (a) administer the terms of this Contract, and (b) approve and execute any Change Notices under this Contract. Each party’s Contract Administrator will be identified in **Section 29.12**.

“**Contractor**” has the meaning set forth in the preamble.

“**Contractor’s Bid Response**” means the Contractor’s proposal submitted in response to the RFP.

“**Contractor Personnel**” means all employees of Contractor or any Permitted Subcontractors involved in the performance of Services or providing Work Product under this Contract.

“**Deliverables**” means all Software Deliverables and all other documents, Work Product, and other materials that Contractor is required to or otherwise does provide to the State under this Contract and



otherwise in connection with any Services in any applicable Statement of Work, including all items specifically identified as Deliverables.

"Derivative Work" means any modification, addition, upgrade, update, or improvement of the Software and any other work constituting a derivative work under the United States Copyright Act, 17 U.S.C. Section 101, *et seq.*

"Dispute Resolution Procedure" means the procedure for resolving disputes under this Contract as set forth in **Section 28**.

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

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

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

"Fees" has the meaning set forth in **Section 11.1**

"Financial Audit Period" has the meaning set forth in **Section 26.1**.

"Force Majeure" has the meaning set forth in **Section 29.8**.

"Harmful Code" means any: (a) virus, trojan horse, worm, backdoor or other software or hardware devices the effect of which is to permit unauthorized access to, or to disable, erase, or otherwise harm, any computer, systems or software; or (b) time bomb, drop dead device, or other software or hardware device designed to disable a computer program automatically with the passage of time or under the positive control of any Person, or otherwise deprive the State of its lawful right to use such Software.

"HIPAA" has the meaning set forth in **Section 21.1**.

"Implementation Plan" means the schedule included in the Statement of Work setting forth the sequence of events for the performance of Services under the Statement of Work, including the Milestones and Milestone Dates.

"Contract Statement of Work" has the meaning set forth in **Section 2.2**.

"Intellectual Property Rights" means all or any of the following: (a) patents, patent disclosures, and inventions (whether patentable or not); (b) trademarks, service marks, trade dress, trade names, logos, corporate names, and domain names, together with all of the associated goodwill; (c) copyrights and copyrightable works (including computer programs), mask works and rights in data and databases; (d) trade secrets, know-how and other confidential information; and (e) all other intellectual property rights, in each case



whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection provided by applicable Law in any jurisdiction throughout the world.

“Intended Users” means the users that are intended to use Software or particular features or functions of the Software, as described in the Specifications for such Software.

“Key Personnel” means any Contractor Personnel identified as key personnel in the Statement of Work.

“Law” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any federal, state, local or foreign government or political subdivision thereof, or any arbitrator, court, or tribunal of competent jurisdiction.

“Maintenance and Support Schedule” means the schedule attached as Exhibit 1 to the Statement of Work, if applicable, setting forth the Maintenance and Support Services, the Support Fees, and the parties’ additional rights and obligations with respect to such services.

“Maintenance and Support Services” means the Software maintenance and support services the Contractor is required to or otherwise does provide under the Statement of Work as set forth in the Maintenance and Support Schedule.

“Milestone” means an event or task described in the Implementation Plan under the Statement of Work that must be completed by the corresponding Milestone Date.

“Milestone Date” means the date by which a particular Milestone must be completed as set forth in the Implementation Plan under the Statement of Work.

“Non-Conformity” means any failure of any: (a) Software or Documentation to conform to the requirements of this Contract (including the applicable Statement of Work) or (b) Software to conform to the requirements of this Contract or the Specifications or Documentation.

“Object Code” means computer programs assembled or compiled in magnetic or electronic binary form on software media, which are readable and useable by machines, but not generally readable by humans without reverse assembly, reverse compiling, or reverse engineering.

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

“Open-Source License” has the meaning set forth in **Section 3.3**.



“Operating Environment” means, collectively, the State platform and environment on, in, or under which Software is intended to be installed and operate, as set forth in the Statement of Work, including such structural, functional and other features, conditions and components as hardware, operating software and system architecture and configuration.

“Permitted Subcontractor” has the meaning set forth in **Section 5.5**.

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

“Project Manager” is the individual appointed by each party to (a) monitor and coordinate the day-to-day activities of the applicable Statement of Work, and (b) in the case of the State, co-sign off on its notice of Acceptance for all Software Deliverables and Aggregate Software. Each party’s Project Manager will be identified in the Statement of Work.

“Representatives” means a party’s employees, officers, directors, consultants, legal advisors, and Permitted Subcontractors.

“RFP” means the State’s request for proposal designed to solicit responses for Services under this Contract.

“Services” means any of the services Contractor is required to or otherwise does provide under this Contract or the Statement of Work, as more fully described in this Contract or the Statement of Work.

“Site” means the physical location designated by the State in, or in accordance with, this Contract or the Statement of Work for delivery and installation of any Software.

“Software” means the computer program(s), including programming tools, scripts and routines, the Contractor is required to or otherwise does develop or otherwise provide under this Contract, as described more fully in the Statement of Work, including all updates, upgrades, new versions, new releases, enhancements, improvements, and other modifications made or provided under the Maintenance and Support Services. As context dictates, Software may refer to one or more Software Deliverables or Aggregate Software.

“Software Deliverable” means any Software, together with its Documentation, required to be delivered as a Milestone as set forth in the Implementation Plan for such Software.

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



“Specifications” means, for any Software, the specifications collectively set forth in the Business Requirements Specification and Technical Specification.

“State” means the State of Michigan.

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

“State Materials” means all materials and information, including documents, data, know-how, ideas, methodologies, specifications, software, content and technology, in any form or media, directly or indirectly provided or made available to Contractor by or on behalf of the State in connection with this Contract and all applicable Statements of Work, whether or not the same: (a) are owned by the State, a Third Party or in the public domain; or (b) qualify for or are protected by any Intellectual Property Rights.

“State Resources” has the meaning set forth in **Section 6.1**.

“Statement of Work” means any engagement statement of work entered into by the parties and attached as a schedule to this Contract. All references to “the Statement of Work” shall mean “the applicable Statement of Work.” **“Stop Work Order”** has the meaning set forth in **Section 16**.

“Support Fees” means the fees, if any, payable by the State for Maintenance and Support Services as set forth in the Maintenance and Support Schedule.

“Support Commencement Date” means, with respect to any Software, the date on which the Warranty Period for such Software expires or such other date as may be set forth in the Maintenance and Support Schedule.

“Technical Specification” means, with respect to any Software, the document setting forth the technical specifications for such Software and included in the Statement of Work.

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

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

“Third Party” means any Person other than the State or Contractor.

“Third-Party Materials” means any materials and information, including documents, data, know-how, ideas, methodologies, specifications, software, content, and technology, in any form or media, in which any Person other than the State or Contractor owns any Intellectual Property Right, but excluding Open-Source Components.

“Transition Period” has the meaning set forth in **Section 15.3**.

“Transition Responsibilities” has the meaning set forth in **Section 15.3**.

“Unauthorized Removal” has the meaning set forth in **Section 5.4(b)**.



“Unauthorized Removal Credit” has the meaning set forth in **Section 5.4(c)**.

“Warranty Period” means, for any Software, the forty-five (45) calendar-day period, unless otherwise specified in the Statement of Work, commencing (a) in the case of Aggregate Software, upon the State’s Acceptance; and (b) in the case of any updates, upgrades, new versions, new releases, enhancements and other modifications to previously-accepted Aggregate Software, upon the State’s receipt of such modification.

“Work Product” means all Software, Documentation, Specifications, and other documents, work product and related materials, that Contractor is required to, or otherwise does, provide to the State under this Contract, together with all processes and methodologies developed for delivery to the State in connection with this Contract and all applicable Statements of Work.

2. Statements of Work. Contractor shall provide Services and Deliverables pursuant to Statements of Work entered into under this Contract. No Statement of Work shall be effective unless signed by each party’s Contract Administrator. The term of each Statement of Work shall commence on the parties’ full execution of the Statement of Work and terminate when the parties have fully performed their obligations. The terms and conditions of this Contract will apply at all times to any Statements of Work entered into by the parties and attached as a schedule to this Contract. The State shall have the right to terminate such Statement of Work as set forth in **Section 15**. Contractor agrees that prompt and timely performance of all such obligations in accordance with this Contract and the Statements of Work (including the Implementation Plan and all Milestone Dates) is required.

2.1 Statement of Work Requirements. Each Statement of Work will include the following:

- (a) names and contact information for Contractor’s Project Manager and Key Personnel;
- (b) names and contact information for the State’s Project Manager and Business Owner;
- (c) a detailed description of the Services to be provided, including any training obligations of Contractor;
- (d) a detailed description of the Software and other Work Product to be developed or otherwise provided, including the:
 - (i) Business Requirements Specification;
 - (ii) Technical Specification; and
 - (iii) a description of the Documentation to be provided;
- (e) an Implementation Plan, including all Milestones, the corresponding Milestone Dates and the parties’ respective responsibilities under the Implementation Plan;



(f) Fees payable, the manner in which such Fees will be calculated, the due dates for payment and any invoicing requirements, including any Milestones on which any such Fees are conditioned, and such other information as the parties deem necessary;

(g) disclosure of all Background Technology, Approved Third-Party Materials, Approved Open-Source Components (each identified on a separate exhibit to the Statement of Work), in each case accompanied by such related documents as may be required;

(h) description of all liquidated damages associated with the Statement of Work; and

(i) a detailed description of all State Resources required to complete the Implementation Plan.

2.2 Contract Statement of Work. The Contract Statement of Work is attached as **Schedule A** to this Contract. The Contract Statement of Work sets forth the structure of future engagements under this Contract. The parties may mutually agree to alter any provisions under the Contract Statement of Work.

2.3 Engagement Statements of Work. Promptly following receipt of the State's request for additional Software development or other Services, Contractor may provide the State with a proposal containing all information specified in **Section 2.1**. Upon the parties' agreement with respect to the terms of such proposal, all such terms shall be incorporated in a Statement of Work and each party shall cause the same to be signed by its Contract Administrator. Each fully executed Statement of Work shall be attached as a Schedule to, and by this reference incorporated in and made a part of, this Contract.

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

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

- (i) a written description of the proposed Changes to any Services, Work Product, or Deliverables;
- (ii) an amended Implementation Plan reflecting: (A) the schedule for commencing and completing any additional or modified Services, Work Product, or Deliverables; and (B) the effect of such Changes, if any, on completing any other Services or Work Product under the Statement of Work;
- (iii) any additional Third-Party Materials, Open-Source Components, and State Resources Contractor deems necessary to carry out such Changes; and



- (iv) any increase or decrease in Fees resulting from the proposed Changes, which increase or decrease will reflect only the increase or decrease in time and expenses Contractor requires to carry out the Change.

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

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

- (i) require Contractor to perform the Services under the Statement of Work without the Change;
- (ii) require Contractor to continue to negotiate a Change Notice;
- (iii) initiate a Dispute Resolution Procedure; or
- (iv) notwithstanding any provision to the contrary in the Statement of Work, terminate the Statement of Work under **Section 15.2**.

