STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
Department of Technology, Management, and Budget

320 S. WALNUT ST., LANSING, MICHIGAN 48933
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **11**

to

Contract Number **071B3200082**

CONTRACTOR	INTELLECTUAL TECHNOLOGY INC	
	2008 W. Sunset Road , suite 100	
	Henderson, NV 89014-2074	
	Drew Nicholson	
	260-459-8800	
	dnicholson@iti4dmv.com	
	CV0138422	

STATE	**Program Manager**	Various	MDOS
	Contract Administrator	Jeremy Lyon	DTMB
		(517) 230-2858	
		lyonj5@michigan.gov	

CONTRACT SUMMARY

COMMERCIAL DRIVER'S LICENSE AUTOMATED TESTING SYST

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
April 18, 2013	April 17, 2018	2 - 1 Year	April 17, 2025

PAYMENT TERMS	DELIVERY TIMEFRAME
NET 45	

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-Card	☐ PRC	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		April 17, 2025

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$5,296,930.76	$431,694.96	$5,728,625.72

DESCRIPTION

Effective 11/28/2023, this change is to add funding the amount of $431,694.96 for on going maintenance for FY24 to support the CDL Kiosk. Please see attached quote for reference.

All other terms, conditions, specifications, and pricing remain the same. Per Contractor and agency agreement, DTMB Central Procurement Services approval,
and State Administrative Board approval on 11/28/2023.

Program Managers
for
Multi-Agency and Statewide Contracts

AGENCY	NAME	PHONE	EMAIL
DTMB	Daniel Klodt	517-930-6368	KlodtD@michigan.gov
MDOS	Elizabeth Young	517-648-4315	YoungE1@michigan.gov

CUSTOMER QUOTE

Intellectual Technology, Inc.

2980 East Coliseum Blvd.
Fort Wayne, IN 46748
260-459-8800

Date: 10-16-2023
Quote: 2024 Fiscal Year Maintenance fees for K2D CDL.
Includes Quarterly K2D CDL – Maintenance and Support
for Kiosks & Quarterly K2D CDL – Hosting Fee

**Customer/Ship
To:**

Michigan Department of State
Lewis Cass Building
320 Walnut Street
Lansing, MI 48933
United States

ITEM #	DESCRIPTION	UNIT PRICE / TIMEFRAME / FREQUENCY	QUANTITY	LINE TOTAL
1	K2D CDL – Maintenance and Support for Kiosks	$214.46 / 10/2/2023 to 10/1/2024 / Quarterly	488	$418,625.92
2	K2D CDL – Hosting Fee	$3,267.26 / 10/2/2023 to 10/1/2024 / Quarterly	1	$13,069.04

1. Quotes valid for 30 days from issuance date and pricing is subject to change without notice.

2. All prices quoted are in US dollars and do not include applicable HST/GST.

TOTAL   **$431,694.96**

STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
Department of Technology, Management, and Budget
320 S. WALNUT ST., LANSING, MICHIGAN 48933
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **10**

to

Contract Number **071B3200082**

<table>
<tr><td rowspan="7">CONTRACTOR</td><td>INTELLECTUAL TECHNOLOGY INC</td><td rowspan="7">STATE</td><td>Program Manager</td><td>Various</td><td>MDOS</td></tr>
<tr><td>2008 W. Sunset Road , suite 100</td><td></td><td></td><td></td></tr>
<tr><td>Henderson, NV 89014-2074</td><td></td><td></td><td></td></tr>
<tr><td>Drew Nicholson</td><td rowspan="4">Contract Administrator</td><td>Jeremy Lyon</td><td>DTMB</td></tr>
<tr><td>260-459-8800</td><td>(517) 230-2858</td><td></td></tr>
<tr><td>dnicholson@iti4dmv.com</td><td>lyonj5@michigan.gov</td><td></td></tr>
<tr><td>CV0138422</td><td></td><td></td></tr>
</table>

CONTRACT SUMMARY

COMMERCIAL DRIVER'S LICENSE AUTOMATED TESTING SYST

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
April 18, 2013	April 17, 2018	2 - 1 Year	April 17, 2025

PAYMENT TERMS	DELIVERY TIMEFRAME
NET 45	

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-Card	☐ PRC	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		April 17, 2025

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$5,119,215.08	$1,715.68	$5,120,930.76

DESCRIPTION

Effective 7/19/2023, this change is to add funding for the 137 Detroit-Warren branch to cover cost for CDL Kiosk maintenance, in the amount of $1,715.68.

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

STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
Department of Technology, Management, and Budget
320 S. WALNUT ST., LANSING, MICHIGAN 48933
P.O. BOX 30026 LANSING, MICHIGAN 48909

<u>CONTRACT CHANGE NOTICE</u>

Change Notice Number **9**

to

Contract Number **071B3200082**

<table>
<tr><td rowspan="7">CONTRACTOR</td><td>INTELLECTUAL TECHNOLOGY INC</td><td rowspan="7">STATE</td><td>Program Manager</td><td>Various</td><td>MDOS</td></tr>
<tr><td>2008 W. Sunset Road , suite 100</td><td rowspan="2"></td><td></td><td></td></tr>
<tr><td>Henderson, NV 89014-2074</td><td></td><td></td></tr>
<tr><td>Drew Nicholson</td><td rowspan="4">Contract Administrator</td><td>Jeremy Lyon</td><td>DTMB</td></tr>
<tr><td>260-459-8800</td><td>(517) 230-2858</td><td></td></tr>
<tr><td>dnicholson@iti4dmv.com</td><td>lyonj5@michigan.gov</td><td></td></tr>
<tr><td>CV0138422</td><td></td><td></td></tr>
</table>

CONTRACT SUMMARY

COMMERCIAL DRIVER'S LICENSE AUTOMATED TESTING SYST

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
April 18, 2013	April 17, 2018	2 - 1 Year	April 17, 2023

PAYMENT TERMS	DELIVERY TIMEFRAME
NET 45	

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-Card	☐ PRC	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☒	2 years	April 17, 2025

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$5,119,215.08	$176,000.00	$5,295,215.08

DESCRIPTION

Effective 4/10/2023, this Contract is hereby extended 2 years. This extension will increase the contract an additional $176,000 to cover the extension period, with the agreed upon pricing in the contract. For further information please see attached document.

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement Services approval,
and State Administrative Board approval on 4/24/2023.

Automated Driver Skills Testing System Annual Maintenance For Michigan Department of State

April 7th, 2023

Provided by Intellectual Technology Inc.

Corporate Office: 2980 East Coliseum Blvd, Fort Wayne IN 46805.

ITI is pleased to provide the following quote for Michigan *RoadsScholar* automated skills testing system program.

PROGRAM MAINTENANCE COSTS:

This section describes software license and hardware maintenance fees associated with maintaining the program.

SOFTWARE LICENSING

Software licensing costs for various license types are outlined below. The software licensing cost for a test environment is at "no charge" as it is included with the Admin Site License fee.

Qty. 1   **Admin Site License @ $2,000.00 per license** **$2,000.00**
This license is for administrative users to access the system for administrative purposes as well as the UAT test environment.

Qty. 7   **Office Site Licenses @ $2,000.00 per license** **$14,000.00**
One per testing location. A Site License is required for each testing location to enable users at each office to access the testing system. Licensing for part-time offices can be prorated based on usage.

Qty. 20   **Skills Test Unit Licenses @ $1,700.00 per license** **$34,000.00**
Total quantity of Test (20) Units; one license is required for each skills test unit to provide access to the testing system. Note licenses are transferable between knowledge and skills test units.

Software Licensing Annual Fee Subtotal: **$50,000.00**

HARDWARE MAINTENANCE

Hardware maintenance includes full repair and replacement warranty on the tablets within the program.

Qty. 20   **Tablet Maintenance @ $1,800.00 per tablet** **$36,000.00**

Hardware Maintenance Annual Fee Subtotal: **$36,000.00**

SKILLS TEST COST SUMMARY:

The following section outlines all costs required to maintain a program for a Skills Testing System for one-year period.

Software Licensing Fees **$50,000.00**

Hardware Maintenance Cost **$38,000.00**

Total RoadsScholar Program Cost **$88,000.00**

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 **8**

to

Contract Number **071B3200082**

CONTRACTOR		STATE		
INTELLECTUAL TECHNOLOGY INC		Program Manager	Elizabeth Young	MDOS
2008 W. Sunset Road , suite 100			517-335-0287	
Henderson, NV 89014-2074			Young1@Michigan.gov	
Drew Nicholson		Contract Administrator	Jeremy Lyon	DTMB
260-459-8800			(517) 230-2858	
dnicholson@iti4dmv.com			lyonj5@michigan.gov	
CV0138422				

CONTRACT SUMMARY

COMMERCIAL DRIVER'S LICENSE AUTOMATED TESTING SYST

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
April 18, 2013	April 17, 2018	2 - 1 Year	April 17, 2022

PAYMENT TERMS	DELIVERY TIMEFRAME
NET 45	

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-Card	☐ PRC	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☒		☐		April 17, 2022

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$5,109,607.87	$9,607.21	$5,119,215.08

DESCRIPTION

Effective 3/21/2022 this change is to add 3 additional languages to the existing contract, This change will be adding funding for these languages in the amount of $9,607.21.

Spanish to non-CDL knowledge tests
Pashto/Dari for "MI Operator, Signs, True False - Dari and Pashto Text and Audio to include applicant strings, button labels and prompts"

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

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

<u>CONTRACT CHANGE NOTICE</u>

Change Notice Number **7**

to

Contract Number **071B3200082**

CONTRACTOR		STATE		
INTELLECTUAL TECHNOLOGY INC		**Program Manager**	Elizabeth Young	MDOS
2008 W. Sunset Road , suite 100			517-335-0287	
Henderson, NV 89014-2074			Young1@Michigan.gov	
Drew Nicholson		**Contract Administrator**	Jeremy Lyon	DTMB
260-459-8800			(517) 230-2858	
dnicholson@iti4dmv.com			lyonj5@michigan.gov	
CV0138422				

CONTRACT SUMMARY			
COMMERCIAL DRIVER'S LICENSE AUTOMATED TESTING SYST			
INITIAL EFFECTIVE DATE	**INITIAL EXPIRATION DATE**	**INITIAL AVAILABLE OPTIONS**	**EXPIRATION DATE BEFORE**
April 18, 2013	April 17, 2018	2 - 1 Year	April 17, 2022
PAYMENT TERMS		**DELIVERY TIMEFRAME**	
NET 45			
ALTERNATE PAYMENT OPTIONS			**EXTENDED PURCHASING**

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-Card	☐ PRC	☐ Other	☒ Yes	☐ No

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE				
OPTION	**LENGTH OF OPTION**	**EXTENSION**	**LENGTH OF EXTENSION**	**REVISED EXP. DATE**
☒	1	☐		April 17, 2023
CURRENT VALUE	**VALUE OF CHANGE NOTICE**	**ESTIMATED AGGREGATE CONTRACT VALUE**		
$4,681,344.27	$428,263.60	$5,109,607.87		

DESCRIPTION
Effective 3/29/2022, the parties exercise the final option year and add $428,263.60 to cover the cost of ongoing maintenance & support, per the attached pricing schedule. All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement Services approval, and State Administrative Board approval on 3/29/2022.

Pricing Schedule

	Price
484 Kiosk	$214.46
Per kiosk, per quarter	$103,798.64
X4 quarters (per year)	$415,194.56
Hosting per quarter	$3,267.26
Hosting X4 quarters (per year)	$13,069.05
Total Per Quarter (Kiosk and Hosting)	$107,065.90
Total Per Year (Kiosk and Hosting)	$428,263.60

CONTRACT CHANGE NOTICE

Change Notice Number **6**

to

Contract Number **071B3200082**

CURRENT CONTRACTOR		NEW CONTRACTOR	
SOLUTIONS THRU SOFTWARE INC.		INTELLECTUAL TECHNOLOGY INC	
2008 W. Sunset Road , suite 100		1945 Camino Vida Roble, Suite O	
Henderson, NV 89014-2074		Carlsbad, CA 92008-6529	
Drew Nicholson		Drew Nicholson	
260-459-8800		260-459-8800	
dnicholson@iti4dmv.com		dnicholson@iti4dmv.com	
CV0066994		CV0138422	

STATE CONTACTS				
Program Manager	Elizabeth Young	MDOS	Christopher Martin	DTMB
	517-335-0287		(517) 643-2833	
	Young1@Michigan.gov		martinc20@michigan.gov	

CONTRACT SUMMARY

COMMERCIAL DRIVER'S LICENSE AUTOMATED TESTING SYST

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
April 18, 2013	April 17, 2018	2 - 1 Year	April 17, 2022

PAYMENT TERMS	DELIVERY TIMEFRAME
NET 45	

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

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		April 17, 2022

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$4,681,344.27	$0.00	$4,681,344.27

DESCRIPTION

Effective 4/16/2021, Contract is updated to reflect the parent company Intellectual Technology Inc.