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

(e) The performance of any functions, activities, tasks, obligations, roles and responsibilities comprising the Services as described in this Contract and the applicable Statement of Work are considered part of the Services and, thus, will not be considered a Change. This includes the delivery of all Deliverables in accordance with their respective Specifications, and the diagnosis and correction of Non-Conformities discovered in Deliverables prior to their Acceptance by the State or, subsequent to their Acceptance by the State, as necessary for Contractor to fulfill its associated warranty requirements and its Maintenance and Support Services under this Contract and applicable Statement of Work.

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



3. Software. Contractor will design, develop, create, test, deliver, install, configure, integrate, customize and otherwise provide and make fully operational Software as described in the Statement of Work on a timely and professional basis in accordance with all terms, conditions, and Specifications set forth in this Contract and the Statement of Work.

3.1 Software Specifications. Prior to Acceptance, Contractor will ensure all Software complies with the Specifications. Contractor will provide all Software to the State in both Object Code and Source Code form.

3.2 Third-Party Materials. Unless otherwise specified in the Statement of Work:

(a) Contractor will not include in any Software, and operation of all Software in accordance with its Specifications and Documentation will not require, any Third-Party Materials, other than Approved Third-Party Materials, which must be specifically approved by the State and identified and described in the Statement of Work, and will be licensed to the State in accordance with **Section 14.3**.

(b) Contractor must secure, at its sole cost and expense, all necessary rights, licenses, consents, approvals, and authorizations necessary for the State to use, perpetually and throughout the universe, all Approved Third-Party Materials as incorporated in or otherwise used in conjunction with Software as specified in the Statement of Work or elsewhere in this Contract.

3.3 Open-Source Components. Contractor will not include in any Software, and operation of all Software in accordance with its Specifications and Documentation will not require the use of, any Open-Source Components, other than Approved Open-Source Components, which must be specifically approved by the State and identified and described in the Statement of Work, and for which the relevant open-source license(s) (each, an “**Open-Source License**”) are attached as exhibits to the Statement of Work. Contractor will provide the State with the Source Code for Approved Open-Source Components in accordance with the terms of the Open-Source License(s) at no cost to the State.

4. Documentation. Prior to or concurrently with the delivery of any Software, or by such earlier date as may be specified in the Implementation Plan for such Software, Contractor will provide the State with complete and accurate Documentation for such Software. Where the Statement of Work requires or permits delivery of Software in two or more phases, Contractor will also provide the State with integrated Documentation for the Aggregate Software upon its delivery.

4.1 Adequacy of Documentation. All Documentation must include all such information as may be reasonably necessary for the effective installation, testing, use, support, and maintenance of the applicable Software by the Intended User, including the effective configuration, integration, and systems administration of the Software and performance of all other functions set forth in the Specifications.

4.2 Documentation Specifications. Contractor will provide all Documentation in both hard copy and electronic form, in such formats and media as are set forth in the Statement of Work, or as the State may otherwise reasonably request in writing.



4.3 Third-Party Documentation. Other than Documentation for Approved Third-Party Materials and Approved Open-Source Components, no Documentation will consist of or include Third-Party Materials. To the extent Documentation consists of or includes Third-Party Materials, Contractor must secure, at its sole cost and expense, all rights, licenses, consents, approvals and authorizations specified in **Section 14.3** with respect to Approved Third-Party Materials.

5. Performance of Services. Contractor will provide all Services and Work Product in a timely, professional and workmanlike manner and in accordance with the terms, conditions, and Specifications set forth in this Contract and the Statement of Work.

5.1 State Standards.

(a) The Contractor must adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dmb/0,4568,7-150-56355-108233--,00.html>

(b) To the extent that Contractor has access to the State's computer system, Contractor must comply with the State's Acceptable Use Policy, see http://michigan.gov/cybersecurity/0,1607,7-217-34395_34476---,00.html. All Contractor Personnel will be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State's system. The State reserves the right to terminate Contractor's access to the State's system if a violation occurs.

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

5.2 Contractor Personnel.

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

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

- (i) ensure that such Contractor Personnel have the legal right to work in the United States;
- (ii) require such Contractor Personnel to execute written agreements that bind such Contractor Personnel to confidentiality provisions that are at least as protective of the State's information (including all Confidential Information) as those contained in this Contract and Intellectual Property Rights provisions that grant the State rights in the Work Product consistent with the provisions of **Section 13.1** and, upon the State's request, provide the State with a copy of each such executed written agreement; and



- (iii) if requested by the State, and at Contractor's sole cost and expense, conduct background checks on such Contractor Personnel, which background checks must comprise, at a minimum, a review of credit history, references and criminal record, in accordance with applicable Law.

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

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

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

(a) Contractor's Project Manager must:

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

(b) Contractor's Project Manager must attend all regularly scheduled meetings as set forth in the Implementation Plan, and will otherwise be available as set forth in the Statement of Work.

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

- (i) the State requests in writing the removal of Contractor's Project Manager;
- (ii) the State consents in writing to any removal requested by Contractor in writing;



- (iii) Contractor's Project Manager leaves the project for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, or resignation; or .
- (iv) Contractor's Project Manager leaves the project due to a for cause termination of employment, and Contractor identifies a replacement approved by the State in advance and assigns the replacement to shadow the Project Manager for a period of at least thirty (30) calendar days.

(d) Contractor will promptly replace its Project Manager on the occurrence of any event set forth in **Section 5.3(c)**. Such replacement will be subject to the State's prior written approval.

5.4 Contractor's Key Personnel.

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

(b) Contractor will not remove any Key Personnel from their assigned roles in the Statement of Work without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("**Unauthorized Removal**"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this the Statement of Work for cause under **Section 15.1**.

(c) It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Statement of Work, 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 15.1**, Contractor will issue to the State the corresponding credits set forth below (each, an "**Unauthorized Removal Credit**"):

- (i) For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be 3% of the value of the Statement of Work per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel's removal.



- (ii) If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 calendar days, in addition to the 3% of the value of the Statement of Work, Contractor will credit the State the value above divided by 30 per calendar day for each day of the 30 calendar-day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to 3% of the value of the Statement of Work maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30 calendar days of shadowing will not exceed 6% of the value of the Statement of Work per individual.

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

5.5 Subcontractors. With the exception of Contractor's affiliates, Contractor will not, without the prior written approval of the State, which consent may be given or withheld in the State's sole discretion, engage any Third Party to perform Services (including to create any Work Product). The State's approval of any such Third Party (each Contractor affiliate and approved Third Party, a "**Permitted Subcontractor**") does not relieve Contractor of its representations, warranties or obligations under this Contract and associated Statement(s) of Work. Without limiting the foregoing, Contractor will:

(a) be responsible and liable for the acts and omissions of each such Permitted Subcontractor (including such Permitted Subcontractor's employees who, to the extent providing Services or creating Work Product, shall be deemed Contractor Personnel) to the same extent as if such acts or omissions were by Contractor or its employees;

(b) name the State a third party beneficiary under Contractor's contract with each Permitted Subcontractor with respect to the Services and Work Product;

(c) be responsible for all fees and expenses payable to, by or on behalf of each Permitted Subcontractor in connection with this Contract and associated Statement(s) of Work, including, if applicable, withholding of income taxes, and the payment and withholding of social security and other payroll taxes, unemployment insurance, workers' compensation insurance payments and disability benefits; and

(d) prior to the provision of Services or creation of Work Product by any Permitted Subcontractor:

- (i) obtain from such Permitted Subcontractor confidentiality, work-for-hire and intellectual property rights assignment agreements giving the State rights consistent with those set forth in **Section 13.1** and **Section 21** and, upon request, provide the State with a fully-executed copy of each such contract; and



- (ii) with respect to all Permitted Subcontractor employees providing Services or Work Product, comply with its obligations under **Section 5.2(b)**.

6. State Obligations.

6.1 State Resources and Access. The State is responsible for:

- (a) providing the State Materials and such other resources as may be specified in the Statement of Work (collectively, "**State Resources**"); and

- (b) providing Contractor Personnel with such access to the Site(s) and Operating Environment as is necessary for Contractor to perform its obligations on a timely basis as set forth in the Statement of Work.

6.2 State Project Manager. Throughout the Term of the applicable Statement of Work, the State will maintain a State employee to serve as the State's Project Manager. The State's Project Manager will be identified in the Statement of Work. The State's Project Manager or designee will attend regularly scheduled meetings as set forth in the Implementation Plan and will otherwise be available as set forth in the Statement of Work.

7. Pre-Delivery Testing.

7.1 Testing By Contractor. Before delivering and installing any Software Deliverable, Contractor must:

- (a) test the Software component of such Software Deliverable to confirm that it is fully operable, meets all applicable Specifications and will function in accordance with the Specifications and Documentation when properly installed in the Operating Environment;

- (b) scan such Software Deliverable using industry standard scanning software and definitions to confirm it is free of Harmful Code;

- (c) remedy any Non-Conformity or Harmful Code identified and retest and rescan the Software Deliverable; and

- (d) prepare, test and, as necessary, revise the Documentation component of the Software Deliverable to confirm it is complete and accurate and conforms to all requirements of this Contract and applicable Statement of Work.

7.2 State Participation. The State has the right to be present for all pre-installation testing. Contractor must give the State at least fifteen (15) calendar days' prior notice of all such testing.

8. Delivery and Installation.

8.1 Delivery. Contractor will deliver each Deliverable, and install all Software, on or prior to the applicable Milestone Date in accordance with the delivery criteria set forth in the Statement of Work. Contractor will deliver each Software Deliverable, including complete Documentation in compliance with **Section 4**, and the



applicable Source Code. No Software Deliverable will be deemed to have been delivered or installed unless it complies with the preceding sentence.

8.2 Site Preparation. As specified in the Statement of Work, the State or Contractor is responsible for ensuring the relevant Operating Environment is set up and in working order to allow Contractor to deliver and install each Software Deliverable on or prior to the applicable Milestone Date. Contractor will provide the State with such notice as is specified in the Statement of Work, prior to delivery of each such Software Deliverable to give the State sufficient time to prepare for Contractor's delivery and installation of the Software Deliverable. If the State is responsible for Site preparation, Contractor will provide such assistance as the State requests to complete such preparation on a timely basis.

9. Acceptance Testing; Acceptance. Unless otherwise specified in the Statement of Work, the timeframes set forth below will control:

9.1 Acceptance Testing.

(a) Upon installation of each Software Deliverable, Acceptance Tests will be conducted as set forth in this **Section 9.1** to ensure the Software Deliverable, including all Software and Documentation, conforms to the requirements of this Contract, including the applicable Specifications and, in the case of the Software, the Documentation.

(b) All Acceptance Tests will take place at the designated Site(s) in the Operating Environment described in the Statement of Work for the Software Deliverable, commence on the Business Day following installation of such Software Deliverable and be conducted diligently for up to thirty (30) Business Days, or such other period as may be set forth in the Statement of Work (the "**Testing Period**"). Acceptance Tests will be conducted by the party responsible as set forth in the Statement of Work or, if the Statement of Work does not specify, the State, provided that:

- (i) for Acceptance Tests conducted by the State, if requested by the State, Contractor will make suitable Contractor Personnel available to observe or participate in such Acceptance Tests; and
- (ii) for Acceptance Tests conducted by Contractor, the State has the right to observe or participate in all or any part of such Acceptance Tests.

Contractor is solely responsible for all of Contractor's costs and expenses related to Contractor's performance of, participation in, and observation of Acceptance Testing.

(c) Upon delivery and installation of the Aggregate Software under the Statement of Work, additional Acceptance Tests will be performed on the Aggregate Software as a whole to ensure full operability, integration, and compatibility among all elements of the Aggregate Software ("**Integration Testing**"). Integration Testing is subject to all procedural and other terms and conditions set forth in **Section 9.1**, **Section 9.3**, and **Section 9.4**.



(d) The State may suspend Acceptance Tests and the corresponding Testing Period by written notice to Contractor if the State discovers a material Non-Conformity of a nature that makes continued testing impractical or non-productive in the tested Software Deliverable or part or feature of such Software Deliverable. In such event, Contractor will immediately, and in any case within ten (10) Business Days, correct such Non-Conformity (or proceed temporarily using a work-around that has been authorized by the State while the issue is being permanently resolved), whereupon the Acceptance Tests and Testing Period will resume for the balance of the Testing Period.

9.2 Notices of Completion, Non-Conformities, and Acceptance. Within fifteen (15) Business Days following the completion of any Acceptance Tests, including any Integration Testing, the party responsible for conducting the tests will prepare and provide to the other party written notice of the completion of the tests. Such notice must include a report describing in reasonable detail the tests conducted and the results of such tests, including any uncorrected Non-Conformity in the tested Software Deliverables.

(a) If such notice is provided by either party and identifies any Non-Conformities, the parties' rights, remedies, and obligations will be as set forth in **Section 9.3** and **Section 9.4**.

(b) If such notice is provided by the State, is signed by the State's Business Owner and Project Manager, and identifies no Non-Conformities, such notice constitutes the State's Acceptance of such Software Deliverable or Aggregate Software.

(c) If such notice is provided by Contractor and identifies no Non-Conformities, the State will have thirty (30) Business Days to use such Software Deliverable in the Operating Environment and determine, based upon Specifications and Documentation, that such Software Deliverable or Aggregate Software contains no Non-Conformities, on the completion of which the State will, as appropriate:

- (i) notify Contractor in writing of Non-Conformities the State has observed in the Software Deliverable or, in the case of Integration Testing, Aggregate Software, and of the State's non-acceptance thereof, whereupon the parties' rights, remedies and obligations will be as set forth in **Section 9.3** and **Section 9.4**; or
- (ii) provide Contractor with a written notice of its Acceptance of such Software Deliverable or Aggregate Software, which must be signed by the State's Business Owner and Project Manager.

9.3 Failure of Acceptance Tests. If Acceptance Tests identify any Non-Conformities, Contractor, at Contractor's sole cost and expense, will remedy all such Non-Conformities and re-deliver the Software Deliverables, in accordance with the requirements set forth in the Statement of Work. Redelivery will occur as promptly as commercially possible and, in any case, within thirty (30) Business Days following, as applicable, Contractor's:

(a) completion of such Acceptance Tests, in the case of Acceptance Tests conducted by Contractor;
or



(b) receipt of the State's notice under **Section 9.1(a)** or **Section 9.2(c)(i)**, identifying any Non-Conformities.

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

(a) continue the process set forth in this **Section 9**;

(b) accept the Software Deliverable as a nonconforming deliverable, in which case the Fees related to such Software Deliverable will be reduced equitably to reflect the value of the Software Deliverable as received relative to the value of the Software Deliverable had it conformed; or

(c) deem the failure to be a non-curable material breach of this Contract and the Statement of Work and terminate the Statement of Work for cause in accordance with **Section 15.1**.

9.5 Acceptance. Acceptance ("**Acceptance**") of each Software Deliverable (subject, where applicable, to the State's right to Integration Testing) and Aggregate Software will occur on the date that is the earliest of:

(a) the State's delivery of a notice accepting such Software Deliverable under Section 9.2(b), or Section 9.2(c)(ii);

(b) solely if the State is responsible for performing such Acceptance Tests or Integration Testing, five (5) Business Days after expiration of the Testing Period if the State has not notified Contractor of one or more Non-Conformities prior to such date; or

(c) solely if Contractor is responsible for performing such Acceptance Tests or Integration Tests, thirty-five (35) business days after the State receives Contractor's Notice of Completion in accordance with Section 9.2(c), if the State fails to respond to such Notice of Completion prior to such date.

10. Training; Maintenance and Support.

10.1 Training. With respect to all Software, Contractor will provide the State with training as set forth in the Statement of Work at the rates specified in the Pricing Schedule set forth in **Schedule C**.

10.2 Maintenance and Support. With respect to all Software, Contractor will provide the State with the Maintenance and Support Services as set forth in the Maintenance and Support Schedule attached to the Statement of Work, if any.

11. Fees.



11.1 Fees. Subject to all terms and conditions set forth in this **Section 11** and Contractor's performance of Services in accordance with the requirements of the Statement of Work and the State's Acceptance of the applicable Deliverables, the State will pay the fees set forth in the Statement of Work ("**Fees**"). All such Fees will be determined in accordance with the fees, billing rates, and discounts ("**Pricing**") set forth in **Schedule C** (the "**Pricing Schedule**").

11.2 Firm Pricing. The Pricing set forth in the Pricing Schedule is firm and may not be modified during the Term.

11.3 Administrative Fee And Reporting.

(a) The Contractor must remit an administrative fee of **1%** on all payments remitted to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions). Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales.

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

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

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

12. Invoices and Payment.

12.1 Invoices. Contractor will invoice the State for Fees in accordance with the requirements set forth in the Statement of Work, including any requirements that condition the rendering of invoices and the payment of Fees upon the successful completion of Milestones. Contractor must submit each invoice in both hard copy and electronic format, via such delivery means and to such address as are specified by the State in the Statement of Work. Each separate invoice must:

(a) clearly identify the Contract to which it relates, in such manner as is required by the State;

(b) list each Fee item separately;

(c) include sufficient detail for each line item to enable the State to satisfy its accounting and charge-back requirements;



(d) for Fees determined on a time and materials basis, report details regarding the number of hours performed during the billing period, the skill or labor category for such Contractor Personnel and the applicable hourly billing rates; and

(e) include such other information as may be required by the State as set forth in the Statement of Work.

12.2 Payment. Invoices are due and payable by the State, in accordance with the State's standard payment procedures as specified in 1984 Public Act no. 279, MCL 17.51, *et seq.*, within forty-five (45) calendar days after receipt, provided that the invoice was properly rendered in accordance with the Statement of Work. The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/cpexpress> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment.

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

12.4 Withhold Remedy.

(a) The State may withhold from payment any amount disputed by the State in good faith, pending resolution of the dispute, provided that the State:

- (i) timely pays all amounts not subject to dispute;
- (ii) notifies Contractor of the dispute prior to the due date of the properly issued invoice, specifying in such notice (i) the amount in dispute, and (ii) the reason for the dispute set out in sufficient detail to facilitate investigation by Contractor and resolution by the parties;
- (iii) works with Contractor to resolve the dispute promptly through the Dispute Resolution Procedure; and
- (iv) promptly pays any amount determined to be due by resolution of the dispute.

(b) Contractor shall continue performing its obligations in accordance with the Statement of Work notwithstanding any such dispute or actual or alleged nonpayment that is the subject of the dispute, pending its resolution in accordance with the Dispute Resolution Procedure.



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

12.6 Payment Does Not Imply Acceptance. The making of any payment by the State, or Contractor's receipt of payment, will in no way affect the responsibility of Contractor to perform the Services in accordance with this Contract and applicable Statement of Work, and will not imply the State's acceptance of any Services or Deliverables or the waiver of any warranties or requirements of this Contract and applicable Statement of Work.

13. Intellectual Property Rights.

13.1 State Ownership of Work Product. Except as set forth in **Section 13.3**, the State is and will be the sole and exclusive owner of all right, title, and interest in and to all Work Product, including all Intellectual Property Rights. In furtherance of the foregoing, subject to **Section 13.3**:

(a) Contractor will create all Work Product as work made for hire as defined in Section 101 of the Copyright Act of 1976; and

(b) to the extent any Work Product or Intellectual Property Rights do not qualify as, or otherwise fails to be, work made for hire, Contractor hereby:

- (i) assigns, transfers, and otherwise conveys to the State, irrevocably and in perpetuity, throughout the universe, all right, title, and interest in and to such Work Product, including all Intellectual Property Rights; and
- (ii) irrevocably waives any and all claims Contractor may now or hereafter have in any jurisdiction to so-called "moral rights" or rights of *droit moral* with respect to the Work Product.

13.2 Further Actions. Contractor will, and will cause the Contractor Personnel to, take all appropriate action and execute and deliver all documents, necessary or reasonably requested by the State to effectuate any of the provisions or purposes of **Section 13.1**, or otherwise as may be necessary or useful for the State to prosecute, register, perfect, record, or enforce its rights in or to any Work Product or any Intellectual Property Right therein. Contractor hereby appoints the State as Contractor's attorney-in-fact with full irrevocable power and authority to effectuate any of the provisions or purposes of **Section 13.1** if Contractor refuses, or within a reasonable period otherwise fails, to do so.

13.3 Background Technology, Approved Third-Party Materials, and Open-Source Components.



(a) Contractor is and will remain the sole and exclusive owner of all right, title, and interest in and to the Background Technology, and any enhancements or modifications made to such Background Technology, including all Intellectual Property Rights therein, subject to the license granted in **Section 14.1**.

(b) Ownership of all Approved Third-Party Materials, and all Intellectual Property Rights therein, is and will remain with its respective owners, subject to any express licenses or sublicenses granted to the State under this Contract.

(c) Ownership of all Open-Source Components, and all Intellectual Property Rights therein, is and will remain with its respective owners, subject to the State's rights under the applicable Open-Source Licenses.

13.4 State Materials. The State will remain the sole and exclusive owners of all right, title, and interest in and to State Materials, including all Intellectual Property Rights therein. Contractor will have no right or license to, and will not, use any State Materials except solely during the Term of this Contract for which they are provided to the extent necessary to perform the Services and provide the Work Product to the State. All other rights in and to the State Materials are expressly reserved by the State.

13.5 Contractor will not be precluded from developing for itself, or for others, materials that are competitive with, or developed for similar purposes, as the Services, irrespective of their similarity to the Deliverables; provided, that this is done without use of the State's Confidential Information as defined in **Section 22**. Neither party will be restricted from using general underlying methodologies or techniques learned or used in the course of performing, or developed during the performance of this Contract.

14. Licenses. Unless otherwise set forth in the Statement of Work:

14.1 Background Technology License. Contractor hereby grants to the State such rights and licenses with respect to the Background Technology contained in or necessary for use of the Work Product that will allow the State to use and otherwise exploit perpetually throughout the universe for all or any purposes whatsoever the Work Product, to the same extent as if the State owned the Background Technology, without incurring any fees or costs to Contractor (other than the Fees set forth under this Contract and applicable Statement of Work) or any other Person in respect of the Background Technology. In furtherance of the foregoing, such rights and licenses will:

(a) be irrevocable, perpetual, fully paid-up and royalty-free;

(b) include the rights to use, reproduce, perform (publicly or otherwise), display (publicly or otherwise), modify, improve, create Derivative Works of, distribute, import, make, have made, sell and offer to sell the Background Technology, including all such modifications, improvements and Derivative Works thereof, solely as part of, or as necessary to use and exploit, the Work Product; and

(c) be freely assignable and sublicensable, in each case solely in connection with the assignment or licensing of the Work Product or any portion, modification, or Derivative Work thereof, and only to the extent



necessary to allow the assignee or sublicensee, as the case may be, to use and exploit the Work Product or portion, modification, improvement, or Derivative Work thereof.