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

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 **071B3200082**

CONTRACTOR		STATE		
SOLUTIONS THRU SOFTWARE INC.		Program Manager	Elizabeth Young	MDOS
2008 W. Sunset Road , suite 100			517-335-0287	
Henderson, NV 89014-2074			Young1@Michigan.gov	
Drew Nicholson		Contract Administrator	Christopher Martin	DTMB
260-459-8800			(517) 643-2833	
dnicholson@iti4dmv.com			martinc20@michigan.gov	
CV0066994				

CONTRACT SUMMARY

COMMERCIAL DRIVER'S LICENSE AUTOMATED TESTING SYST

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
April 18, 2013	April 17, 2018	2 - 1 Year	April 17, 2021

PAYMENT TERMS	DELIVERY TIMEFRAME
NET 45	

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-Card	☐ PRC	☐ Other	☒ Yes	☐ No

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐	1-year	☐		April 17, 2022

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$4,681,344.27	$0.00	$4,681,344.27

DESCRIPTION

Effective 4/13/2021, the State exercises the first option year granted under the Useful Life Extension. The new expiration date will be 4/17/2022. The pricing will remain the same as the prior year with the following breakdown:

Maintenance and support for 484 Kiosks at $208.21 per Kiosk per quarter = $100,773.64 x 4 quarters = $403,094.56 per year. Hosting $3,172.10 per quarter x 4 quarters = $12,688.40 per year.

The total amount for the year is $415,782.96 using previously authorized funds.

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

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 **4**

to

Contract Number **071B3200082**

<table>
<tr><td rowspan="7">CONTRACTOR</td><td colspan="2">SOLUTIONS THRU SOFTWARE INC.</td><td rowspan="7">STATE</td><td>Program Manager</td><td>Elizabeth Young</td><td>MDOS</td></tr>
<tr><td colspan="2">2008 W. Sunset Road , suite 100</td><td></td><td colspan="2">517-335-0287</td></tr>
<tr><td colspan="2">Henderson, NV 89014-2074</td><td></td><td colspan="2">younge1@michigan.gov</td></tr>
<tr><td colspan="2">Drew Nicholson</td><td rowspan="3">Contract Administrator</td><td>Christopher Martin</td><td>DTMB</td></tr>
<tr><td colspan="2">260-459-8800</td><td colspan="2">517-643-2833</td></tr>
<tr><td colspan="2">dnicholson@iti4dmv.com</td><td colspan="2">martinc20@michigan.gov</td></tr>
<tr><td colspan="2">CV0066994</td><td></td><td></td><td></td></tr>
</table>

CONTRACT SUMMARY			
COMMERCIAL DRIVER'S LICENSE AUTOMATED TESTING SYST			
INITIAL EFFECTIVE DATE	**INITIAL EXPIRATION DATE**	**INITIAL AVAILABLE OPTIONS**	**EXPIRATION DATE BEFORE**
April 18, 2013	April 17, 2018	2 - 1 Year	April 17, 2020
PAYMENT TERMS		**DELIVERY TIMEFRAME**	
Net 45			
ALTERNATE PAYMENT OPTIONS			**EXTENDED PURCHASING**
☐ P-Card ☐ PRC ☐ Other			☐ Yes ☒ No
MINIMUM DELIVERY REQUIREMENTS			

DESCRIPTION OF CHANGE NOTICE				
OPTION	**LENGTH OF OPTION**	**EXTENSION**	**LENGTH OF EXTENSION**	**REVISED EXP. DATE**
☐	2, 1-year	☒	1-year	April 17, 2021
CURRENT VALUE	**VALUE OF CHANGE NOTICE**		**ESTIMATED AGGREGATE CONTRACT VALUE**	
$4,681,344.27	$0.00		$4,681,344.27	

DESCRIPTION

Effective 4/7/2020, this Contract is hereby granted a one year Useful Life Extension, with the option of two additional one year options. The revised contract expiration date is 4/17/2021. Pricing to remain the same as Option Year Two, from Table 3 of the original Contract. Maintenance and support for 484 Kiosks at $208.21 per Kiosk per quarter = $100,773.64 x 4 quarters = $403,094.56 per year. Hosting $3,172.10 per quarter x 4 quarter = $12,688.40 per year. Total amount of increase is $415,782.96 using previously authorized funds. See attached SOW regarding upgrading of kiosk hardware and operating software to Windows 10 at no additional cost. The Useful Life Extension also includes the continuation of the 3rd Party Testing Tablet Pilot that was started as part of CN 3. Incorporating the following change/correction to CN 3, SOW, Page 7, Section 5, Data Retention:

"5. DATA RETENTION Contract must meet the data retention schedule of a minimum of 7 years for business related data and documentation, including completed test forms in electronic format and all test data. Project-related data must be retained for 7 years. Data can be permanently deleted by ITI only after a permission is granted by MDOS."

Please note the Contract Administrator has been changed to Christopher Martin.

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement Services approval, and State Administrative Board approval on 4/7/2020.

MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK FOR IT CHANGE NOTICES

Project Title: **CDL Testing Kiosks**	**Period of Coverage:** **4/7/2020 – 4/17/2021**
Requesting Department: **MDOS/DTMB**	**Date:** **3/19/2020**
Agency Project Manager: **Elizabeth Young**	**Phone:** **517-335-0287**
DTMB Project Manager: **Dan Klodt**	**Phone:** **517-636-0234**

Brief Description of Services to be provided:

BACKGROUND:

Intellectual Technology, Inc. (ITI) is a leading provider of DMV software used throughout North America to increase the speed, visibility, and security of motor vehicle transactions. ITI solutions are turnkey and include integration, inventory management, maintenance, call center support, on-site service, printers, documents, supplies, and real time reporting tools.

PROJECT OBJECTIVE:

Continued maintenance and support of kiosks for CDL testing. The upgrade of hardware and operating software to Windows 10 for kiosks as needed.

SCOPE OF WORK:

- Vendor shall begin upgrade of all current testing stations to Windows 10 operating system beginning April 7, 2020 and completing by June 30, 2020.
- Vendor shall test Windows 10 operability with the State prior to scheduling upgrades in the State offices.
- State shall provide resources to assist proper testing of Windows 10 operability with the current software builds.
- State shall allow vendor to make any environment or software changes to vendor's software and systems to allow proper operability of the Windows 10 operating systems.
- State shall provide final approval of Windows 10 operability prior to scheduling upgrades in the State offices.
- State and vendor shall coordinate schedules to allow vendor engineers and technicians to perform upgrades at the State offices.
- Vendor shall perform on-site maintenance and upgrade to all testing stations during the upgrade period.
- Vendor shall provide replacement equipment for testing stations during on-site maintenance period and replace all defective or faulty equipment.
- Vendor shall keep complete log of all equipment and status of equipment.
- Vendor shall provide State with complete testing station analysis at end of Windows 10 deployment.

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them. Deliverables for this project include:

Upgrade of all existing Kiosks to Windows 10 operating software, including testing software to run on Windows 10, provide State with log of all equipment and status of equipment, complete analysis of the software/equipment testing after deployment.

ACCEPTANCE CRITERIA:

Successful Testing the Windows 10 operability with the current software builds, deployment of Windows 10 on all Kiosks and approval of the MDOS and DTMB project Managers.

PROJECT CONTROL AND REPORTS:

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

Accomplishments: Indicate what was worked on and what was completed during the current reporting period.

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, if any, in addition to DTMB standards. Same as those in original contract or updated in CN 3.

PAYMENT SCHEDULE:

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

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

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Elizabeth Young
MDOS
517-335-0287
younge1@michigan.gov

The designated DTMB Project Manager is:

Dan Klodt
DTMB
517-636-0234
klodtd@michigan.gov

AGENCY RESPONSIBILITIES:

State shall provide resources to assist proper testing of Windows 10 operability with the current software builds.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work at their place of work and on-site at various locations in Michigan where the testing kiosks are located.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

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

No overtime will be permitted.

PROJECT PLAN: Vendor to provide updated plan based upon changed time frame.

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 **071B3200082**

CONTRACTOR		STATE		
SOLUTIONS THRU SOFTWARE INC.		Program Manager	Don Lambert	MDOS
2008 W. Sunset Road , suite 100			517-636-4223	
Henderson, NV 89014-2074			lambertd@Michigan.gov	
Drew Nicholson		Contract Administrator	Marcy Sims	DTMB
260-459-8800			(517) 275-1132	
dnicholson@iti4dmv.com			simsm4@michigan.gov	
CV0066994				

CONTRACT SUMMARY

COMMERCIAL DRIVER'S LICENSE AUTOMATED TESTING SYST

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
April 18, 2013	April 17, 2018	2 - 1 Year	April 17, 2020

PAYMENT TERMS	DELIVERY TIMEFRAME

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-Card	☐ PRC	☐ Other	☐ Yes	☒ No

MINIMUM DELIVERY REQUIREMENTS

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		April 17, 2020

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$4,681,344.27	$0.00	$4,681,344.27

DESCRIPTION

Effective 8/27/2019, the following amendment is incorporated into this Contract per attached the attached SOW. This change includes the following: Scope, Pilot program for 3rd Party Testing via Tablets, Hardware, and integration with CSTIMS. The total value of this Change Notice is not to exceed $178,000.00 and is using previously authorized funds.

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

MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK FOR IT CHANGE NOTICES

Project Title: **CDL Tablet Testing**	**Period of Coverage:**9/15/2019-4/17/2020
Requesting Department: **Bureau of Traffic Safety**	**Date:** **9/16/2019**
Agency Business Owner **Kyle Binkley**	**Phone:** **(517) 241-6894**
State Project Manager: **TBD**	**Phone:**

SCHEDULE A

BACKGROUND:

Intellectual Technology, Inc. (ITI) is a leading provider of DMV software used throughout North America to increase the speed, visibility, and security of motor vehicle transactions. ITI solutions are turnkey and include integration, inventory management, maintenance, call center support, on-site service, printers, documents, supplies, and real time reporting tools.

The Michigan Department of State would like to begin working with ITI's RoadsScholar application to upgrade its Commercial Driver License skills test scoring practices. Current practices have each CDL examiner handwrite all applicant information, e.g. full name and DLN, on a paper score sheet in pencil. Paper does not provide adequate fraud protection of the applicant's personal information and can easily be manipulated.

PROJECT OBJECTIVE:

Using RoadsScholar, ITI will create an electronic version of Michigan's score sheet to allow examiners the ability to score the skills test electronically – eliminating the use of paper. The RoadsScholar application will then be preinstalled on tablets provided by ITI. The electronic version of the score sheet will only be accessible through a secure login providing a higher level of security for an applicant's personal information and increase fraud protection. The application will also provide driver testing section analysts the ability to use GPS to track skills tests routes and receive extensive test specific reports.

SCOPE OF WORK:

1. In Scope

Includes, but is not limited to the following tasks:

Project Management by PMP Certified Project Manager
- Project Plan creation and biweekly updates (via teleconference)
- Kick off meeting (remote via teleconference)
- Skills Testing Implementation

Implementation of a test system/sandbox for business practice development, system definition, testing, etc.

- Implementation of a Development environment for ITI use only.
- Implementation of a UAT environment for ITI use to test solution prior to SUAT release.
- Implementation of a State User Acceptance Testing (SUAT) environment. This environment will be for the use of ITI and the State to test solution prior to production release.
- Implementation of a Production environment for use of released solution to State and State agents.
- Integration of CSTIMS – pricing in Schedule C.
- Development and implementation of a reporting web-based repository. The repository will be available in the SUAT and Production environments.
- Pre-delivery configuration of the automated skills testing system including:
    - Configuration of *RoadsScholar* features to meet business rules requirements
    - UI customization using MI specific logos, messages, etc.
    - Preparation and integration of specific skills tests,
    - Test Question Item Pool management and implementation
    - System QA and Device Testing

Customer specific documentation including user and training manuals, etc:
- Hard copies and online User Manuals for Administrative, Operations, and Technical staff
- Training materials including user guides and admistrative manuals, study guides, job aids.
- Help menus and dialog boxes for the testing software application

Adjustments to the configuration of testing application software as required.
- Assistance with Skills Test tablets implementation and configuration procedures.

Onsite training of pilot test office administrative staff, training staff, and technical staff including help desk and installation staff members as required
- Assistance with the installation, configuration and testing of the skills test stations in the pilot test office(s)
- All labor and travel costs for ITI installation and training staff.

2. Out of Scope

RoadsScholar can be configured to utilize cellular connections/networks where data and results are pushed to ITI's server once exams are completed. ITI did not include cellular data service as part of the scope, if GPS enabled feature is desired the cellular data service will be the responsibility of the State or ITI has provided pricing for including cellular service in Schedule C

As an alternate option, the tablets are GPS enabled and GPS results are recorded during the test. The 3rd party agents can simply dock the tablets with Internet connectivity and the results will upload to ITI servers. The cellular connection is only necessary for real-time communication with ITI servers.

CARS systems integration is not part of the Scope of the Pilot. ITI will integrate with CSTIMS and develop this component in parallel with the other requirements, the integration with AAMVA could take more time than Project Schedule allows.

3. IT Policies, Standards and Procedures (PSP)
Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors must comply 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 comply with all applicable links provided below and state compliance in their response.

Public IT Policies, Standards and Procedures (PSP):
https://www.michigan.gov/dtmb/0,5552,7-358-82547_56579_56755---,00.html

Secure Web Application Standard
Contractor's solution must meet the State's Secure Application Development Standards as mandated by the State.