14.2 State Materials. The State hereby grants to Contractor the limited, royalty-free, non-exclusive right and license to State Materials solely as necessary to incorporate such State Materials into, or otherwise use such State Materials in connection with creating, the Work Product. The term of such license will commence upon the State's delivery of the State Materials to Contractor, and will terminate upon the State's acceptance or rejection of the Work Product to which the State Materials relate. Subject to the foregoing license, the State reserves all rights in the State Materials. All State Materials are considered Confidential Information of the State.

14.3 Approved Third-Party Materials.

(a) Prior to the delivery date for any Deliverables under the Statement of Work, Contractor will secure for the State, at Contractor's sole cost and expense, such rights, licenses, consents and approvals for any Approved Third-Party Materials, that will allow the State to use and otherwise exploit perpetually throughout the universe for all or any purposes whatsoever the Work Product, to the same extent as if the State owned the Approved Third-Party Materials, without incurring any fees or costs to any Third-Party (other than the Fees set forth under this Contract and applicable Statement of Work) in respect of the Approved Third-Party Materials.

(b) All royalties, license fees, or other consideration payable in respect of such licenses are included in the Fees specified in the Statement of Work. Any additional amounts will be the sole responsibility of Contractor.

(c) Contractor acknowledges that the State cannot indemnify any third parties, including but not limited to any third-party software providers that provide Third-Party Materials, and that notwithstanding anything to the contrary contained in any third-party software license agreement or end user license agreement, the State will not indemnify any third-party software provider for any reason whatsoever.

14.4 Open-Source Components. Any use of the Open-Source Components by the State will be governed by, and subject to, the terms and conditions of the applicable Open-Source Licenses.

15. Termination, Expiration, Transition. The State may terminate this Contract, the Maintenance and Support Services for all or any Software, or any Statement of Work, in accordance with the following:

15.1 Termination for Cause.

(a) The State may terminate this Contract or any Statement of Work for cause, effective upon written notice to the Contractor, if Contractor materially breaches this Contract or the Statement of Work, and such breach:

- (i) is incapable of cure;



- (ii) is a repeated breach; or
- (iii) being capable of cure, remains uncured for thirty (30) calendar days after the Contractor receives written notice thereof.

Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

(b) The State may terminate this Contract and all Statements of Work for cause, in whole or in part, effective upon written notice to the Contractor if Contractor becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor.

(c) If the State terminates this Contract or applicable Statement of Work under this **Section 15.1**, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of this Contract, the termination will be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in **Section 15.2**.

(d) The State will only pay for amounts due to Contractor for Services and Deliverables accepted by the State on or before the date of termination, subject to the State's right to set off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract or applicable Statement of Work. The Contractor, may at the State's sole option, be required to pay all reasonable costs incurred by the State in terminating this Contract or applicable Statement of Work for cause, including administrative costs, attorneys' fees, court costs, transition costs.

15.2 Termination for Convenience. The State may terminate this Contract or applicable Statement of Work with 15 days written notice in whole or in part, without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance as of the effective date of the termination, or (b) continue to perform in accordance with **Section 15.3**. If the State terminates this Contract or applicable Statement of Work for convenience, the State will pay all reasonable costs for State approved Transition Responsibilities. The State will pay for all services performed up to the effective date of termination. Notwithstanding the foregoing, if the State terminates this Contract or applicable Statement of Work for non-appropriation, the State will pay the Contractor for the above costs only to the extent funds allocated to the Statement of Work are available.

15.3 Termination by Contractor. If the State breaches a material provision of this Contract or any Statement of Work, then the Contractor will provide the State with written notice of the breach and a time period (not less than thirty (30) calendar days) to cure the breach. The Contractor may terminate this Contract or the applicable Statement of Work if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract, (ii) materially breaches its other obligations under this Contract or any Statement of Work to an extent that makes it impossible or commercially impractical for the Contractor to



perform the Services, or (iii) does not cure the material breach within the time period specified in a written notice of breach.

15.4 Transition Responsibilities. Upon termination or expiration of this Contract or applicable Statement of Work for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days, unless otherwise agreed to by the parties)(the “**Transition Period**”), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract to continue without interruption or adverse effect, and to facilitate the orderly transfer of the Services to the State or its designees. Such transition assistance may include but is not limited to: (a) continuing to perform the Services at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Services and Deliverables to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all State Materials and State Data; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed Deliverables prepared under this Contract or applicable Statement of Work as of the Contract or Statement of Work termination or expiration date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, the “**Transition Responsibilities**”). This Contract or applicable Statement of Work is automatically extended through the end of the Transition Period.

15.5 Effect of Expiration or Termination.

(a) Upon termination or expiration of this Contract or applicable Statement of Work for any reason:

- (i) Contractor will be obligated to perform all Transition Responsibilities specified in **Section 15.3**.
- (ii) All licenses granted to Contractor in the State Materials and State Data will immediately and automatically also terminate. Contractor must promptly return to the State all State Materials and State Data not required by Contractor for its Transition Responsibilities, if any.
- (iii) Contractor will (A) return to the State all documents and tangible materials (and any copies) containing, reflecting, incorporating, or based on the State's Confidential Information, (B) permanently erase the State's Confidential Information from its computer systems and (C) certify in writing to the State that it has complied with the requirements of this **Section 15.5(a)(iii)**, in each case to the extent such materials are not required by Contractor for Transition Responsibilities, if any.

(b) No expiration or termination of this Contract or applicable Statement of Work will affect the State's rights in any of the Deliverables that have already been paid for by the State.

15.6 Survival. This **Section 15** survives termination or expiration of this Contract.

16. Stop Work Order. The State may, at any time, order the Services of Contractor fully or partially stopped for its own convenience for up to thirty (30) calendar days at no additional cost to the State. The State will



provide Contractor a written notice detailing such suspension (a **“Stop Work Order”**). Contractor must comply with the Stop Work Order upon receipt. Within 30 days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Statement of Work. The parties will agree upon an equitable adjustment through the Change Control Process under **Section 2.4** to (i) extend the Milestone Dates under the Statement of Work; and (ii) adjust Contractor Personnel staffing requirements, if as a result of the Stop Work Order, Contractor is unable to timely meet all or any remaining Milestones under the Statement of Work or its staffing of the project is affected by such Stop Work Order.. The State will not pay for any Services, Contractor’s lost profits, or any additional compensation during a stop work period.

17. Contractor Representations and Warranties.

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

(a) It is duly organized, validly existing, and in good standing as a corporation or other entity as represented under this Contract under the laws and regulations of its jurisdiction of incorporation, organization, or chartering;

(b) It has the full right, power, and authority to enter into this Contract, to grant the rights and licenses granted under this Contract or applicable Statement of Work, and to perform its contractual obligations;

(c) The execution of this Contract or applicable Statement of Work by its Representative has been duly authorized by all necessary organizational action; and

(d) When executed and delivered by Contractor, this Contract will constitute the legal, valid, and binding obligation of Contractor, enforceable against Contractor in accordance with its terms.

17.2 Bid Response. Contractor represents and warrants to the State that:

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

(b) All written information furnished to the State by or for Contractor in connection with this Contract, including Contractor’s Bid Response, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading;

(c) Contractor is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was



terminated by the State within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract; and

(d) If any of the certifications, representations, or disclosures made in Contractor's Bid Response change after contract award, the Contractor is required to report those changes immediately to the Contract Administrator.

17.3 Software and Service. Contractor represents and warrants to the State that:

(a) It will perform all Services in a professional and workmanlike manner in accordance with industry standards and practices for similar services, using personnel with the requisite skill, experience and qualifications, and will devote adequate resources to meet its obligations under this Contract;

(b) It is in compliance with, and will perform all Services in compliance with, all applicable Law;

(c) The State will receive good and valid title to the Software, free and clear of all encumbrances and liens of any kind;

(d) When delivered and installed by Contractor, the Software will not contain any Harmful Code;

(e) The Software will not contain, or operate in such a way that it is compiled with or linked to, any Open-Source Components other than Approved Open-Source Components;

(f) The Software will not contain, or operate in such a way that it is compiled with or linked to, any Third-Party Materials other than Approved Third-Party Materials;

(g) The Software, including all updates, upgrades, new versions, new releases, enhancements, improvements and other modifications thereof, but excluding components comprising State Materials, Approved Third-Party Materials, and Open-Source Components, is or will be the original creation of Contractor;

(h) As delivered, installed, specified, or approved by Contractor and used by the State or any Third Party authorized by the State, the Software: (i) will not infringe, misappropriate, or otherwise violate any Intellectual Property Right of any third party; and (ii) will comply with all applicable Laws; and

(i) No expiration or loss of any patent or application for patent rights in the Software is pending, or, to Contractor's knowledge after reasonable inquiry, threatened or reasonably foreseeable, and Contractor has no reason to believe that any claims of any such patent or patent application are or will be invalid, unenforceable, fail to issue, or be materially limited or restricted beyond the current claims, except for patent rights expiring at the end of their statutory term.

17.4 Performance Warranty and Limited Remedy.

(a) Contractor warrants that during the Warranty Period



all Software will be, and as installed in the Operating Environment (or any successor thereto) and used in accordance with the Documentation will function in all respects, in conformity with this Contract and the Specifications and Documentation.

(b) If the Contractor breaches any of the warranties set forth in **Section 17.4(a)** Contractor will, upon written notice from the State and at Contractor's sole cost and expense, remedy such breach in accordance with the Maintenance and Support Schedule, including the time periods set forth in such schedule. In the event Contractor fails to remedy such breach on a timely basis, the State will be entitled to such remedies as are specified in the Maintenance and Support Schedule or as may otherwise be available under this Contract, at law or in equity for breach of its Maintenance and Support obligations. Nothing in this **Section 17.4(b)** limits the State's right to indemnification under **Section 18.1**.

17.5 State hereby represents and warrants that it has all necessary right and title to all State Material to allow Contractor to perform its Services hereunder.

EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, CONTRACTOR DOES NOT MAKE OR GIVE ANY REPRESENTATION OR WARRANTY OR CONDITION OF ANY KIND, WHETHER SUCH REPRESENTATION, WARRANTY, OR CONDITION BE EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY, QUALITY, OR FITNESS FOR A PARTICULAR PURPOSE OR ANY REPRESENTATION, WARRANTY OR CONDITION FROM COURSE OF DEALING OR USAGE OF TRADE. FURTHER, THE STATE ACKNOWLEDGES THAT CONTRACTOR CANNOT WARRANTY APPROVED THIRD PARTY MATERIALS.

18. Indemnification.

18.1 General Indemnification. Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, reasonable attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to Third Party claims related to: (a) any infringement, misappropriation, or other violation of any Intellectual Property Right of any Third Party; and (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to negligent or more culpable action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

18.2 Indemnification Procedure. The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations. The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; (iii) employ its own counsel; and to (iv) retain control of the defense, at its own cost and expense, if the State deems necessary. Contractor will not, without the State's prior written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to



terminate any claim, action, or proceeding. Any litigation activity on behalf of the State or any of its subdivisions, under this **Section 18**, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

18.3 Infringement Remedies.

(a) The remedies set forth in this **Section 18.3** are in addition to, and not in lieu of, all other remedies that may be available to the State under this Contract or otherwise, including the State's right to be indemnified for such actions.