Secure Application Development Life Cycle (SADLC)
Contractor is required to meet the States Secure Application Development Life Cycle requirements that include:

Security Accreditation
Contractor is required to complete the State Security Accreditation process for the solution.

Application Scanning

Externally hosted solutions
Contractor is required to grant the right to the State to scan either the application code or a deployed version of the solution; or in lieu of the State performing a scan, Contractor will provide the State a vulnerabilities assessment after Contractor has used a State approved application scanning tool. These scans must be completed and provided to the State on a regular basis or at least for each major release.

For SaaS or vendor owned applications, Contractor, at its sole expense, must provide resources to complete the scanning and to complete the analysis, remediation and validation of vulnerabilities identified by the scan as required by the State Secure Web Application Standards.

Types of scanning and remediation may include the following types of scans and activities
- Dynamic Scanning for vulnerabilities, analysis, remediation and validation
- Static Scanning for vulnerabilities, analysis, remediation and validation
- Third Party and/or Open Source Scanning for vulnerabilities, analysis, remediation and validation

Infrastructure Scanning Externally hosted solutions
A Contractor providing Hosted Services must scan the infrastructure at least once every 30 days and provide the scan's assessment to the State in a format that can be uploaded by the State and used to track the remediation.

Acceptable Use Policy
To the extent that Contractor has access to the State's computer system, Contractor must comply with the State's Acceptable Use Policy, see
https://www.michigan.gov/documents/dtmb/1340.00.01_Acceptable_Use_of_Information_Technology_Standard_458958_7.pdf . 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.

Look and Feel Standard
All software items provided by the Contractor must adhere to the State of Michigan Application/Site Standards which can be found at www.michigan.gov/standards. The pilot will evaluate the compliance with the Look and Feel standards and inform the Agency Business Owner and State Project Manager of the any
recommendations, if applicable.

ITI will design the application User Interface to conform and in accordance to AAMVA CDL testing standards.

Mobile Responsiveness
The Contractor Solution must utilize responsive design practices to ensure the application is accessible via a mobile device. It is acknowledged that the RoadsScholar application will be tested and implemented only on the tablets identified in the SOW. Other mobile devices are out of scope for this project.

ADA Compliance
The State is required to comply with the Americans with Disabilities Act of 1990 (ADA), and has adopted a formal policy regarding accessibility requirements for websites and software applications. The State is requiring that Contractor Solution comply, where relevant, to level AA of the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0. Contractor may consider, where relevant, the W3C's Guidance on Applying WCAG 2.0 to Non-Web Information and Communications Technologies (WCAG2ICT) for non-web software and content.   The State may require that Contractor complete a Voluntary Product Accessibility Template for WCAG 2.0 (WCAG 2.0 VPAT) or other comparable document for the proposed Solution.
http://www.michigan.gov/documents/dmb/1650.00_209567_7.pdf?20151026134621

4.   ACCESS CONTROL AND AUDIT
Contractor shall use a Mobile Device Management (MDM) solution for the Michigan CDL project in order to manage and maintain the tablets for Road Scholar. With the difficulties of managing domain joined tablets with no access to network and domain controllers, this will provide the necessary capabilities and security controls required for computer management.
The MDM solution will address the following:
- **User Accounts:** User accounts will be created and managed through the software. They will be locked down with user level privileges and have no ability to change their permissions or access. Additional users can be created with elevated permissions, if required by the state to perform any necessary tasks.
- **Group Policy:** A system hardening group policy will be applied to all tablets that matches Contractor's and MDOS current hardening standards. This includes OS lockdown, disabling unnecessary and insecure services and protocols and password policy.
- **Windows Updates:** OS and application security patches will be scheduled and deployed through the MDM. A defined schedule will be set to enforce updates on a monthly basis to ensure the tablets are properly patched.
- **Anti-Virus:** AV software will be monitored and managed through the MDM. Threats will be reported and automatically remediated with remote lock, device wipe or quarantine options.
- **Device and Data Security:** The MDM solution offers the ability to encrypt the tablets and require pre-boot authentication. Data Loss Prevention polices can also be applied to protect and restrict copy/paste of sensitive data. There is also remote wipe capabilities if the need arises on lost or stolen devices.

If desirable, WiFi settings can be locked down to only certain SSID's and encryption. This will require more input to determine what is used in each office.

While not currently required, in the future, the Contractor's solution may be required to integrate with the State's IT Identity and Access Management (IAM) environment as described in the State of Michigan Digital Strategy (http://www.michigan.gov/dtmb/0,5552,7-150-56345_56351_69611-336646--,00.html), which consist of:
1.   MILogin/Michigan Identity, Credential, and Access Management (MICAM)
     a.   An enterprise single sign-on and identity management solution based on IBM's Identity and Access Management products including, IBM Security Identity Manager (ISIM), IBM Security Access Manager for Web (ISAM), IBM Tivoli Federated Identity Manager (TFIM), IBM Security Access Manager for Mobile (ISAMM), and IBM DataPower, which enables the State to establish, manage, and authenticate user identities for the State's Information Technology (IT) systems.
2.   MILogin Identity Federation

a. Allows federated single sign-on (SSO) for business partners, as well as citizen-based applications.
3. MILogin Multi Factor Authentication (MFA, based on system data classification requirements)
a. Required for those applications where data classification is Confidential and Restricted as defined by the 1340.00 Michigan Information Technology Information Security standard (i.e. the proposed solution must comply with PHI, PCI, CJIS, IRS, and other standards).
4. MILogin Identity Proofing Services (based on system data classification requirements)
a. A system that verifies individual's identities before the State allows access to its IT system. This service is based on "life history" or transaction information aggregated from public and proprietary data sources. A leading credit bureau provides this service.

To integrate with the SOM MILogin solution, the Contractor's solution must support HTTP Headers based SSO, or SAML, or OAuth or OpenID interfaces for the SSO purposes. The requirement to integrate will depend upon the type of transaction and the types of data that may need to be secured.

5. DATA RETENTION
Contract must meet the data retention schedule of 2 years for business related data and documentation. Project-related data must be retained for 7 years.

6. SECURITY
Contractor must meet the Data Security requirements set forth in **Schedule B – Data Security Requirements** of this Contract.

The Solution will be storing sensitive data (Driver License Number, and First and Last Name).

7. END-USER OPERATING ENVIRONMENT

The software must run under commonly used web browsers. Browsers that are responsible for over 2% of the site traffic, measured using sessions or visitors, coming to Michigan.gov must be supported. The latest browser statistics can be found at https://www.michigan.gov/som/0,4669,7-192-26928-464605--,00.html. At the time of this document, the minimum supported browser list includes Internet Explorer 11, Edge 17, Chrome 70, Safari 11, iOS 12.2, Windows, and Firefox 60. Contractor to stay current on latest version and one major version back.

RoadsScholar is a Windows Desktop Application that is operated independently from each tablet. Data is transferred when applicant details are searched for, or an appointment is pulled from the integration server. Data is not transferred again until the exam is complete, and all results are ready to be uploaded to the integration server. After data has been transferred, it is accessible via the web-based repository.

ITI's centralized server software and the data repository are web-based software and can be viewed through secure web-based access. All of ITI browser-based applications are compatible with Internet Explorer, Edge, Chrome, and Safari.

8. SOFTWARE
If Contractor is using any open source or third-party products in connection with the proposed Solution the Contractor must identify these separately in its proposal (including identifying any associated cost in **Schedule C - Pricing**).

For third-party products that are being proposed as part of the overall Solution, Contractor must include any end-user license agreements that will be required to access and use such products.

Contractor must include any end-user license agreements that will be required by the State to access the Solution as **Schedule D**, If applicable.

9. SOLUTION REQUIREMENTS
Contractor must fully comply with each section in this **Schedule A – Statement of Work** and the attached **Exhibit 1 – Business Specification Worksheet.**

10. INTEGRATION
ITI will integrate RoadsScholar with AAMVA's CSTIMS, following all available CSTIMS technical and business specifications, as related to MDOS Configuration. ITI will provide all development and testing, necessary for the interface between RoadsScholar and CSTIMS to be available in the production environment.

11. MIGRATION
There are no migration services needed at this time, however the State may need migration services in the future.

12. TESTING SERVICES AND ACCEPTANCE

At the State's request Contractor will work with State staff to test the Contractor's product to ensure successful operation that meets requirements and accurate collection and processing of Test data. The Contractor will provide, if requested by the State, the information about System, Performance, Stress and overall Quality testing, performed for the Product by the Contractor. The State reserves the right to conduct these and any other types of testing to evaluate the product throughout the duration of the pilot. The State will perform User Acceptance Testing prior to the final acceptance.

The testing phase must also include remediation of reported issues, as agreed upon between the Agency Product Owner, State Project Manager and the Contractor.

The Final Acceptance of the Testing deliverables will be granted upon the completion of the UAT and the resolution of the agreed-upon defects.

13. TRAINING SERVICES

RoadsScholar is a very intuitive application as it displays an electronic duplication of the paper form utilized by the State prior to automation making the transition to electronic testing a smooth one for examiners, even those who are not familiar with a lot of technology. This also limits the amount of training to be done to get examiners up-to-speed with using electronic forms. The training required to get them operational is really focused on familiarizing them with the handheld tablet functionality, which is also straight forward.

ITI will provide a series of in-depth manuals that will be customized for the configuration of RoadsScholar used by MDOS. This comprehensive document provides details on all of the features and functionality of the RoadsScholar software. For the proposed implementation, ITI will provide a custom manual based on the exact configuration and requirements of the MDOS Commercial Driver's License Examination software.

Also to be provided, is the RoadsScholar Tablet Setup User Manual. This manual is designed to assist with installation and setup of RoadsScholar on a tablet that has never been configured to run the application before. The manual includes a guide to install RoadsScholar, register the tablet, as well as instruction on how to download jurisdiction specific RoadsScholar features.
And perhaps most importantly, ITI recommends onsite, hands-on-training sessions to ensure a successful transition to automated electronic CDL skills testing. These training sessions can be tailored to various user groups including IT personnel, Examiners, Administrators, etc.

During the User Acceptance Testing (UAT) and configuration phase of software implementation, State Project Managers and Administrators play a vital role in how the system is structured working directly with the ITI team. This process allows administrators to become intimately familiar with the system. This

process effectively serves as a supplemental "Train-the-Trainer" session for Administrators who will conduct ongoing training after implementation is completed. Additionally, if the "re-fresher" training is required, ITI can provide WebEx sessions upon request.

Of course, the ITI Help Desk is always available to answer questions and provide any necessary support after the implementation.

14. HOSTING

Contractor must comply the State's standard Service Level Agreement (SLA) attached as **Schedule D** to the **SaaS Terms and Conditions**. Contractor must comply to the SLA in **Schedule D – Service Level Agreement**. This section will apply if it is determined to proceed with a longer-term contract.

Contractor must maintain and operate a backup and disaster recovery plan to achieve a Recovery Point Objective (RPO) of 2 hours, and a Recovery Time Objective (RTO) of 2 hours. Contractor must include a copy of its Disaster Recovery Plan as **Schedule E, Disaster Recovery** part of their proposal, which will be treated by the State as confidential information. See also high-level network diagram in **Section G - High Level Network Diagram**.

15. SUPPORT AND OPERATIONS

Contractor must comply to the State's standard Service Level Agreement (SLA) attached as **Schedule D** to the SaaS Terms and Conditions.

Support Hours

The State requires the Contractor to provide Support Hours Monday-Sunday, daylight hours of the day (varies seasonally).

For **PHONE** support call: 866-955-5258
For **FAX** support fax to: 260-459-8820
For **E-MAIL** support write to: customercare@iti4dmv.com

The Contractor will fully support hardware and software, provided for the pilot, including the following services:

Software Maintenance is provided as part of this contract. Software Maintenance includes, but is not limited to, remediation of all reported bug-fixes, software updates and upgrades as applicable including latest versions at no additional cost. Since this is a pilot program, ITI shall work with MDOS to refine technical and business processes throughout the pilot period. Typically, customers elect to upgrade once every few years to take advantage of new features as they become available. ITI will always seek MDOS' approval before implementing any changes to the production environment.

Contractor will provide an updated the Product Roadmap, including information about any upcoming new features and functionality, as part of the Software Maintenance and upgrades for the duration of the pilot.

Hardware Support description

ITI will provide Hardware Maintenance for the system assets including, but not limited to the server, tablet computers and back-end network hardware. ITI will provide hardware maintenance for the provided tablets that will include the storage and management of the spare tablet inventory. ITI shall provide a replacement policy of next business day for tablets if reported issues are received by 2 PM ET. ITI shall also provide two extra tablets to MDOS for centralized distribution and rapid replacement if necessary.

MDOS will be responsible for providing and maintaining its own computers to access WTS/Examiner for accessing the administrative functionality of the system.   At the discretion of the State, any cellular connection will be the expense of MDOS and MDOS will handle cellular connections through its own service provider.

Customer Support: Contractor shall provide MDOS multiple methods for reporting system issues or requests; methods include:

- A single toll free number that will connect MDOS personnel and third party contractors to a contractor call center that will be available twenty fours hours a day and seven days a week.
- An online ticketing system that must be available twenty fours hours a day and seven days a week.
- An email address where MDOS may send email requests for service.