(b) If any Software or any component thereof, other than State Materials, is found to be infringing as set forth in Section 18.1, or if any use of any Software or any component thereof is enjoined, threatened to be enjoined or otherwise the subject of an infringement claim, Contractor must, at Contractor's sole cost and expense:

- (i) procure for the State the right to continue to use such Software or component thereof to the full extent contemplated by this Contract and applicable Statement of Work; or
- (ii) modify or replace the materials that infringe as set forth in Section 18.1 or are alleged to infringe ("**Allegedly Infringing Materials**") to make the Software and all of its components non-infringing while providing fully equivalent features and functionality.

(c) If neither of the foregoing is possible notwithstanding Contractor's commercially reasonable efforts, then Contractor may direct the State to cease any use of any materials that have been enjoined or finally adjudicated as infringing, provided that Contractor will refund to the State all amounts paid by the State in respect of such Allegedly Infringing Materials and any other aspects of the Aggregate Software provided under the Statement of Work for the Allegedly Infringing Materials that the State cannot reasonably use as intended under this Contract or applicable Statement of Work.

(d) If Contractor directs the State to cease using any Software under **Section 18.3(c)**, the State may terminate this Contract or applicable Statement of Work for cause under **Section 15.1**.

(e) Contractor will have no liability for any claim of infringement arising solely from:

- (i) Use of the Software for other than its intended use, as reflected in the Statement of Work or Documentation;
- (ii) Contractor's compliance with any designs, specifications, or instructions of the State;
- (iii) Modification of the Software by the State without the prior knowledge and approval of Contractor; or



- (iv) Failure to use modifications or enhancements made available at no cost to the State by Contractor, provided Contractor has given the State written notice of such modification or enhancement, and such modification or enhancement will not degrade the Software performance,

unless the claim arose against the Software independently of any of the above specified actions.

19. Liquidated Damages.

(a) The parties agree that any delay or failure by Contractor to timely perform its obligations in accordance with the Implementation Plan and Milestone Dates agreed to by the parties may interfere with the proper and timely implementation of the Software, to the loss and damage of the State. Further, the State may incur major costs to perform the obligations that would have otherwise been performed by Contractor. The parties understand and agree that any liquidated damages Contractor must pay to the State as a result of such nonperformance are described in the Statement of Work, and that these amounts are reasonable estimates of the State's damages in accordance with applicable Law.

(b) The parties acknowledge and agree that Contractor could incur liquidated damages for more than one event if Contractor fails to timely perform its obligations by each Milestone Date.

(c) The assessment of liquidated damages will not constitute a waiver or release of any other remedy the State may have under this Contract for Contractor's breach of this Contract, including without limitation, the State's right to terminate this Contract or applicable Statement of Work for cause under **Section 15.1**, and the State will be entitled in its discretion to recover actual damages caused by Contractor's failure to perform its obligations under this Contract or applicable Statement of Work. However, the State will reduce such actual damages by the amounts of liquidated damages received for the same events causing the actual damages.

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

20. Damages Disclaimers and Limitations.

(a) Disclaimer of Damages. NEITHER PARTY WILL BE LIABLE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS AND LOST BUSINESS OPPORTUNITIES.

(b) Limitation of Liability. IN NO EVENT WILL EITHER PARTY'S AGGREGATE LIABILITY TO THE OTHER PARTY UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY



CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES SPECIFIED IN THE STATEMENT OF WORK.

(c) Exceptions. Subsections (a) (Disclaimer of Damages) and (b) (Limitation of Liability) above, shall not apply to:

- (i) Contractor's obligation to indemnify under **Section 18.1** of this Contract;
- (ii) Contractor's obligations under **Section 21.5** of this Contract (Compromise of State Data), subject to the Security Breach Indemnity Cap; and
- (iii) damages arising from either party's recklessness, bad faith, or intentional misconduct.

21. State Data.

21.1 Ownership. The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes the State's data collected, used, processed, stored, or generated as the result of the Services, including but not limited to (a) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Services, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (b) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Services, which is defined under the Health Insurance Portability and Accountability Act ("**HIPAA**") and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This **Section 21.1** survives termination or expiration of this Contract.

21.2 Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Services. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Services, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This **Section 21.2** survives termination or expiration of this Contract.

21.3 Extraction of State Data. Contractor must, within three (3) Business Days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not



limited to the payment of any fees due to Contractor), an extract of State Data in the format specified by the State.

21.4 Backup and Recovery of State Data. Contractor's backup and recovery obligations will be set forth in the Statement of Work.

21.5 Loss of Data. In the event of any Contractor act, error or omission, negligence, misconduct, or breach that compromises the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all Third Party claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with Contractor's breach of this Section; (g) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and (h) provide to the State a detailed plan within ten (10) calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. The State will have the option to review and approve any notification sent to affected individuals prior to its delivery. Notwithstanding anything to the contrary set forth in this Section or any other provision of this Contract, the aggregate liability of Contractor for damages under this Section shall not exceed the greater of One Million Dollars (\$1,000,000.00) or such other amount as set forth in the Statement of Work (the "**Security Breach Indemnity Cap**"). This **Section 21.5** survives termination or expiration of this Contract.

22. Confidential Information. Each party acknowledges that it may be exposed to or acquire communication or data of the other party that is confidential in nature and is not intended to be disclosed to third parties. This **Section 22** survives termination or expiration of this Contract.



22.1 Meaning of Confidential Information. The term “**Confidential Information**” means all information and documentation of a party that: (a) has been marked “confidential” or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked “confidential” or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked “confidential” or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term “Confidential Information” does not include any information or documentation that was or is: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party’s proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). Notwithstanding the above, in all cases and for all matters, State Data is deemed to be Confidential Information.

22.2 Obligation of Confidentiality. The parties agree to hold all Confidential Information in confidence, protecting in the same manner they protect its own similar Confidential Information, in no event using less than a reasonable standard of care, and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to the Contractor’s subcontractor is permissible where: (a) the subcontractor is a Permitted Subcontractor; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Permitted Subcontractor’s responsibilities; and (c) Contractor obligates the Permitted Subcontractor in a written contract to maintain the State’s Confidential Information in confidence. Each party is also entitled to disclose Confidential Information (i) as permitted under the Statement of Work; and (ii) as required by law, regulation or court order, provided that to the extent a receiving party is required to disclose Confidential Information pursuant to this subsection, the receiving party shall provide the furnishing party with notice of the legal request within one (1) Business Day of receipt, and assist the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party. At the State’s request, any of the Contractor’s Representatives may be required to execute a separate agreement to be bound by the provisions of this **Section 22.2**.

22.3 Cooperation to Prevent Disclosure of Confidential Information. Each party must use its reasonable efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract. Each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

22.4 Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be



inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.

22.5 Surrender of Confidential Information upon Termination. Upon termination or expiration of this Contract or a Statement of Work, in whole or in part, each party must, within five (5) calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control. If Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and certify the same in writing within five (5) calendar days from the date of termination to the other party.

23. Data Privacy and Information Security.

23.1 Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all Contractor Representatives comply with all of the foregoing. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT policies and standards, which are available at http://www.michigan.gov/dtmb/0,4568,7-150-56355_56579_56755---,00.html.

23.2 Right of Audit by the State. Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Services and from time to time during the term of this Contract. During the providing of Services, on an ongoing basis from time to time and without notice, the State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, upon request by the State, Contractor agrees to complete, within forty-five (45) calendar days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.

23.3 Audit Findings. With respect to State Data, Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.

23.4 State's Right to Termination for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Contract or the Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this **Section 23**.

**24. PCI Compliance, as required by the applicable Statement of Work. Undertaking by Contractor.**

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

24.1 Cooperation to Notify of Breach. The Contractor must notify the State's Contract Administrator, within 48 hours of discovery, of any breaches in security where cardholder data has been compromised. In that event, the Contractor must provide full cooperation to the card associations (e.g. Visa, MasterCard, and Discover) and state acquirer representative(s), or a PCI approved third party, to conduct a thorough security review. The review must validate compliance with the PCI Data Security Standard for protecting cardholder data. The Contractor must provide, at the request of the State, the results of such third party security review. At the State's sole discretion, the State may perform its own security review, either by itself or through a PCI approved third party.

24.2 Responsibilities for Costs Incurred. The Contractor is responsible for all costs incurred as the result of the breach. Costs may include, but are not limited to, fines/fees for non-compliance, card reissuance, credit monitoring, and any costs associated with a card association, PCI approved third party, or State initiated security review. Without limiting Contractor's obligations of indemnification as further described in this Contract, Contractor must indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the breach.

24.3 Disposing of Cardholder Data. The Contractor must dispose of cardholder data when it is no longer needed in compliance with PCI DSS policy. The Contractor must continue to treat cardholder data as Confidential upon contract termination.

24.4 Audit by Contractor. The Contractor must provide the State's Contract Administrator with an annual Attestation of Compliance or a Report on Compliance showing the contractor is in compliance with the PCI Data Security Standard. The Contractor must notify the State's Contract Administrator of all failures to comply with the PCI Data Security Standard.

25. CEPAS Electronic Receipt Processing Standard.

Reserved.

26. Records Maintenance, Inspection, Examination, and Audit.

26.1 Right of Audit. Upon written notice to the Contractor, the State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records (other than Contractor's internal costs to provide services) related to this Contract through the Term of this Contract and for four (4) years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Financial Audit Period**"). If



an audit, litigation, or other action involving the records is initiated before the end of the Financial Audit Period, Contractor must retain the records until all issues are resolved.

26.2 Right of Inspection. Within ten (10) calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises or any other places where Services are being performed, and examine, copy, and audit all records related to this Contract. Contractor must cooperate and provide reasonable assistance. If financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of this Contract must be paid or refunded within forty-five (45) calendar days.

26.3 Application. This **Section 26** applies to Contractor, any Affiliate, and any Permitted Subcontractor that performs Services in connection with this Contract.

27. Insurance Requirements.

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

Required Limits	Additional Requirements
Commercial General Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence Limit \$1,000,000 Personal & Advertising Injury Limit \$2,000,000 General Aggregate Limit \$2,000,000 Products/Completed Operations	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85 (blanket endorsement), or both CG 2010 07 04 and CG 2037 07 0.
Umbrella or Excess Liability Insurance	
<u>Minimal Limits:</u> \$5,000,000 General Aggregate	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using blanket endorsement..
Automobile Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Per Occurrence	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) include Hired and Non-Owned Automobile coverage.



Workers' Compensation Insurance	
<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
<u>Minimal Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	
Privacy and Security Liability (Cyber Liability) Insurance	
<u>Minimal Limits:</u> \$1,000,000 Each Claim \$1,000,000 Annual Aggregate	Contractor must have their policy cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.
Crime (Fidelity) Insurance	
<u>Minimal Limits:</u> \$1,000,000 Employee Theft Per Loss	Contractor must have their policy: (1) cover forgery and alteration, theft of money and securities, robbery and safe burglary, computer fraud, funds transfer fraud, money order and counterfeit currency, and (2) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as Joint Loss Payees.



27.2 If Contractor's policy contains limits higher than the minimum limits, the State is entitled to coverage to the extent of the higher limits, subject to Contractor's limitation of liability under Section 20(b). The minimum limits are not intended, and may not be construed to limit any liability or indemnity of Contractor to any indemnified party or other persons.

27.3 If any of the required policies provide claims-made coverage, the Contractor must: (a) provide coverage with a Retroactive Date before the effective date of the Contract or the beginning of contract work; and (b) maintain continuous coverage and provide evidence of coverage during the term of the Contract, and subject to the availability of commercially reasonable terms and conditions, for at least three (3) years after completion of work under this Contract.

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

28. Dispute Resolution.

28.1 Unless otherwise specified in the Statement of Work, the parties will endeavor to resolve any Contract dispute in accordance with **Section 28**. The initiating party will reduce its description of the dispute to writing (including all supporting documentation) and deliver it to the responding party's Project Manager. The responding party's Project Manager must respond in writing within five (5) Business Days. The initiating party has five (5) Business Days to review the response. If after such review resolution cannot be reached, both parties will have an additional five (5) Business Days to negotiate in good faith to resolve the dispute. If the dispute cannot be resolved within a total of fifteen (15) Business Days, the parties must submit the dispute to the parties' Contract Administrators. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

28.2 Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' Contract Administrators, and either Contract Administrator concludes that resolution is unlikely, or fails to respond within fifteen (15) Business Days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This **Section 28** does not limit the either party's right to terminate this Contract or applicable Statement of Work.

29. Miscellaneous.

29.1 Effect of Contractor Bankruptcy. All rights and licenses granted by Contractor under this Contract or applicable Statement of Work are and will be deemed to be rights and licenses to "intellectual property," and all Work Product is and will be deemed to be "embodiments" of "intellectual property," for purposes of, and as



such terms are used in and interpreted under, Section 365(n) of the United States Bankruptcy Code (the “Code”). If Contractor or its estate becomes subject to any bankruptcy or similar proceeding, the State retains and has the right to fully exercise all rights, licenses, elections, and protections under this Contract, the Code and all other applicable bankruptcy, insolvency, and similar Laws with respect to all Software and other Work Product. Without limiting the generality of the foregoing, Contractor acknowledges and agrees that, if Contractor or its estate shall become subject to any bankruptcy or similar proceeding:

(a) all rights and licenses granted to the State under this Contract or applicable Statement of Work will continue subject to the terms and conditions of this Contract, and will not be affected, even by Contractor's rejection of this Contract or applicable Statement of Work; and

(b) the State will be entitled to a complete duplicate of (or complete access to, as appropriate) all such intellectual property and embodiments of intellectual property comprising or relating to any Software or other Work Product, and the same, if not already in the State's possession, will be promptly delivered to the State, unless Contractor elects to and does in fact continue to perform all of its obligations under this Contract.

29.2 Conflicts and Ethics. Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This **Section 29.2** applies to Contractor, any Affiliate, and any Permitted Subcontractor that Performs Services in connection with this Contract.

29.3 Compliance with Laws. Contractor and its Representatives must comply with all Laws in connection with this Contract.

29.4 Nondiscrimination. Under the Elliott-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., Contractor and its Permitted Subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.

29.5 Unfair Labor Practice. Under MCL 423.324, the State may void any Contract or applicable Statement of Work with a Contractor or Permitted Subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.

29.6 Governing Law. This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in the Michigan Court of Claims. Complaints against the State must be initiated in Ingham County, Michigan.



Contractor waives any objections, such as lack of personal jurisdiction or forum non conveniens. Contractor must appoint agents in Michigan to receive service of process.

29.7 Non-Exclusivity. Nothing contained in this Contract is intended nor is to be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Services from other sources.

29.8 Force Majeure. Neither party will be liable or responsible to the other party, nor will be deemed to have defaulted under or breached this Contract, for any failure or delay in fulfilling or performing any term of this Contract, when and to the extent such failure or delay is caused by:

- (a) acts of God;
- (b) flood, fire or explosion;
- (c) war, terrorism, invasion, riot, or other civil unrest;
- (d) embargoes or blockades in effect on or after the date of this Contract;
- (e) national or regional emergency; or

(f) any passage of law or governmental order, rule, regulation or direction, or any action taken by a governmental or public authority, including imposing an embargo, export or import restriction, quota or other restriction or prohibition.

(each of the foregoing, a “**Force Majeure**”), in each case, provided that: (i) such event is outside the reasonable control of the affected party; (ii) the affected party provides prompt notice to the other party, stating the period of time the occurrence is expected to continue; and (iii) the affected party uses diligent efforts to end the failure or delay and minimize the effects of such Force Majeure event.

29.9 Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in this Contract or applicable Statement of Work is to be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

29.10 Media Releases. News releases (including promotional literature and commercial advertisements) pertaining to this Contract or project to which it relates must not be made without the prior written approval of the State, and then only in accordance with the explicit written instructions of the State.

29.11 Website Incorporation. The State is not bound by any content on Contractor’s website unless expressly incorporated directly into this Contract.



29.12 Notices. All notices, requests, consents, claims, demands, waivers and other communications under this Contract must be in writing and addressed to the parties as follows (or as otherwise specified by a party in a notice given in accordance with this **Section 29.12**):

If to Contractor: Accenture LLP

Julie R. Booth
Managing Director
3000 Town Center, # 2400
Southfield, MI 48075
313-887-2000
julie.r.booth@accenture.com

If to State: Christine Mitchell, Buyer Specialist

DTMB Procurement
Constitution Hall
525 W. Allegan St, 1st Flr NE
P.O. Box 30026
Lansing, MI 48909-7526
517-284-7020
Mitchellc4@michigan.gov

Notices sent in accordance with this **Section 29.12** will be deemed effectively given: (a) when received, if delivered by hand (with written confirmation of receipt); (b) when received, if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email (with confirmation of transmission), if sent during normal business hours of the recipient, and on the next Business Day, if sent after normal business hours of the recipient; or (d) on the fifth (5th) calendar day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid.

29.13 Headings. The headings in this Contract are for reference only and will not affect the interpretation of this Contract.

29.14 Entire Contract. This Contract, together with all Schedules, Exhibits, and the Statement of Work constitutes the sole and entire agreement of the parties to this Contract with respect to the subject matter of this Contract and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements made in the body of this Contract, the Schedules, Exhibits, and the Statement of Work, the following order of precedence governs: (a) first, this Contract, excluding its Exhibits, Schedules, and the Statement of Work; (b) second, the Statement of Work as of the Effective Date; and (c) third, the Exhibits and Schedules to this Contract as of the Effective Date.

29.15 Assignment. Contractor may not assign or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under this Contract, in each case whether voluntarily,



involuntarily, by operation of law or otherwise, without the State's prior written consent. For purposes of the preceding sentence, and without limiting its generality, any merger, consolidation or reorganization involving Contractor (regardless of whether Contractor is a surviving or disappearing entity) will be deemed to be a transfer of rights, obligations, or performance under this Contract for which the State's prior written consent is required. No delegation or other transfer will relieve Contractor of any of its obligations or performance under this Contract. Any purported assignment, delegation, or transfer in violation of this **Section 29.15** is void.

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

29.17 Amendment and Modification; Waiver. No amendment to or modification of this Contract is effective unless it is in writing, identified as an amendment to this Contract and signed by both parties Contract Administrator. Further, certain amendments to this Contract may require State Administrative Board Approval. No waiver by any party of any of the provisions of this Contract will be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Contract, no failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Contract will operate or be construed as a waiver. Nor will any single or partial exercise of any right, remedy, power or privilege under this Contract preclude the exercise of any other right, remedy, power or privilege.

29.18 Severability. If any term or provision of this Contract is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Contract or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal, or unenforceable, the parties must negotiate in good faith to modify this Contract so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions be consummated as originally contemplated to the greatest extent possible.

29.19 Equitable Relief. Each party acknowledges that a breach by a party of **Section 13** (Intellectual Property Rights; Ownership), **Section 21** (State Data), or **Section 22** (Confidential Information) may cause the non-breaching party immediate and irreparable harm, for which an award of damages would not be adequate compensation. Each party agrees that, in the event of such breach or threatened breach, the non-breaching party will be entitled to seek equitable relief, including in the form of orders for preliminary or permanent injunction, specific performance, and any other relief that may be available from any court. Such remedies will not be deemed to be exclusive but will be in addition to all other remedies available under this Contract, at law or in equity, subject to any express exclusions or limitations in this Contract to the contrary.

29.20 Counterparts. This Contract may be executed in counterparts, each of which will be deemed an original, but all of which together will be deemed to be one and the same Contract. A signed copy of this Contract delivered by email or other means of electronic transmission (to which a signed PDF copy is attached) will be deemed to have the same legal effect as delivery of an original signed copy of this Contract.



Mobile Application Development Prequalification

Schedule A

STATEMENT OF WORK (SOW)

1.000 Project Identification

1.001 Project Request

This Contract is for pre-qualification of the Contractor for the creation of Mobile applications for the State of Michigan. These Contracts were established with vendors pre-qualified through a competitive solicitation process. Each mobile application request will be competitively bid from the pool of Contracted pre-qualified candidates. This Schedule identifies the Contract requirements.

The following Contractors have been pre-qualified for this program:

1. Accenture - Southfield, MI
2. Deloitte Consulting LLP; Detroit, MI
3. Gravity Works - Lansing, MI
4. HTC Global Services - Troy, MI
5. IBM - Lansing, MI
6. Lochbridge - Lansing, MI
7. Magenic Technologies Inc - St Louis Park, MN
8. Mothic - Grand Rapids, MI
9. V 2 Soft - Bloomfield Hills, MI
10. 906 Technologies - Marquette, MI
11. Open Systems Technology (OST) - Grand Rapids, MI

1.002 Background

This is a Contract for a pre-qualified program providing application development services for Resident Mobile Applications (RMA) and mobile friendly web applications for the State of Michigan. Contractors must submit written proposals according to the instructions contained within this document, discussing how they will meet the specific requirements.

The State has awarded multiple contracts to service providers who are able to provide services specified in this Contract. Service providers awarded contracts will be eligible to bid on Statements of Work (SOW) issued by the Department of Technology, Management & Budget (DTMB) Mobile Center of Excellence (MCOE).



Contractors selected will be issued purchase orders for which the terms will be governed by this Contract and the SOW.

The State of Michigan has adopted a “mobile first”, customer-centric strategy for public facing applications acquired or created by or for State agencies. To that end, the MCOE has been established by the DTMB to serve as the steward and validator of standards for technology tools, security, user experience, branding, testing, and deployment of mobile application acquired or created by or for State agencies.

Over the next four years, the State aims to double the number of online services to 500 while ensuring that all public facing applications are mobile friendly. Meeting this goal will require significantly more resources than those currently dedicated to mobile application development. As such, the MCOE will require assistance from external service providers with experience and skills in the development of Resident Mobile Applications (RMA) and mobile friendly web applications.

The State’s objectives for the pool of prequalified mobile application development Contractors include:

- Ability to rapidly develop and implement RMA and mobile friendly mobile applications using State of Michigan approved technologies
- Consistent contract terms
- Consistent selection criteria and screening process
- Single point of contact for prequalified Contractors
- Consistent billing practices

Efficient and timely process to post SOWs, review Pre-qualified Contractor proposals, and award/issue Purchase Orders (PO)

1.100 Scope of Work and Deliverables

1.101 In Scope

Rapidly develop and implement RMA and mobile friendly mobile applications using State of Michigan approved technologies.