MDOS must have the ability to review tickets from stage of submission to stage of completion.

Contractor will provide MI multiple tiers of customer support for the contract:

Tier 1 Support:

ITI's 24/7 Customer Call Center is provided for Tier 1 technical and operations support. Members of the support team have extensive experience with testing solutions and are quickly able to assist customers with simple issues that may arise or provide information about how to use the system.

This is the basic level of customer support. The Tier 1 customer representative is a generalist with a broad understanding of the product and its basic functionality. Their goal is to identify a customer's needs and provide tips and possible solutions to manage a problem.

When a Tier 1 support employee is not able to resolve the issue, they collect required information, classify the problem, and forward it on to the appropriate Tier 2 employee.

- Tier 1 Hours of Operation: 24/7
- Response Time: 15 minutes

Tier 2 Support:

Tier 2 support involves more advanced technical knowledge and is staffed by technicians who have troubleshooting capabilities beyond the Tier 1 employees. Tier 2 technicians are solution technical specialists and calls will be directed to the technician with the specialization that best matches the service request.

Depending on the issue the customer experiences, additional analysis may be required to determine a resolution. The help desk technician would then provide more detailed information on how to fix the issue. However, if the Tier 2 tech cannot fix the problem at this tier, the problem is escalated to Tier 3. At this tier the problem is assigned to a developer or infrastructure representative responsible for the product or implementation.

- Tier 2 Hours of Operation: 8am to 8pm EST, after hours as required
- Response Time: 1 hour, proposed solution within 4 hours

Tier 3 Support:

Tier 3 Support requires representatives who have specialized skills over and above those of the Tier 2 technicians. This support is usually provided by specialists involved in product development or infrastructure implementation. They deal with complex issues. To solve the problem, they will collect as much data as possible from the employees at tiers 1 and 2 before conducting any additional required analysis.

- Tier 3 Hours of Operation: 8am to 8pm EST, after hours as required
- Response Time: 1 hour, proposed solution within 4 hours

16. DOCUMENTATION
Contractor must develop and submit for State approval complete, accurate, and timely Solution documentation to support all users, and will be update and discrepancies, or errors through the life of the

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

Contractor must provide details on, and examples of, clearly written instructions and documentation to enable State administrators and end-users to successfully operate the Solution without needing to bring in additional Contactor support.

Contractor will discuss and provide project documentation, as agreed to by MDOS and the Contractor:

17. PRODUCTS AND SERVICES
Contractor must describe additional Solution functionality, products or services that the State specifications do not address but are necessary to implement and support this solution.

- ITI can provide full integration into CARS system whereas test results can upload automatically and immediately into the State system.
- ITI can provide CSTIMS integration with AAMVA should the State desire.
- To help in fraud prevention, ITI can provide photo capture abilities to capture photos of applicant and vehicles for audit purposes.
- ITI can provide facial recognition services to authenticate and validate applicants should the State desire. This service could potentially require integration with State's Driver License vendor.

18. CONTRACTOR KEY PERSONNEL
Contractor must identify all Contractor resources and responsibilities required for the successful implementation and ongoing support of this Contract.

Contractor Contract Administrator. Contractor must identify the individual appointed by it to (a) administer the terms of this Contract, and (b) approve and execute any Change Notices under this Contract.

> **Contractor- Intellectual Technology Inc.**
> **Name:** Drew Nicholson
> **Address:** 2980 E Coliseum Blvd., Fort Wayne IN 46805
> **Phone:** 260-459-8800
> **Email:** dnicholson@iti4dmv.com

Contractor Project Manager. Contractor must identify the Contractor Project Manager who will serve as the primary contact with regard to services who will have the authority to act on behalf of the Contractor in matters pertaining to the implementation services.

> **Contractor - Intellectual Technology Inc.**
> **Name:**   Karen Reynolds
> **Address:**   2980 E Coliseum Blvd., Fort Wayne IN 46805
> **Phone:** 260-459-8800
> **Email:** kreynolds@iti4dmv.com

Contractor Business Analyst. Contractor to provide name of individual who will be responsible for leading requirements elicitation, documenting requirements (product backlog) and completing analysis for considered changes.

> **Contractor – Intellectual Technology Inc**
> **Name:** Scott Wissler
> **Address:** Medicine Hat, Alberta
> **Phone:** 877-926-4637
> **Email:** swissler@iti4dmv.com

Contractor Service Manager. Contractor to provide name of individual to serve as primary contact with respect to the Services, who will have the authority to act on behalf of Contractor in matters pertaining to the receipt and processing of Support Requests and the Support Services.

> **Contractor**
> **Name:** Cassy Pierce
> **Address:** 2980 E Coliseum Blvd., Fort Wayne IN 46805
> **Phone:** 260-459-8800
> **Email:** cpierce@iti4dmv.com

Contractor Security Officer. Contractor to provide name of individual to respond to State inquiries regarding the security of the Contractor's systems. This person must have sufficient knowledge of the security of the Contractor Systems and the authority to act on behalf of Contractor in matters pertaining thereto.

> **Contractor: Intellectual Technology Inc.**
> **Name:** Dave Johnson
> **Address:** 2980 E. Coliseum Blvd. Fort Wayne, Indiana 46805
> **Phone:** 260-459-8800
> **Email:** djohnson@iti4dmv.com

19. STATE RESOURCES/RESPONSIBILITIES

The State will provide the following resources as part of the implementation and ongoing support of the Solution.

ITI requires the following resources from State of Michigan to implement and support this contract:
- Access to the CDL Testing Administrators that can assist in design and approval of final solution.
- Access to appropriate MI SME (Subject Matter Experts) for CDL testing business rules.
- Access to MI CDL Business Analyst who can test and validate new testing program.
- Documentation on current CDL testing processes.
- List of customized and standard reports.
- List of administrative level and testing agents that will use new CDL solution.
- Update on pilot scoring at end of pilot program.

State Contract Administrator. The State Contract Administrator is the individual appointed by the State to (a) administer the terms of this Contract, and (b) approve and execute any Change Notices under this Contract.

> **Name: Chad Bassett**
> **Address: 425 W. Allegan St., Lansing, MI**
> **Phone: 517-241-2646**
> **Email: BassettC@michigan.gov**

State Project Manager. The State Project Manager will serve as the primary contact with regard to implementation Services who will have the authority to act on behalf of the State in approving Deliverables, and day to day activities.

> **Name: TBD**
> **Address:**
> **Phone:**
> **Email:**

Agency Business Owner. The Agency Business Owner will serve as the primary contact for the business area with regard to business advisement who will have the authority to act on behalf of the State in matters pertaining to the business Specifications. Agency Business Owner will be responsible for approving deliverables.

> **Name: Kyle Binkley**
> **Address: 430 W. Allegan St., Lansing, MI**
> **Phone: 517-241-6894**
> **Email: BinkleyK2@michigan.gov**

State Technical Lead. The State Technical Lead will serve as the primary contact with regard to technical advisement.

> **Name: Daniel Klodt**
> **Address: 4125 W. St. Joseph Hwy, MI 48917**
> **Phone: 517-636-0234**
> **Email: KlodtD@michigan.gov**

State Project Contacts

Role	Name	Title
State Contract Administrator	Chad Bassett	Purchasing & Expenditure Mgr
State Project Manager		
Agency Business Owner	Kyle Binkley	Sr. Analyst, Driver Testing
State Technical Lead	Daniel Klodt	IT Analyst

20. MEETINGS
The Contractor must attend the following meetings at no additional cost to the State.

At start of the engagement, the Contractor Project Manager must facilitate a project kick off meeting with the support from the State's Project Manager and the identified State resources to review the approach to accomplishing the project, schedule tasks and identify related timing, and identify any risks or issues related to the planned approach. From project kick-off until final acceptance and go-live, Contractor Project Manager must facilitate weekly meetings (or more if determined necessary by the parties) to provide updates on implementation progress. Following go-live, Contractor must facilitate monthly meetings (or more or less if determined necessary by the parties) to ensure ongoing support success.

Alternative planned approach for project meetings proposed by Contractor must be approved by the State.

TASKS:

ITI Responsibilities
- Provide configured software and hardware solution as described and per MDOS Specifications indicated in Exhibit 1 of Schedule A.
- Perform Onsite visits and consultation.
- Training of Staff and Management users.

- Installation of application software in a hosted environment
- Participate in Project Kickoff Meeting
- Provide Project Management by assigned Project Manager
- Participate in regular project meetings and communication updates.
- Provide and review the system configuration document with Client describing all aspects of the Solution.
- Provide System Security Plan
- Provide Project Management Plan
- Provide Change Management Plan
- Provide Communication Plan
- Provide Issue Management
- Provide Implementation Plan
- Assist with Risk Management
- Provide ongoing support and maintenance throughout pilot period.

MDOS Responsibilities
- Provide Administrator Workstation Terminals
- Provide coordination and oversight of 3rd party examiners
- Participate in Project Kickoff Meeting
- Provide Project Management by assigned Project Manager
- Participate in regular project meetings and communication updates
- Provide Stakeholder Register
- Provide Risk Assessments
- Assist with Issue Management
- Provide any applicable data plans for the tablets, as per requirements specified by ITI and the State.
-

3rd Party Examiner Responsibilities
- Provide secure network connectivity to the tablets, as per requirements specified by ITI and the State.
- Provide feedback on their experience with the Contractor's product (RoadsScholar), per the requirements specified by MDOS.

The Contractor's technical personnel is required to assist with the following tasks:
- Providing hosting requirements and specifications to the 3rd party vendors to ensure data security per MDOS Standards.
- Providing overall system design specifications and information for review and approval by MDOS and DTMB Security, where applicable. An EASA (Enterprise Architecture) and Risk Assessment may be required to be completed by the Contractor at any time throughout the pilot.

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager and Agency Product Owner have formally accepted them. Deliverables for this project include:

The State's proposed milestone schedule and associated deliverables are set forth below.

Milestone Event	Associated Milestone Deliverable(s)	Schedule (complete by)
1. Project Planning	Project Kickoff	September 16, 2019
2. Requirements and Product Design Validation	Scoresheet Configuration Validation sessions, Requirements Validation Document System Design Document Final Design Document (including Screens and the Data Model) Final Implementation Plan	
3. Configuration of software and Hardware	Final Solution QA Testing Document (ITI)	
4. Testing and Acceptance (Go-Live)	Final UAT Test Results Report Support for UAT Testing Final Training Documentation Delivery of the configured tablets to MDOS' specifid locations. Training Delivery Implementation/Go-Live Final Acceptance	March 16, 2020
5. Production Support Services	Support of the 3rd party and MDOS analyst ongoing product testing throughout the duration of the pilot Maintenance and Support Services Pilot Completion	Ongoing throughout the pilot*

Note: the total intended duration of the pilot use of the testing tablets in production is 9 months after Go-Live. Production Support Services must be provided by ITI throughout the duration of the pilot.

Contractor may propose alternative timeframes and deliverables, but Contractor must provide an explanation as to why the State's schedule and associated deliverables is not feasible. The State must approve any changes to the timeframes and deliverables to this Contract.

Contractor must provide a Work Breakdown Structure (WBS) that corresponds with the milestone dates set forth above (or with Contractor's alternatively proposed schedule). The WBS must be detailed enough to identify all key State and Contractor responsibilities.

The Contractor Project Manager will be responsible for maintaining an MS Project schedule (or approved alternative) identifying tasks, durations, forecasted dates and resources – both Contractor and State - required to meet the timeframes as agreed to by both parties.

Changes to scope, schedule or cost must be addressed through a formal change request process with the State and the Contractor to ensure understanding, agreement and approval of authorized parties to the change and clearly identify the impact to the overall project.

ACCEPTANCE CRITERIA:

Success of the Pilot
Once the pilot process is complete, or at any time during the pilot at the State's discretion, the State will evaluate the proof of concept and decide whether it will exercise its option to negotiate a full implementation of the product or service. The State will use the following criteria to evaluate proof of concept performed:

	Technical Evaluation Criteria	Weight
1.	Pilot Quality	50
2.	Service and Support	35
3.	Cost Containment	15
	Total	100

Based on the above score, the State may enter into full implementation of the product or service if the Contractor receives a score of 80 or higher.

PROJECT CONTROL AND REPORTS:

Once the Project Kick-Off meeting has occurred, the Contractor Project Manager will monitor project implementation progress and report on a weekly basis to the Agency Business Owner and the State Project Manager throughout the life of the project the following:
- Progress to complete milestones, comparing forecasted completion dates to planned and actual completion dates
- Accomplishments during the reporting period
- Tasks planned for the next reporting period
- Identify any existing issues which are impacting the project and the steps being taken to address those issues
- Identify any new risks and describe progress in mitigating high impact/high probability risks previously identified

Contractor must describe specific reports the Contractor will provide after contract execution and during the lifecycle of the contract, including all required scheduled reporting and details around the how and when metrics captured/validated.

PRICING
Contractor must comply with **Schedule C - Pricing** a detailed description of all costs associated with implementing, maintaining and supporting the Solution, including all requested services set forth in this Contract.