Each development project may consist of the following scope:

- Project Management
 - Project Planning
 - Project Tracking
 - Reporting
 - Facilitated Sessions
 - Validation and Verification
- Integration of Third Party Software
- Application Design
- Application Development
- Implementation



- Data Conversion
- Data Migration
- Configuration
- Customization
- Interfaces/Integration
- Testing
- Training
 - End user – in person or on the web
- Documentation
- Maintenance and Support
 - Help Desk
 - Onsite Technical Support
- Knowledge Transfer/Transition
- Other
 - Reserve bank of hours for future enhancements and/or legislative mandates

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

1.102 Out Of Scope

WILL BE IDENTIFIED IN SPECIFIC SOWS.

1.103 Environment

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

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and products provided as a result of this 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.

Enterprise IT Policies, Standards and Procedures:

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

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

It is recognized that technology changes rapidly. The Contractor may request, in writing, a change in the standard environment, providing justification for the requested change and all costs associated with any



change. The Mobile Center of Excellence must approve any changes, in writing, before work based on the changed environment may proceed.

Enterprise IT Security Policy and Procedures:

<http://www.michigan.gov/documents/dmb/1210.32.pdf>

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

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

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

The State's security environment includes:

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

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

Any additional Agency specific security requirements above and beyond the enterprise requirements and standard terms and conditions stated in Article 2 will be provided as part of the Agency Specific SOW's.

ADA Compliance

Contractor shall comply with and adhere to the Accessibility Standards of Section 508 of the Rehabilitation Act of 1973, including any more specific requirements set forth in an applicable Statement of Work. See DTMB Policy at http://www.michigan.gov/documents/dmb/1650.00_209567_7.pdf?20151026134621.

State of Michigan Look and Feel Standard

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

The State Unified Information Technology Environment (SUITE):

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

Agency Specific Technical Environment

As this is a pre-qualification program. Agency specific environments will vary. At the point of a new application request, any environment details which are necessary beyond the standards listed above, including provisions around look, feel, ADA and technology stack, will be identified in the SOW.

1.104 Work And Deliverables**I. Services and Deliverables To Be Provided**

Contractor must provide specified deliverables and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth in the SOW, including but not limited to those items listed below:

**A. Project Management**

Provide services as required by SOW issued by the MCOE. Each SOW will contain unique specifications and deliverables, as well as standard specifications such as, but not limited to:

1. Project management services, in adherence with State standards, including, but not limited to, planning, scheduling and documentation for the design and development of RMA or mobile friendly web application.
2. Adhere to DTMB standards for project management.

Deliverable(s)

- Documentation in accordance with the State of Michigan SUITE such as but not limited to:
 - Project Charter
 - Project Plan
 - Requirements
 - Status Reports

Acceptance Criteria

- Documentation adheres to DTMB standards for project management.
- Specific acceptance criteria to be outlined in each SOW.

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501. Any additional or more specific criteria will be identified in the SOW.

B. Application Design

Requirements gathering sessions by phone or live meeting, to confirm specific functionality required in application to determine final design plans.

1. User interface design for RMA or mobile friendly web application.
2. Functional design for RMA or mobile friendly web application.

Deliverable(s)

- Application design document.
- Prototypes, wire frames, or mock-ups.
- Additional deliverables to be defined in the Statement of Work.
- Statement of acknowledgement of ADA requirements.

Acceptance Criteria

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

- Specific acceptance criteria to be outlined in each SOW
- Application design adheres to the State of Michigan Look and Feel Standards
- Review and verification of compliance with the [Section 508 of the Rehabilitation Act](#) (29 U.S.C. 794d) as amended by the Workforce Investment Act of 1998, specifically Web Content Accessibility Guidelines (WCAG) 2.0AA.



C. Application Development

Contractor must utilize State technology stack to complete development.

1. Development for RMA or mobile friendly web application
2. Develop and implement web services or other data access tools necessary to accurately, efficiently, and securely access and/or update approved State agency data.
3. Unit, integration, and usability testing for RMA or mobile friendly web application.
4. All source code must be provided to the State and will be owned by the State for modification, enhancement, and maintenance.

Deliverable(s)

- Documented source code.
- Additional deliverables to be defined in the Statement of Work.
- Complete self-assessment for ADA compliance.

Acceptance Criteria

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

- Review and verification of compliance with the [Section 508 of the Rehabilitation Act](#) (29 U.S.C. 794d) as amended by the Workforce Investment Act of 1998, specifically Web Content Accessibility Guidelines (WCAG) 2.0AA. [WCAG](#).
- Delivery of working source code
- Verification of all IT tools necessary for production implementation and support of RMA or mobile friendly web applications are listed on the attached Enterprise Architecture Solution Assessment or approved through the MCOE.
- Verification of adherence to DTMB standards for technology tools, security, user experience, branding, testing, and deployment of RMA and mobile friendly web applications.
- Specific acceptance criteria to be outlined in each SOW.

D. Implementation

1. Unless otherwise stated in the SOW, all applications will be hosted and maintained by the State. Downloadable mobile applications must be deployed by the State's MCOE, through the State's enterprise accounts.
2. Contractor must provide appropriate system interfaces/integration as defined in the Statement of Work:
 - a. The State of Michigan must provide the name of the application(s) that the subject application must interface with, and information that will allow a bidder to provide an accurate price for the work requested, such as protocols, platform.

Deliverable(s)

- Plans must include:
 - Implementation Plan, including conversion, migration, configuration, customization and integration.
 - Test Plans and Scripts



- Software configuration management plan
- Services to implement the application, must include:
 - Data conversion
 - Data migration (may include transition of business operations to the new application)
 - Configuration
 - Customization
 - Interfaces/Integration
 - Additional deliverables to be defined in the Statement of Work
 - Testing, including UAT

Acceptance Criteria

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

- Specific acceptance criteria to be outlined in each SOW
- Successful completion of user acceptance testing as determined by State of Michigan

E. Training

Training requirements for each project will be defined within the SOW. All training manuals, training plans and other documentation provided become the property of the State.

F. Process for individual projects awarded against pre-qualified Contracts:

1. MCOE will issue each SOW to all pre-qualified Contractors on Buy4Mchigan.com. The SOW will identify the deliverables, period of performance, specific response information required, work evaluation and payment criteria, and any additional terms and conditions that may apply. The process for the State issuing and Contractor(s) responding to an SOW is as follows:
 - a. The State will issue a SOW to all pre-qualified Contractors with a timeline including due dates for questions, due dates for responses, and period of performance.
 - b. Contractor responses must follow criteria required in each SOW. Contractor pricing must not exceed rates provided in Exhibit C.
 - c. The State's selection will be based on a best value evaluation using the criteria identified in the SOW. Other selection criteria or tools which may be in the best interest of the State may be utilized to make a selection.

H. Documentation

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

Deliverable(s)

- Enterprise Architecture Solution Assessment and Security Review (DIT 170) documents
- Technical documentation for RMA or mobile friendly web application.



- Documentation and support necessary for the successful submission of RMA to Apple Store and Google Play.
- Data Element Dictionary
 - The Contractor must notify the State of any discrepancies or errors outlined in the system, operations, and user documentation.

Acceptance Criteria

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

- All system, operational, user, change, and issue documentation must be available in electronic format, published to an intranet website, accessible to State users, updated regularly, with unique numerical identifiers for each section and be consistent with the most current version of the application(s) and three (3) previous versions.
- All system, operations, user, change and issue documentation is to be organized in a format, which is approved by the State and facilitates updating and allows for revisions to the documentation to be clearly identified including the three (3) previous versions.
- The Contractor must develop and submit for State approval complete, accurate, and timely system, operations, and user documentation.
- Specific acceptance criteria to be outlined in each SOW

I. Operation Services

Reserved.

J. Maintenance and Support

There may be applications that require third party maintenance. In the event the State is not able to maintain the application in house, the requirements for this maintenance will be identified within each specific SOW.

Additional Requirements to be defined in each SOW.

K. Knowledge Transfer/Transition

1. Support and training for transition of production support for RMA or mobile friendly web application to State resources.
2. Technical documentation for State individuals who will be working with the services contractor to configure the applications including establishing databases and interfaces, data conversion, customization, and upgrading the customized software.
3. System administration training for State personnel who will be responsible for ongoing maintenance and administration of the system, including security
4. Contractor to provide 60 days of post implementation support to include issue identification, troubleshooting and resolution.

Deliverable(s)

- Support, training and transition materials to State Staff.

Acceptance Criteria

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



- Specific acceptance criteria to be outlined in each SOW

II. Requirements

Requirements for all future projects will be included in the SOW for the particular project.

A. Technical/General System Requirements

1. Technical/general system requirements will identify what the solution or product must run on or integrate with, including any standards that must be met, security requirements, service levels and interfaces.
2. Technical/general system requirements will also identify the general framework in which the system or product must work, such as: capacity requirements (number of users, concurrent users, number of transactions to be handled, peak usage), documentation, audit and backup and recovery.

B. Functional Requirements

Functional requirements identify what the product or system must do to enable performance of work tasks and any applicable service levels. Functional requirements will be provided with each SOW.

1.200 Roles and Responsibilities

1.201 Contractor Staff, Roles, And Responsibilities

A. Contractor Staff

The Contractor will provide resumes in Personnel Resume templates provided with each SOW bid through this program, listing qualifications and experience of each proposed staff member including subcontractors, who will be assigned to the project, indicating the duties/responsibilities and qualifications of such personnel, and stating the amount of time each will be assigned to the project. The competence of the personnel the Contractor proposes for the project will be measured by the candidate's education and experience with particular reference to experience on similar projects as described in the Statement of Work. The Contractor will commit the staff identified in its proposal to actually perform the assigned work.

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

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

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

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



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

- **Project Manager**
- **Developer**
- **Front-End UI Developer**
- **Application Architect**
- **Graphic Designer**

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

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

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

For any project SOW bid through this pre-qual program the contractor will also submit the following:

The contractor must submit a letter of commitment for Key Personnel, signed by the identified resource, stating their commitment to work for the contractor/subcontractor on this project contingent on award of the bid. If the identified personnel are currently assigned to a State project the contractor must provide a letter signed by the State Project Manager releasing the individual from the project upon execution of the contract.

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

B. Work Requirements

1. Location of Work

Most development work will be completed offsite.

**2. State Hours of Operation:**

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

3. Travel:

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

4. Additional Security and Background Check Requirements:

- a. Contractor must present certifications evidencing satisfactory Michigan State Police Background checks ICHAT and drug tests for all staff identified for assignment to this project.
- b. In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC) Finger Prints, if required by project.
- c. Contractor will pay for all costs associated with ensuring their staff meets all requirements.

Contractor must complete Personnel Resume Templates if included in the SOW.

1.202 State Staff, Roles, And Responsibilities

If the Contractor is working onsite, the State will provide the following resources for the Contractor's use on this project:

- Work space
- Minimal clerical support
- Desk
- Telephone
- Access to Printer
- Access to copiers and fax machine

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

A. Subject Matter Experts

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

The SME's will be empowered to:

1. Resolve project issues in a timely manner
2. Review project plan, status, and issues
3. Resolve deviations from project plan
4. Provide acceptance sign-off



5. Utilize change control procedures
6. Ensure timely availability of State resources
7. Make key implementation decisions, as identified by the Contractor's project manager, within 48-hours of their expected decision date.