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

Travel and Expenses
The State does not pay for overtime or travel expenses.

ADDITONAL INFORMATION
The State reserves the right to purchase any additional services or products from the Contractor during the duration of the Contract.

SPECIFIC DEPARTMENT STANDARDS:
See Section 3 of the Schedule A, Statement of Work.

PAYMENT SCHEDULE:

Payment will be made on the Payment Schedule identified in Schedule C, Pricing basis. DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work

performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

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

EXPENSES:

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

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work at 425 W. Allegan in Lansing, Michigan, and at the Contractor's location:

ITI will perform all work internally. The work will be performed at the ITI Operations and Logistics Center located at:

2980 E. Coliseum Blvd.
Fort Wayne, IN 46805

Additionally, the tablets will be piloted at the following locations:
Michigan to provide the list of locations for the pilots

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

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

No overtime will be permitted.

This purchase order is a release from Contract Number 071B3200082C. This purchase order, statement of work, and the terms and conditions of Contract Number 071B3200082C constitute the entire agreement between the State and the Contractor.

Project Plan

Task Name	Duration	Start	Finish	Predecessors
MI RS CDL Skills Testing	**146 days**	**Mon 9/16/19**	**Mon 4/6/20**	
Contract Award	0 days	Mon 9/16/19	Mon 9/16/19	
Project Management	**137 days**	**Mon 9/16/19**	**Tue 3/24/20**	
State Milestones	**99 days**	**Mon 9/16/19**	**Fri 1/31/20**	
System Analysis	**40 days**	**Mon 9/30/19**	**Fri 11/22/19**	
Requirements Gathering	20 days	Mon 9/30/19	Fri 10/25/19	4
Use Case Review	10 days	Mon 10/28/19	Fri 11/8/19	14
Design Analysis	10 days	Mon 11/11/19	Fri 11/22/19	15
Design Acceptance	0 days	Fri 11/22/19	Fri 11/22/19	16
System Development	**32 days**	**Mon 11/25/19**	**Tue 1/7/20**	
Software Development and Test	**20 days**	**Mon 11/25/19**	**Fri 12/20/19**	
Software Updates	15 days	Mon 11/25/19	Fri 12/13/19	17
Form Development	10 days	Mon 11/25/19	Fri 12/6/19	17
Interface Updates	10 days	Mon 11/25/19	Fri 12/6/19	17
Development Testing	5 days	Mon 12/16/19	Fri 12/20/19	20,22
UAT Environment	**8 days**	**Mon 12/9/19**	**Wed 12/18/19**	
UAT	**12 days**	**Mon 12/23/19**	**Tue 1/7/20**	
Software Migration	2 days	Mon 12/23/19	Tue 12/24/19	26,23
UAT Testing	10 days	Wed 12/25/19	Tue 1/7/20	28
UAT Complete	0 days	Tue 1/7/20	Tue 1/7/20	29
Integratation Testing	**33 days**	**Thu 12/19/19**	**Mon 2/3/20**	
SUAT Environment	**13 days**	**Thu 12/19/19**	**Mon 1/6/20**	
SUAT	**19 days**	**Wed 1/8/20**	**Mon 2/3/20**	
Software Migration	2 days	Wed 1/8/20	Thu 1/9/20	34,30
Internal Test	2 days	Fri 1/10/20	Mon 1/13/20	36
State (SUAT) Testing	15 days	Tue 1/14/20	Mon 2/3/20	37
SUAT Complete	0 days	Mon 2/3/20	Mon 2/3/20	38

Repository	**41 days**	**Mon 12/9/19**	**Mon 2/3/20**	
Report Definitions	10 days	Mon 12/9/19	Fri 12/20/19	15,17
Design	5 days	Mon 12/23/19	Fri 12/27/19	41,23
Development	10 days	Tue 1/7/20	Mon 1/20/20	42,34
Repository Testing	5 days	Tue 1/28/20	Mon 2/3/20	43,39FF
Training	**57 days**	**Mon 12/9/19**	**Tue 2/25/20**	
Material Development	20 days	Mon 12/9/19	Fri 1/3/20	17,21
Initial Training (Train the Trainer)	1 day	Tue 1/14/20	Tue 1/14/20	46,38SS
Follow-on Training (as needed)	1 day	Tue 2/25/20	Tue 2/25/20	47,55
Support Preparation (Help Desk)	**40 days**	**Mon 12/9/19**	**Fri 1/31/20**	
Support Identification	10 days	Mon 12/9/19	Fri 12/20/19	17
Support Tools Updates	15 days	Mon 12/23/19	Fri 1/10/20	50
Support Training	10 days	Mon 1/13/20	Fri 1/24/20	51
Support Deployment	5 days	Mon 1/27/20	Fri 1/31/20	52
Deployment	**30 days**	**Tue 2/4/20**	**Mon 3/16/20**	
Pilot Testing	15 days	Tue 2/4/20	Mon 2/24/20	39,44,53
Installations	15 days	Tue 2/25/20	Mon 3/16/20	55
Post Deployment Monitoring	20 days	Tue 2/25/20	Mon 3/23/20	56SS
Project Close	10 days	Tue 3/24/20	Mon 4/6/20	57,56

STATE OF MICHIGAN

Contract No. . **071B3200082C**
CDL Table Testing Pilot
EXHIBIT 1 – Business Specification Worksheet

Column A: Business Specification number.
> **Note:**
> - The "**Required**" section of the Business Specifications Worksheet lists items that the State requires to be part of the Solution.
>
> - The "**Optional**" section of the Business Specifications Worksheet lists items that are not required at the time of the solicitation but may be desired by the State in the future.

Column B: Business Specification description.

Column C: Contractor must indicate how it will comply with the Business Specification. Contractor must enter **"Y"** to one of the following:
- **Current Capability –** This capability is available in the proposed system with no additional configuration or cost
- **Requires Configuration –** This capability can be met through Contractor-supported changes to existing settings and application options as part of the initial implementation at no additional cost (e.g., setting naming conventions, creating user-defined fields)
- **Future Enhancement –** This capability is a planned enhancement to the base software and will be available within the next 12 months from contract execution at no additional cost.
- **Not Available –** This capability is not currently available, and a future enhancement is not planned.

   NOTE: Configuration is referred to as a change to the Solution that must be completed by the Contractor prior to Go-Live but allows an IT or non-IT end user to maintain or modify thereafter (i.e. no source code or structural data model changes occurring). Further, all configuration changes must be forward-compatible with future releases and be fully supported by the Contractor without additional costs.

Column D: The Contractor must also fully comply and disclose how they will meet the requirements in this Contract. This column is for Contractor to describe how they will deliver the business Specification and if the Contractor proposes configurations, the Contractor must explain the details of the impacted risk that may be caused if configured to meet the business Specification.

A	B	C (Yes or No)				D
No.	Business Specification	Curr ent Capa bility	Requires Configur ation	Future Enhancem ent	Not Availab le	Contractor to explain how they will comply the business Specification
REQUIRED						
General Requirements						
1	Upon the delivery to the 3rd party, as designated by MDOS, the tablets must have the application loaded and ready for use	Y				Tablet image created by ITI IT and would include RS Application
2	Tablets must not allow access to any sites except those that are specified by MDOS.	Y				Depending upon integration, this would be controlled by State or ITI Active Directory Group Policy. If Active Directory agnostic, this would be controlled by local policies.
3	Tablets must be in a Kiosk mode which will only allow access to: RoadsScholar	Y				RoadsScholar can be configured to launch in a "kiosk" mode and the would only allow user to use RoadsScholar. If RoadsScholar was closed, examiner would be automatically logged out.
4	Tablets must have secure network service with GPS capability for tracking CDL tests.	Y				Tablets will be GPS enabled for tracking CDL tests. Tablets will automatically upload test information to ITI servers via SSL protocol.
5	The tablets must be able to have secure network (wi-fi) connectivity to upload the skills test results.	Y				See requirement 4
6	Tablets will have the ability to operate in all weather conditions and be ruggedized to prevent any damage.	Y				Ruggedized case is provided with solution

7	All test results must be accessible for MDOS DTS personnel to: 7.1 View 7.2 Search 7.3 Print	Y				All results will be available in the ITI data repository provided.
8	3rd party examiners must only have access to their own test results to: 8.1 View 8.2 Search 8.3 Print		**Y**			Via the ITI repository, 3rd party examiners will only be able to view, search, or print test data relevant to their location.
9	Companies, not associated with the examiners, who administered the test, shall not be permitted to access the test information.	Y				They would not be given access credentials.
10	There shall be no access for examiners, designated representative or MDOS personnel to modify the score sheets, answers or GPS tracking route.	Y				No changes of test information from within the solution is allowed
Security						
11	Authorized MDOS personnel (DTS personnel) will have the ability to securely access the application to review test results of the CDL test-takers.	y				The ITI repository shall provide this requirement through access and authentication controls.

12	3rd party Examiners will have the ability to securely access the application to administer the skill test and to upload to the test results to the database.	y					This would be controlled through the solution user authentication services
13	Each examiner in the pilot accessing RoadsScholar must have their own login credentials.	y					This would be controlled through the solution user authentication services
14	3rd party designated representative shall have read-only access to view all test applicants' results and GPS tracking, associated with their company.	y					The ITI repository employs role based permissions to only allow access as defined by ITI and MDOS.
15	3rd party designated representative shall have the ability to create reports, associated with their company.	y					The ITI repository will have a standard set of reports that 3rd Party examiners can export to Excel for customized reports. All data available to them will be determined by MDOS.
16	Examiner login credentials must be associated and stored with the test results.	y					Only the Examiner ID will be stored with the test record. Full credentials will not.
17	The system shall record the following data: 17.1 The 3rd party examiners name 17.2 The 3rd party examiners company 17.3 The 3rd party examiners company address/location	y					All of this data shall be accessible from the ITI repository.
19	The system will provide the ability for the users to reset their password without the assistance of the Help Desk.	y					The ITI repository allows this function.

20	The system will provide secure multi-factor authentication log-in for all users.				N	The log in users are third party agents of MDOS and will not be using the Contractor or MDOS domains. Contractor shall continue research but cannot guarantee a solution that will be amenable to both MDOS and the 3rd party agents.
21	Test applicant data shall not be stored on the tablet.	y				Applicant personal data will not be stored on the tablet unless MDOS requires gathering personal information at beginning of test. The RS application stores all test related information on the tablet until time of upload to servers. After successful upload of data to ITI servers, all data is automatically purged on the tablet.
22	The tablet shall not allow images to be taken and/or stored.		Y			ImageCapture is a configuration item that can be turned off.
Test Requirements						
23	The system shall be formatted for English language only.	y				English only tests
24	The system shall allow for a whole test or individual segments to be taken [banking].		Y			AllowingBanking is a configuration item that can be turned on.
25	The tests must be passed in the following order, unless a test segment is banked: 25.1 Vehicle Inspection Test 25.2 Off-Road Basic Control Skills Test 25.3 On-Road Driving Test 25.4 Each segment must be passed before the next segment is started.		Y			AllowTestsInAnyOrder and BailOnFail are configurable items.

#	Requirement					Comments
26	The system shall auto-calculate the test and produce a Pass/Fail result 26.1 3rd party examiners shall have no access to modify these results 26.2 MDOS shall have no access to modify these results	y					The RS application provides this as a native function. The ITI repository does not allow modification of test results unless specifically directed by MDOS.
27	Once a test is submitted for scoring, there shall be no ability to modify the test results.	y					ITI repository does not allow modification of scoring results unless specifically directed by MDOS.
28	The system shall record the CDL Group/type of vehicle 28.1 The CDL Skills Test must programmatically coincide with the CDL group the applicant is applying for.	y					This is a native function of RS and the repository.
29	The application needs to be able to collect first and last name of the test applicants, DLN, and Commercial Learning Permit information.			**y**			ITI can program any input requirements needed. ITI will mask upon input and encrypt in storage and transit.
GPS Capabilities						
30	The system must have the ability to track the route of the test, as administered on the tablet.	y					This is native functionality of the RS application.
Printing capabilities						

31	The system must be able to provide the reports, generated by the system, in a printable format.	y				This is native functionality of the repository.

Search functionality

32	MDOS DTS Analyst must have the ability to locate test applicant in the system, using multiple criteria, including the Last/First name and/or DLN of the test applicant, the date of test, 3rd party examiner name and assigned number and testing organization number.	y				This is native functionality of the RS application. Business and security rules must be established with regard to entering or displaying DLN data.

Reports

33	The system will provide robust reporting capabilities, including the reports on test results, test routes, pass/fail data, and test volume.	Y				This is native functionality of the repository.
34	MDOS DTS personnel shall have the ability to create reports, as needed.	Y				ITI will develop all reports requested by MDOS. MDOS can export all data allowed to Excel for custom reports.

OPTIONAL REQUIREMENTS (FUTURE)

35	The System shall have the ability to integrate with CSTIMS.			y		This would require working with AAMVA and has already been completed with other jurisdictions.

| 36 | The System shall have the ability to integrate with Customer Automotive Records System. | | | y | | This would not be an issue; ITI works well with FAST and believes integration would not be complex. |

1. Definitions. For purposes of this Schedule, the following terms have the meanings set forth below. All initial capitalized terms in this Schedule that are not defined in this **Section 1** shall have the respective meanings given to them in the Contract.

"**Contractor Security Officer**" has the meaning set forth in **Section 2** of this Schedule.
"**Contractor Systems**" has the meaning set forth in **Section 5** of this Schedule.
"**FedRAMP**" means the Federal Risk and Authorization Management Program, which is a federally approved risk management program that provides a standardized approach for assessing and monitoring the security of cloud products and services.
"**FISMA**" means The Federal Information Security Management Act of 2002 (44 U.S.C. ch. 35, subch. III § 3541 et seq.).
"**Hosted Services**" means the hosting, management and operation of the computing hardware, ancillary equipment, Software, firmware, data, other services (including support services), and related resources for remote electronic access and use by the State and its Authorized Users, including any services and facilities related to disaster recovery obligations.
"**NIST**" means the National Institute of Standards and Technology.
"**PCI**" means the Payment Card Industry.
"**PSP**" means the State's IT Policies, Standards and Procedures

Contractor will appoint a Contractor employee to respond to the State's inquiries regarding the security of the Contractor Systems who has sufficient knowledge of the security of the Contractor Systems and the authority to act on behalf of Contractor in matters pertaining thereto ("**Contractor Security Officer**"). The Contractor Security Officer will be considered Key Personnel under the Contract.

Protection of the State's Confidential Information. Throughout the Term and at all times in connection with its actual or required performance of the Services, Contractor will:

maintain SOC2 type II certification for the Hosted Services by the go-live schedule and throughout the Term, and in the event the contractor is unable to maintain SOC2 type II certification, the State may move the Software to an alternative provider, at contractor's sole cost and expense;

ensure that the Software is securely hosted, supported, administered, and accessed in a data center that resides in the continental United States, and minimally meets Uptime Institute Tier 3 standards (www.uptimeinstitute.com), or its equivalent;

maintain and enforce an information security program including safety and physical and technical security policies and procedures with respect to its Processing of the State's Confidential Information that comply with the requirements of the State's data security policies as set forth in the Contract, and must, at a minimum, remain compliant with FISMA and the NIST Special Publication 800.53 (most recent version) MOD Controls using minimum control values as established in the applicable PSP;

provide technical and organizational safeguards against accidental, unlawful or unauthorized access to or use, destruction, loss, alteration, disclosure, transfer, commingling or processing of such information that ensure a level of security appropriate to the risks presented by the processing of the State's Confidential Information and the nature of such Confidential Information, consistent with best industry practice and standards;

take all reasonable measures to:

secure and defend all locations, equipment, systems and other materials and facilities employed in connection with the Services against "hackers" and others who may seek, without authorization, to disrupt, damage, modify, access or otherwise use Contractor Systems or the information found therein; and

prevent (i) the State and its Authorized Users from having access to the data of other customers or such other customer's users of the Services; (ii) the State's Confidential Information from being commingled with or contaminated by the data of other customers or their users of the Services; and (iii) unauthorized access to any of the State's Confidential Information;

ensure that State Data is encrypted in transit and at rest using AES 256bit or higher encryption;

ensure the Hosted Services have multi-factor authentication for privileged/administrative access; and

assist the State, at no additional cost, with development and completion of a system security plan using the State's automated governance, risk and compliance (GRC) platform.

Unauthorized Access. Contractor may not access, and shall not permit any access to, State systems, in whole or in part, whether through Contractor's Systems or otherwise, without the State's express prior written authorization. Such authorization may be revoked by the State in writing at any time in its sole discretion. Any access to State systems must be solely in accordance with the Contract and this Schedule, and in no case exceed the scope of the State's authorization pursuant to this **Section 4**. All State-authorized connectivity or attempted connectivity to State systems shall be only through the State's security gateways and firewalls and in compliance with the State's security policies set forth in the Contract as the same may be supplemented or amended by the State and provided to Contractor from time to time.

Contractor Systems. Contractor will be solely responsible for the information technology infrastructure, including all computers, software, databases, electronic systems (including database management systems) and networks used by or for Contractor in connection with the Services ("**Contractor Systems**") and shall prevent unauthorized access to State systems through the Contractor Systems.

Security Audits. During the Term, Contractor will:

maintain complete and accurate records relating to its data protection practices, IT security controls, and the security logs of any of the State's Confidential Information, including any backup, disaster recovery or other policies, practices or procedures relating to the State's Confidential Information and any other information relevant to its compliance with this Schedule;

upon the State's request, make all such records, appropriate personnel and relevant materials available during normal business hours for inspection and audit by the State or an independent data security expert that is reasonably acceptable to Contractor, provided that the State: (i) gives Contractor at least five (5) Business Days prior notice of any such audit; (ii) undertakes such audit no more than once per calendar year, except for good cause shown; and (iii) conducts or causes to be conducted such audit in a manner designed to minimize disruption of Contractor's normal business operations and that complies with the terms and conditions of all data confidentiality, ownership, privacy, security and restricted use provisions of the Contract. The State may, but is not obligated to, perform such security audits, which shall, at the State's option and request, include penetration and security tests, of any and all Contractor Systems and their housing facilities and operating environments; and

1.3   if requested by the State, provide a copy of Contractor's SOC2 Type II System Security Plan. The System Security Plan will be recognized as Contractor's Confidential Information.

Nonexclusive Remedy for Security Breach. Any failure of the Services to meet the requirements of this Schedule with respect to the security of any State Data or other Confidential Information of the State, including any related backup, disaster recovery or other policies, practices or procedures, is a material breach of the Contract for which the State, at its option, may terminate the Contract immediately upon written notice to Contractor without any notice or cure period.

PCI Compliance.

Contractors that process, transmit, store or affect the security of credit/debit cardholder data, must adhere to the PCI Data Security Standard. 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.

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 Contractor must provide, at the request of the State, the results of such third party security review. The review must validate compliance with the PCI Data Security Standard for protecting cardholder data. At the State's sole discretion, the State may perform its own security review, either by itself or through a PCI approved third party.

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.

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.

The Contractor must provide the State's Contract Administrator with an annual Attestation of Compliance (AOC) or a Report on Compliance (ROC) 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

STATE OF MICHIGAN

Contract No. **071B3200082C**
CDL Tablet Testing Pilot
Schedule C – Pricing

SOFTWARE LICENSING- Software licensing costs for various license types are outlined below. The software licensing cost for a test environment is at "no charge" as it is included with the Admin Site License fee.

Qty. 1 **Admin Site License @ $2,000.00 per perpetual license**.............................. $2,000.00
This license is for administrative users to access the system for administrative purposes as well as the UAT test environment.

Qty. 7 **Office Site Licenses @ $2,000.00 per perpetual license**............................ $14,000.00
One per testing location. A Site License is required for each testing location to enable users at each office to access the testing system. Licensing for part-time offices can be prorated based on usage.

Qty. 20 **Skills Test Unit Licenses @ $1,700.00 per perpetual license**.................... $34,000.00
Total quantity of Test (20) Units; one license is required for each skills test unit to provide access to the testing system. Note licenses are transferable between knowledge and skills test units.

Software Licensing Fee Subtotal:……………………………………………………$50,000.00

SKILLS TESTING TABLET COMPUTERS: ITI bundles our skills testing software with the Microsoft Surface Pro LTE that comes with a waterproof/shockproof rugged case. Current Surface model specs are:
- Windows 10 Professional
- Intel i5-7300 2.6 GHz Processor
- 8 GB RAM
- 256 GB SSD
- 2736*1824 Display Resolution
- Passive Stylus
- Joy Factory Waterproof/Shockproof Pro M Case

Qty. 20 Skills Test Tablet Computers @ $1, 900.00 per unit:………………………….$38, 000.00
Total quantity of Skills Test Units required for the pilot test (including shipping/delivery).

PROJECT MANAGEMENT AND IMPLEMENTATION COSTS:
Includes, but is not limited to the following tasks:
- Project Plan creation and scheduled plan updates (via teleconference)
- Project Management (PMP Certified Project Manager)
- Kick off meeting
- Skills Testing Implementation

Total Project Management & Implementation Costs………………………………..$42, 000.00

SKILLS TEST COST SUMMARY:
The following section outlines all costs required to implement and maintain a Pilot Test for a Skills Testing System for one-year period.

ONE TIME COSTS:

Software Licensing Fees $50,000.00

Hardware/Computer Cost $38,000.00

Project Management/Implementation/Training Fee $42,000.00

Integration with CSTIMS (Development cost of $150/hr, not to exceed)……….$48,000.00

Total RoadsScholar Pilot Cost $178,000.00

Payment Schedule

Deliverable	Quantity/price per unit	Amount	Schedule
Project Management/Implementation/Training Fee	N/A	$21,000.00 (50%)	Upon the approval of the Purchase Order
Project Management/Implementation/Training Fee	N/A	$21,000.00 (50%)	Upon the Go-Live of the Project
Skills Test Tablet Computers	20 @ $1,900.00	$38,000.00	Upon the delivery of hardware to MDOS and MDOS acceptance of the hardware (per specifications)
Software Licensing **Admin Site License**	1 @ $2,000.00	$2,000.00	Upon the go-live Milestone completion
Office Site Licenses One per testing location. A Site License is required for each testing location to enable users at each office to access the testing system. Licensing for part-time offices can be prorated based on usage.	7 @ $2,000.00	$14,000.00	Upon the go-live Milestone completion
Skills Test Unit Licenses @ $1,700.00 Total quantity of Test (20) Units; one license is required for each skills test unit to provide access to the testing system. Note licenses are transferable between knowledge and skills test units.	20 @ $1,700.00	$34,000.00	Upon the go-live Milestone completion Note: 2 tablets will be provided to MDOS in advance of the implementation for testing forms and tablet configuration.
Integration with CSTIMS	$150.00 per hour for Development	Not to exceed $48,000.00	Upon completion of UAT milestone

SCHEDULE- C PRICING Optional Considerations

MDOS Optional Features:

- **Integration with CARS – $25,000.00**
- **Adding Photo capabilities - $9,700.00**
- **Adding Facial Recognition - $80,000.00**
- **Future MILogin Implementation - No Cost**

2. Definitions. For purposes of this Schedule, the following terms have the meanings set forth below. All initial capitalized terms in this Schedule that are not defined in this **Section 1** shall have the respective meanings given to them in the Contract.

"**Actual Uptime**" means the total minutes in the Service Period that the Hosted Services are Available.

"**Availability**" has the meaning set forth in **Section 4(a)**.

"**Availability Requirement**" has the meaning set forth in **Section 4(a)**.

"**Available**" has the meaning set forth in **Section 4(a)**.

"**Contractor Service Manager**" has the meaning set forth in **Section 3.1**.

"**Corrective Action Plan**" has the meaning set forth in **Section 5.6**.

"**Critical Service Error**" has the meaning set forth in **Section 5.4(a)**.

"**Exceptions**" has the meaning set forth in **Section 4.2**.

"**Force Majeure Event**" has the meaning set forth in **Section 6.1**.

"**High Service Error**" has the meaning set forth in **Section 5.4(a)**.

"**Hosted Services**" has the meaning set forth in **Section 2.1(a)**.

"**Low Service Error**" has the meaning set forth in **Section 5.4(a)**.

"**Medium Service Error**" has the meaning set forth in **Section 5.4(a)**.

"**Resolve**" has the meaning set forth in **Section 5.4(b)**.

"**Scheduled Downtime**" has the meaning set forth in **Section 4.3**.

"**Scheduled Uptime**" means the total minutes in the Service Period.

"**Service Availability Credits**" has the meaning set forth in **Section 4.6(a)**.

"**Service Error**" means any failure of any Hosted Service to be Available or otherwise perform in accordance with this Schedule.

"**Service Level Credits**" has the meaning set forth in **Section 5.5**.

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

"**Service Period**" has the meaning set forth in **Section 4(a)**.

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

"**Software Support Services**" has the meaning set forth in **Section 5**.

"**State Service Manager**" has the meaning set forth in **Section 3.2**.

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

"**Support Request**" has the meaning set forth in **Section 5.4(a)**.

"**Support Service Level Requirements**" has the meaning set forth in **Section 5.4**.

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

3. Services.

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

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

(b)   the Software Support Services set forth in **Section 5** of this Schedule;

4. Personnel

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

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

5. Service Availability and Service Availability Credits.

(a)   Availability Requirement. Contractor will make the Hosted Services Available, as measured over the course of each calendar month during the Term and any additional periods during which Contractor does or is required to perform any Hosted Services (each such calendar month, a "**Service Period**"), at least 95.0% of the time, excluding only the time the Hosted Services are not Available solely as a result of one or more Exceptions (the "**Availability Requirement**"). "**Available**" means the Hosted Services are available and operable for access and use by the State and its Authorized Users over the Internet in material conformity with the Contract. "**Availability**" has a correlative meaning. The Hosted Services are not considered Available in the event of a material performance degradation or inoperability of the Hosted Services, in whole or in part. The Availability Requirement will be calculated for the Service Period as follows:

(Actual Uptime – Total Minutes in Service Period Hosted Services are not Available Due to an Exception) ÷ (Scheduled Uptime – Total Minutes in Service Period Hosted Services are not Available Due to an Exception) x 100 = Availability.