B. State Project Manager- (MDTMB and Agency)

MDTMB may provide a Project Manager who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

When assigned, the State's Project Manager will provide the following services:

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

Name	Agency/Division	Title
	DTMB - IT	Project Manager
TBD	TBD (Agency)	Project Manager

C. Mobile Pre-Qualification Program Manager (DTMB MCOE)

DTMB will provide a Program Manager whose duties shall include supporting the management of the Contract. The Program Manager will perform a post project review of services delivered by the Contractor. This assessment will be documented in a Contract Compliance Report rating Contractor compliance to key deliverables including, but not limited to:

1. Quality of deliverables (met specifications)
2. Timeliness of deliverables (on schedule)
3. Accuracy of deliverables
4. Knowledge of Contractor staff
5. Timeliness and accuracy of invoices
6. Helpfulness, promptness and courtesy of Contractor support staff
7. Cost control of project by Contractor
8. Timeliness of required reports



9. Negative reviews may result in Contractor being removed from the pre-qualified program for a minimum of one year. Contractor may submit a proposal when Contract is re-issued to be added to the pre-qualified program again.
10. After each year of the Contract, the State will evaluate the pre-qualification program. If the Contractor did not bid on at least one SOW, the Contractor may be removed from the pre-qualified program. To be re-added, the Contractor must submit a proposal when the Contract is re-issued.
11. As part of the annual evaluation of the pre-qualification program, the State may opt to re-issue this Contract to increase the number and variety of pre-qualified contractors.

Name	Agency/Division	Title
	MDTMB	Program Manager

1.203 Other Roles And Responsibilities

A. DTMB MCOE Subject Matter Experts

Subject Matter Experts representing the MCOE may provide oversight and/or validation of application design and /or development to ensure compliance with State of Michigan standards.

When assigned, the MCOE SME's may provide the following:

1. Review of application for compliance with the [Section 508 of the Rehabilitation Act](#) (29 U.S.C. 794d) as amended by the Workforce Investment Act of 1998, specifically Web Content Accessibility Guidelines (WCAG) 2.0AA. [WCAG](#).
2. Review of application for compliance with State of Michigan look and feel standards.
3. Review of technology stack to validate compliance with State of Michigan standards.
4. Review of architecture to validate compliance with State of Michigan security standards.
5. Review of technical documentation.
6. Submission of RMA to Apple Store and Google Play.

B. DTMB Customer Service (CS) Support Team

When assigned, DTMB CS Support Team members may provide the following:

1. Validation of application architecture as related to accessing Agency specific data housed and/or maintained by the State.
2. Access to necessary data for use in application development and deployment as deemed necessary and appropriate by the Agency and by Michigan Cyber Security (MCS).
3. Assistance in application implementation as needed for hosting within or integration with the State of Michigan's IT infrastructure.
4. Post-implementation operational support of application after successful knowledge transfer from the Contractor.



(a) 1.300 Project Plan

1.301 Project Plan Management

A. Preliminary Project Plan

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

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

Note: A Final Project Plan will be required as stated in Schedule A, Section 1.301 (C) Project Control.

B. Performance Review Meetings

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

C. Project Control

1. The Contractor will carry out this project under the direction and control of MDTMB, MCOE and specific agency as identified in the SOW.
2. Within 5 working days of the execution of a Purchase Order (PO), the Contractor will submit to the State project manager(s) for final approval of the project plan. This project plan must be in agreement with Article 1, Section 1.104 Work and Deliverables, and must include the following:
 - a. The Contractor's project organizational structure.
 - b. The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
 - c. The project work breakdown structure (WBS) showing sub-projects, activities and tasks, and resources required and allocated to each.



- d. The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the WBS.
3. The Contractor will manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>
 - a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:
 - Staffing tables with names of personnel assigned to Contract tasks.
 - Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next 14 calendar days, updated semi-monthly).
 - Updates must include actual time spent on each task and a revised estimate to complete.
 - Graphs showing critical events, dependencies and decision points during the course of the Contract.
 - b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

1.302 Reports

Reporting formats must be submitted to the State's Project Manager for approval within 10 business days after the execution of this 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.

Reporting cycle to be agreed upon by the State's Project Manager and the Contractor and will be reflective of the Software Development Methodology used. At a minimum, reports must be provided on a monthly basis.

At a minimum, reports must include:

- Summary of activity during the report period
- Accomplishments during the report period
- Deliverable status
- Schedule status
- Action Item status
- Issues/Risks
- Change Control
- Repair status
- Maintenance Activity

1.400 Project Management

1.401 Issue Management

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

The Contractor shall maintain an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the State's Project Manager on an agreed upon



schedule, with email notifications and updates. The issue log must be updated and must contain the following minimum elements:

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

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

Level 1 – Business leads

Level 2 – Project Managers

Level 3 – Subject Matter Experts (SME's)

1.402 Risk Management

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

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

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

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

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

1.403 Change Management

Project Change Management is defined as the process to communicate, assess, monitor, and control all changes to system resources and processes.

The State also employs change management in its administration of the Contract.

Contract Change Management

If a proposed contract change is approved by the Agency, the Contract Administrator will submit a request for change to the Department of Technology, Management and Budget, Procurement Buyer, who will make recommendations to the Director of DTMB-Procurement regarding ultimate approval/disapproval of change request. If the DTMB Procurement Director agrees with the proposed modification, and all required approvals



are obtained (including State Administrative Board), the DTMB-Procurement Buyer will issue an addendum to the Contract, via a Contract Change Notice. **Contractors who provide products or services prior to the issuance of a Contract Change Notice by the DTMB-Procurement, risk non-payment for the out-of-scope/pricing products and/or services.**

The Contractor must employ change management procedures to handle such things as “out-of-scope” requests or changing business needs of the State while the migration is underway.

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

1.500 Acceptance

1.501 Criteria

Acceptance for each application must include the following:

- Application must perform the required functions correctly.
- Application must be intuitive and easily utilized without extensive training.
- Application must meet all DTMB standards for technology, look and feel, ADA, and usability.
- Application must be simple to maintain.

Acceptance/sign-off process:

- Testing and assessment of acceptability will be completed by a review team consisting of, staff from DTMB eMichigan and client agency.

1.600 Compensation and Payment

1.601 Compensation And Payment

Pricing shall be firm fixed by deliverable upon implementation, testing and sign-off by the SOM.

A. Method of Payment

The project will be paid against a Purchase Order released from the awarded Contract via Electronic Funds Transfer (EFT). The Costs Table(s) attached must be used as the format for submitting pricing information.

Cost Table attached as Schedule B.

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

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

B. Travel

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

C. Statements of Work and Issuance of Purchase Orders



1. Unless otherwise agreed by the parties, each Statement of Work will include:
 - a. Background
 - b. Project Objective
 - c. Scope of Work
 - d. Deliverables
 - e. Acceptance Criteria
 - f. Project Control and Reports
 - g. Specific Department Standards
 - h. Payment Schedule
 - i. Travel and Expenses
 - j. Project Contacts
 - k. Agency Responsibilities and Assumptions
 - l. Location of Where the Work is to be performed
 - m. Expected Contractor Work Hours and Conditions
2. The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Statements of Work or Purchase Orders (PO) executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this Contract. Contractor shall perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.

D. Invoicing

1. Contractor will submit properly itemized invoices to:

DTMB – Financial Services
Accounts Payable
P.O. Box 30026
Lansing, MI 48909
or
DTMB-Accounts-Payable@michigan.gov
2. Invoices must provide and itemize, as applicable:
 - a. Contract number;
 - b. Purchase Order number
 - c. Contractor name, address, phone number, and Federal Tax Identification Number;
 - d. Description of any commodities/hardware, including quantity ordered;
 - e. Date(s) of delivery and/or date(s) of installation and set up;
 - f. Price for each item, or Contractor's list price for each item and applicable discounts;
 - g. Maintenance charges;
 - h. Net invoice price for each item;
 - i. Shipping costs;
 - j. Other applicable charges;
 - k. Total invoice price; and
 - l. Payment terms, including any available prompt payment discount.



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

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

1.602 Holdback

The State shall have the right to hold back an amount equal to percent (5%) of total amounts invoiced by Contractor for each PO for Services/Deliverables. The amounts held back shall be released to Contractor after the State has granted Final Acceptance.



Schedule B – Pricing

Time and Materials (T&M) Labor Rate Tables

Note: The following categories are provided for vendor's convenience. If additional roles or materials are required, please provide relevant detail.

Response: Accenture's billing rate table includes the roles from the RFP, and some additional roles. We also include three rate types, as follows:

- Onsite Rate—consultants who work in Lansing
- Offsite Rate—consultants who work in a delivery center within the U.S.
- Offshore Rates—consultants who work in a delivery center in India

Roles	Onsite Rate	Offsite Rate	Offshore Rate
Client Account Lead	\$ 298.00	\$ -	\$ -
Sr. Mobility Advisor	\$ 370.00	\$ 319.00	\$ -
Project Manager	\$ 331.00	\$ 281.00	\$ 78.00
Business Analyst	\$ 219.00	\$ 169.00	\$ 55.00
System Analyst	\$ 224.00	\$ 174.00	\$ 38.00
Sr. Programmer/Developer	\$ 244.00	\$ 194.00	\$ 53.00
Programmer/Developer	\$ 220.00	\$ 170.00	\$ 46.00
Jr. Programmer/Developer	\$ 177.00	\$ 126.00	\$ 36.00
System Administrator	\$ 237.00	\$ 187.00	\$ 47.00
Sr. Database Administrator	\$ 275.00	\$ 224.00	\$ 75.00
Jr. Database Administrator	\$ 249.00	\$ 199.00	\$ 68.00
Q/A Manager	\$ 247.00	\$ 197.00	\$ 61.00
Tester	\$ 199.00	\$ 148.00	\$ 36.00
Jr. Tester	\$ 172.00	\$ 121.00	\$ 25.00
Security Specialist	\$ 343.00	\$ 293.00	\$ 83.00
Technical Writer	\$ 209.00	\$ 159.00	\$ 34.00
CM Specialist	\$ 292.00	\$ 241.00	\$ 56.00
System Architect	\$ 340.00	\$ 290.00	\$ 72.00
Network Engineer/Administrator	\$ 295.00	\$ 244.00	\$ 63.00
Software Architect	\$ 299.00	\$ 248.00	\$ 67.00
Project Assistant	\$ 121.00	\$ 71.00	\$ 20.00
Sr. Web Developer	\$ 244.00	\$ 194.00	\$ 53.00
Web Developer	\$ 220.00	\$ 170.00	\$ 46.00
Jr. Web Developer	\$ 177.00	\$ 126.00	\$ 36.00
Application Trainer	\$ 258.00	\$ 207.00	\$ 48.00
Sr. Visual Designer	\$ 325.00	\$ 275.00	\$ 60.00
Jr. Visual Designer	\$ 213.00	\$ 163.00	\$ 54.00
Mobility SMA (Inderpreet Singh)	\$ 348.00	\$ 298.00	\$ -

Table II: Billing Rates per Hour