5.2 <u>Exceptions</u>. No period of Hosted Service degradation or inoperability will be included in calculating Availability to the extent that such downtime or degradation is due to any of the following ("**Exceptions**"):

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

(b) Scheduled Downtime as set forth in **Section 4.3**.

5.3 <u>Scheduled Downtime</u>. Contractor must notify the State at least twenty-four (24) hours in advance of all scheduled outages of the Hosted Services in whole or in part ("**Scheduled Downtime**"). All such scheduled outages will: (a) last no longer than five (5) hours; (b) be scheduled between the hours of 12:00 a.m. and 5:00 a.m., Eastern Time; and (c) occur no more frequently than once per week; provided that Contractor may request the State to approve extensions of Scheduled Downtime above five (5) hours, and such approval by the State may not be unreasonably withheld or delayed.

5.4 <u>Software Response Time</u>. Software response time, defined as the interval from the time the end user sends a transaction to the time a visual confirmation of transaction completion is received, must be less than thirty (30) seconds for 98% of all transactions. Unacceptable response times shall be considered to make the Software unavailable and will count against the Availability Requirement.

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

5.6 <u>Remedies for Service Availability Failures</u>.

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

Availability	Credit of Fees
≥95%	None
<95% but ≥92.5%	5%
<92.5% but ≥90%	10%
<90.0%	25%

(b) Any Service Availability Credits due under this **Section 4.6** will be applied in accordance with payment terms of the Contract.

(c) If the actual Availability of the Hosted Services is less than the Availability Requirement in any two (2) of four (4) consecutive Service Periods, then, in addition to all other remedies available to the State, the State may terminate the Contract on written notice to Contractor with no liability, obligation or penalty to the State by reason of such termination.

6.   Support and Maintenance Services. Contractor will provide Hosted Service maintenance and support services (collectively, "**Software Support Services**") in accordance with the provisions of this **Section 5**. The Software Support Services are included in the Services, and Contractor may not assess any additional fees, costs or charges for such Software Support Services.

6.1   <u>Support Service Responsibilities</u>. Contractor will:

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

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

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

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

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

6.2   <u>Service Monitoring and Management</u>. Contractor will continuously monitor and manage the Hosted Services to optimize Availability that meets or exceeds the Availability Requirement. Such monitoring and management includes:

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

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

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

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

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

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

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

(a)	all updates, bug fixes, enhancements, new releases, new versions and other improvements to the Hosted Services, including the Software, that Contractor provides at no additional charge to its other similarly situated customers; and

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

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

(a)	Support Requests. The State will classify its requests for Service Error corrections in accordance with the descriptions set forth in the chart below (each a "**Support Request**"). The State Service Manager will notify Contractor of Support Requests by email, telephone or such other means as the parties may hereafter agree to in writing.

Support Request Classification	**Description:** **Any Service Error Comprising or Causing any of the Following Events or Effects**
Critical Service Error	• Issue affecting entire system or single critical production function; • System down or operating in materially degraded state; • Data integrity at risk; • Declared a Critical Support Request by the State; or • Widespread access interruptions.
High Service Error	• Primary component failure that materially impairs its performance; or • Data entry or access is materially impaired on a limited basis.
Medium Service Error	• Hosted Service is operating with minor issues that can be addressed with an acceptable (as determined by the State) temporary work around.

Low Service Error	• Request for assistance, information, or services that are routine in nature.

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

Support Request Classification	Service Level Metric (Required Response Time)	Service Level Metric (Required Resolution Time)	Service Level Credits (For Failure to Respond to any Support Request Within the Corresponding Response Time)	Service Level Credits (For Failure to Resolve any Support Request Within the Corresponding Required Resolution Time)
Critical Service Error	One (1) hour	Three (3) hours	Five percent (5%) of the Fees for the month in which the initial Service Level Failure begins and five percent (5%) of such monthly Fees for each additional hour or portion thereof that the corresponding Service Error is not responded to within the required response time.	Five percent (5%) of the Fees for the month in which the initial Service Level Failure begins and five percent (5%) of such monthly Fees for the first additional hour or portion thereof that the corresponding Service Error remains un-Resolved, which amount will thereafter double for each additional one-hour increment.
High Service Error	One (1) hour	Four (4) hours	Three percent (3%) of the Fees for the month in which the initial Service Level Failure begins and three percent (3%) of such monthly Fees for each additional hour or portion thereof that the	Three percent (3%) of the Fees for the month in which the initial Service Level Failure begins and three percent (3%) of such monthly Fees for the first additional hour or portion thereof that the

			corresponding Service Error is not responded to within the required response time.	corresponding Service Error remains un-Resolved, which amount will thereafter double for each additional one-hour increment.
Medium Service Error	Three (3) hours	Two (2) Business Days	N/A	N/A
Low Service Error	Three (3) hours	Five (5) Business Days	N/A	N/A

(c)   Escalation. With respect to any Critical Service Error Support Request, until such Support Request is Resolved, Contractor will escalate that Support Request within sixty (60) minutes of the receipt of such Support Request by the appropriate Contractor support personnel, including, as applicable, the Contractor Service Manager and Contractor's management or engineering personnel, as appropriate.

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

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

7. Force Majeure.

7.1   Force Majeure Events. Subject to **Section 6.3**, neither party will be liable or responsible to the other party, or be deemed to have defaulted under or breached the Contract, for any failure or delay in fulfilling or performing any term hereof, when and to the extent such failure or delay is caused by: acts of God, flood, fire or explosion, war, terrorism, invasion, riot or other civil unrest, embargoes or blockades in effect on or after the date of the Contract, national or regional emergency, or any passage of law or governmental order, rule, regulation or direction, or any action taken by a governmental or public authority, including imposing an embargo, export or import restriction, quota or other restriction or prohibition (each of the foregoing, a "**Force Majeure Event**"), in each case provided that: (a) such event is outside the reasonable control of the affected party; (b) the affected party gives prompt written notice to the other party, stating the

period of time the occurrence is expected to continue; (c) the affected party uses diligent efforts to end the failure or delay and minimize the effects of such Force Majeure Event.

7.2   State Performance; Termination. In the event of a Force Majeure Event affecting Contractor's performance under the Contract, the State may suspend its performance hereunder until such time as Contractor resumes performance. The State may terminate the Contract by written notice to Contractor if a Force Majeure Event affecting Contractor's performance hereunder continues substantially uninterrupted for a period of ten (10) Business Days or more. Unless the State terminates the Contract pursuant to the preceding sentence, any date specifically designated for Contractor's performance under the Contract will automatically be extended for a period up to the duration of the Force Majeure Event.

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

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

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

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

Michigan Department of State
CDL Program
IT Disaster Recovery Plan

MIDOT CDL Disaster Recovery Plan
Prepared for: Michigan Department of State
Version: 1.0
Version Date: 7/19/2019
Effective Date: 8/1/2019
Expiration Date: 12/31/2020
Creation Date: 7/19/2019

Responsible Office: ITI Information Security Office

Revisions

Version Number	Summary of Changes	Initiator/Reviewer	Date
1.0	Initial release	D. Johnson	7/19/2019

Glossary of Terms

Acronym	Term	Explanation
MDOS	Michigan Department of State	
ITI	Intellectual Technology, Inc.	
EMT	Emergency Management Team	
NASPO	North American Security Products Organization	

Scope

This document is designed and produced for the specific Michigan Department of State contract to conduct CDL driver skills testing. This document is designed to supplement the ITI Business Continuity Plan for this specific project and applications within the ITI business process. This document will address backup and recovery planning and methodology for this specific contract.

Backup and Restore Methodology

1. ITI servers are imaged nightly using VEEAM Backup and Replication; the backups are stored on a NAS server with a one-month rotation. This methodology effectively provides thirty days of backups to provide recovery.

2. ITI also employs a SQL database backup solution that creates a full backup every week, differential backups every day and transaction log backups every hour. This methodology creates a strategy to restore the database as close as possible to the point of failure.

3. All ITI virtual instances are imaged nightly and rotated on a monthly basis.

4. All Websites, Applications and Databases are replicated to the ITI Disaster Recovery Data Center in Brandon, SD.

5. ITI has a two tier backup strategy allowing point in time recovery of up to three months.

6. ITI also stores all application versions and database schemas in its Team Foundation Services (TFS) for the life of the contract.

Plan Activation Procedure

I. Plan can be activated by Emergency Management Team (EMT) or by ITI Change Control Board (CCB). (Refer Appendix A for Contacts)

II. Notify ITI IT Manager and ITI Project Oversight Manager.

III. Notify Team help desk immediately and instruct them to open an Emergency Notification.
   a. The help desk will then notify both Team and DOT Business Owner and DOT IT Manager immediately.
   b. The help desk shall contact local technician and dispatch immediately.

IV. IT Manager will assess issue to be hardware, software, or site related.
   a. If hardware related, contact Dell service and server engineers immediately.
   b. If software related, contact application developers, database engineers, and server engineers immediately.
   c. If site related, determine the root cause of the issue (Power, ISP, Flood, Fire, etc).
      • If the site can be recovered, contact appropriate personnel and services to restore functionality
      • If the site cannot be used, activate the Disaster Recovery site.
   d. Begin preparing for image recovery of appropriate server.

V. Facility Manager will communicate with Team Managers should a location issue arise (fire, flood, etc.)
   a. Failover to DR Facility will require a DNS change, and activation of secondary servers within 8 hours.

VI. ITI managers will apprise the MIDOT Project Manager of the situation every 30 minutes until resolution.

Recovery Timelines

Should the issue be hardware related, adequate failover servers are in place to allow less than 4 hours downtime. Should the switch or firewall experience a hardware issue, a replacement will be shipped within 24 hours.
The Team maintains Dell Premium service on all hardware during the tenure of the contract, which ensures on site response time within 24 hours, seven days a week.
Should expected recovery time of servers begin to exceed eight (8) hours, ITI server engineers will be immediately dispatched with a replacement server.
Should the issue be software, recovery time should be limited to no more than four (4) hours. Should expected recovery time begin to exceed four hours, server is to be reimaged immediately thus restoring status within 30 minutes.

Root Cause Analysis

Please follow standard procedures outlined in the ITI Business Continuity Plan. All root cause assessments must be completed within three days, as well as preventive corrective action plan.

Contact List (Refer Appendix A)
   I.   ITI IT Manager
  II.   ITI Project Manager
 III.   ITI Project Oversight Manager
 IV.   MDOS Business Owner
  V.   MIDOS Project Manager
 VI.   MDOS Technical Lead

Application Recovery
Application Profile
The **CDL program** consists of the following applications:
- Road Scholar Application
- Road Scholar Web Services
- Road Scholar Report website

The Road Scholar web services resides on the application server and are network load balanced to the secondary application server. These applications are designed such that should the primary application server fail, the secondary application server will automatically and instantaneously take over the primary role. They are also replicated to a third application server at the Disaster Recovery site.

The Road Scholar Report website resides on a separate application server and is network load balanced to the secondary application server. These applications are designed such that should the primary application server fail, the secondary application server will automatically and instantaneously take over the primary role. They are also replicated to a third application server at the Disaster Recovery site.

The Road Scholar applications reside on tablets within DOT offices and 3rd party Examiner sites (as Contracted with MDOS) and are controlled by MDOS, DTMB and ITI.

The applications both user and server based are static in nature, all data and configurations are within the associated databases. The application servers are fully imaged on a weekly basis.

Recovery Strategy
In the event of a single server failure, the secondary server will assume the primary role automatically, thus allowing time to repair the primary server. If the primary server suffers hardware failure, it can be replaced and reimaged to full functionality.

In the event both servers fail, the application can run from the DR site. Should this be the case, the network administrator will need to temporarily redirect all requests to the DR application servers until the primary servers are repaired and reimaged.

In the event of hardware failure, all servers and workstations are covered by Dell Premium account service which guarantees on-site service within 24 hours, seven days a week.

Database Recovery
Database Profile
The **CDL program** consists of the following database instances:
- Road Scholar databases
- Road Scholar report database

The Road Scholar databases reside on six servers; the primary database server, two secondary database servers, and three DR database servers. The primary and secondary database servers are configured in an Always-On availability group for redundancy with the DR database servers, also in an Always-On availability group for redundancy, receiving replication from the primary database servers.

The Road Scholar report databases reside on two servers. The primary database server and a DR database server. The primary and DR database servers receive replicated databases from the primary database server in their environments.

The database servers are fully imaged on a weekly basis.

Recovery Strategy
In the event of a single server failure, a secondary server will assume the primary role automatically, thus allowing time to repair the primary server. If the primary server suffers hardware failure, it can be replaced and reimaged to full functionality.

In the event all three servers fail, the databases can be accessed from the primary DR database server. Should this be the case, the network administrator will need to temporarily redirect all applications to the DR database server until the servers are repaired and reimaged. The data in the DR database server will automatically be replicated to the primary database server once is back online.

In the event of hardware failure, all servers and workstations are covered by Dell Premium account service, which guarantees on-site service within 24 hours, seven days a week.

Network Recovery
Network Profile
The **CDL program** consists of the following network elements:
- Six physical servers
- Twenty virtual servers as follows:
  - 3 Application Servers
  - 4 Database Servers
  - 2 Report Servers
  - 3 Management Servers

The network profile is designed for maximum redundancy and high availability. The application servers are network load balanced and the database servers are in an Always-On Availability Group with periodic publications to tertiary databases on the primary and DR report database servers. Redundant firewalls and switches are configured for high availability.

Recovery Strategy
In the event of network failure, a determination must be made if the failure is resident to a server, switches, or at the infrastructure level. ITI employs a Solarwinds monitoring system which will indicate the point of failure and to which servers are affected. The Solarwinds monitoring system runs on a set of application servers to provide more precise network monitoring and to eliminate a single point of failure. Should the issue be determined to be at server level, refer to the instructions below. Should the issue be at the switch or infrastructure level, contact will be made with appropriate network personnel to determine recovery procedures.

In the event of database server failure, please refer to Database Recovery section. In the event of application server failure, please refer to Application Recovery section.

In the event of a domain controller server failure, the backup domain controller will assume the primary domain controller role. The failed server can then be analyzed and repaired with little impact to production status. The domain controller servers are fully imaged on a weekly basis. Established recovery timelines must still be met to ensure full contract compliance.

In the event of a report server failure, the server can be analyzed and repaired with little impact to production status. The report server is fully imaged on a weekly basis. Established recovery timelines must still be met to ensure full contract compliance.

Site Recovery
Site Profile
The CDL program consists of the following site locations:
- ITI Data Center in Fort Wayne, Indiana
- ITI DR Data Center in Brandon, South Dakota

The Site profile consists of the primary site at the ITI data center in Fort Wayne and the disaster recovery site at the ITI DR Data Center in Brandon. The two facilities will have a secure data connection between them and have full network visibility to the Road Scholar components. The recovery strategy is based on site level issues of full site failure, network failure, and server bank failure.

Recovery Strategy
In the event that a disaster recovery site has to be utilized, the servers at the Disaster Recovery facility will be initialized. All data exchanges will then take place between the Disaster recovery servers and the Road Scholar components. The CDL program components will have a maximum 24-hour timeframe for production.

Appendix A: Recovery Team Contact Lists

Emergency Management Team (EMT)

Name	Location	Email	Mobile Phone
Drew Nicholson	ITI Operations Center	dnicholson@iti4dmv.com	941-321-8032
Marybeth Courtwright	ITI Operations Center	mcourtwright@iti4dmv.com	440-352-3004

Incident Response Team (IRT)

Name	Location	Email	Mobile Phone
Drew Nicholson	ITI Operations Center	dnicholson@iti4dmv.com	941-321-8032

Marybeth Courtwright	ITI Operations Center	mcourtwright@iti4dmv.com	440-352-3004
Rick Ankrom	ITI Operations Center	rankrom@iti4dmv.com	574-535-8171
David Johnson	ITI Operations Center	djohnson@iti4dmv.com	941-266-4745

Technical Services (TS)

Name	Location	Email	Mobile Phone
Rick Ankrom	ITI Operations Center	rankrom@iti4dmv.com	574-535-8171
Chad Burton	ITI Operations Center	cburton@iti4dmv.com	765 506 9422
Drew Nicholson	ITI Operations Center	dnicholson@iti4dmv.com	941-321-8032

Appendix B: Emergency Command Center Locations

Emergency Command Center - ITI
2980 East Coliseum Blvd.
Fort Wayne, IN. 46805
260-459-8800 / 866-563-0590

STATE OF MICHIGAN

Contract No. **071B3200082C**
CDL Tablet Testing
Schedule F – Terms for On-Site Equipment

1. **Definitions**. All initial capitalized terms in this Schedule that are not defined herein shall have the respective meanings given to them in the Contract.

2. **Equipment**. Contractor must provide fully functioning Equipment, which must include all of the following:

   a. Tablets

3. **Delivery**. Contractor must deliver the Equipment to the locations designated by the State by the delivery date specified in the Statement of Work. Five days prior to the actual delivery date, Contractor must give written notice to the State specifying the precise delivery date and time. Contractor must pay all costs associated with replacing any item damaged in transit to the final destination. Contractor acknowledges that no item will be considered delivered on the delivery date if it is damaged or otherwise not ready for the State to begin its acceptance procedures. Contractor must, at a minimum, package the Equipment according to industry standards and include a packing slip with each shipment. Contractor must also arrange for any rigging and drayage necessary to deliver the Equipment. All costs associated with packaging, shipping, transportation, delivery and insurance are included in the pricing set forth in Schedule C of this Contract.

4. **Installation, Integration and Configuration**.

   a. Contractor must unpack, assemble, install, integrate, interconnect, and configure all the Equipment at the locations specified in the Statement of Work. Where necessary to complete installation, Contractor must provide all required moving and installation resources, including but not limited to personnel, packing material, and floor protection panels. After completing installation, Contractor must provide the State with written notification that the Equipment is ready for use.
   b. Contractor must supply all materials required to complete the assembly, installation, integration, interconnection, and configuration of the Equipment at the locations specified in the Statement of Work so that they are ready for use and acceptance, including providing and setting up all required connections to the power supply and any other necessary cables and any other accessories or supplies.
   c. Contractor must leave all work areas clean once installation is complete, which includes removing and disposing of all packing materials.
   d. All costs associated with the installation services described in this **Section** are included in pricing set forth in Schedule C of this Contract.

5. **Documentation**. Contractor must provide to the State all end-user documentation for the Equipment. The documentation, at a minimum, must include all the documentation available to consumers from the manufacturer of the Equipment about the technical specifications of the Equipment, warranties, installation requirements, and operating instructions, as well as details about the software programs with which the Equipment function.

6. **Acceptance**. The following Section applies generally to the acceptance of Equipment.

   a. All Equipment is subject to acceptance by the State. As part of its acceptance process, the State may test any function of the Equipment to determine whether it meets the requirements set forth in the Statement of Work. If the Equipment does not meet the requirements set forth in the Statement of Work, the State may reject the Equipment or require that they be corrected at Contractor's sole cost and expense before accepting them.
   b. Acceptance by the State does not relieve Contractor of its responsibility for defects in the Equipment or other failures to meet the requirements of the Statement of Work or of its support and maintenance obligations.
   c. The procedure for acceptance will be as follows:

i. Contractor must notify the State in writing once the Equipment are ready for use, in accordance with **Section 4.a** above;

ii. the State will have ten (10) Business Days to perform its acceptance procedures (the "**Acceptance Period**"); and

iii. if the State provides notice of any deficiency during the Acceptance Period, Contractor must address the deficiency at no cost to the State as soon as possible and notify the State in writing once the work is complete, at which time the State will be entitled to re-inspect the Equipment and Hosting Environment and the Acceptance Period will start again.

7. **Warranty for Equipment**.

a. Even if the State has accepted the Equipment, Contractor warrants that, throughout the Term, the Equipment will conform in all ways with the requirements set forth in the Statement of Work.

b. This warranty does not apply to a specific item of the Equipment if the only reason that item fails to conform to the requirements of the Statement of Work is because:

i. a person other than the Contractor, a subcontractor, or a person approved by either of them modifies the Equipment or attaches items that were not designed or approved for use with the Equipment by the Contractor or the manufacturer of the Equipment; or

ii. the State uses consumable supplies or materials in or on the Equipment that are supplied by a person other than the Contractor, if those consumables or materials do not conform to the Equipment manufacturer's instructions to consumers.

iii. Gross negligence by State employees or 3rd party Contractors.

c. Contractor must provide maintenance and support services for the Equipment throughout the Term in accordance with **Schedule D** to the Contract, the Service Level Agreement. All charges and costs associated with providing the maintenance and support during the Term are included in **Schedule C**, the Pricing Schedule.

8. **Risk of Loss and Title.**

a. Risk of damage to Equipment remains with Contractor throughout term of this Contract. Contractor is responsible for filing, processing, and collecting all damage claims, including those filed by 3rd party Contractors or MDOS. The Contractor will be responsible to report all damage claims to the State within 24 hours. Contractor must reimburse the State for costs and expenses incurred in storing or effecting removal or disposition of Equipment.

b. MDOS reserves the right to remove and store any of the equipment, with a notification to ITI. ITI will continue maintenance of the devices as per the requirements of this SOW and SLA while the devices are in MDOS possession. ITI must ensure the access security of the ITI's maintenance personnel and the storage facilities to the devices and identify the location of the device at any point in time to MDOS, while in ITI's possession.

STATE OF MICHIGAN

Contract No. **071B3200082C**
CDL Tablet Testing
Schedule G – High Level Network Diagram
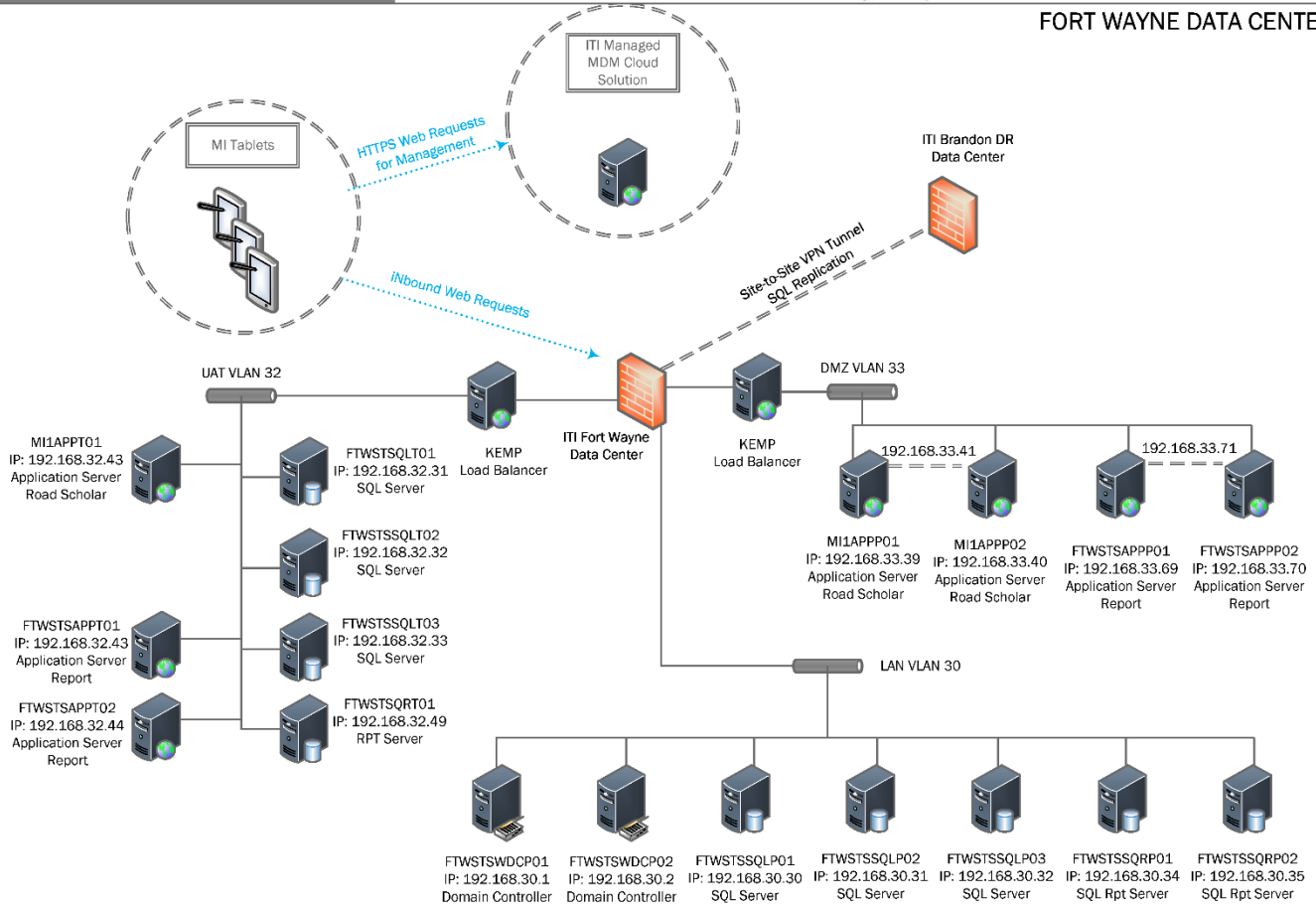
STATE OF MICHIGAN
ENTERPRISE PROCUREMENT

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 **071B3200082C**

CONTRACTOR		STATE		
SOLUTIONS THRU SOFTWARE INC.		**Program Manager**	Don Lambert	DOS
2008 W. Sunset Road			517-636-4223	
Henderson, NV 89014-2074			lambertd@michigan.gov	
John Van der Heiden		**Contract Administrator**	Jarrod Barron	DTMB
877-926-4637 X-4108			(517) 284-7045	
john@sts-intl.com			barronj1@michigan.gov	
*******4752				

CONTRACT SUMMARY			
COMMERCIAL DRIVER'S LICENSE AUTOMATED TESTING SYSTEM			
INITIAL EFFECTIVE DATE	**INITIAL EXPIRATION DATE**	**INITIAL AVAILABLE OPTIONS**	**EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW**
April 18, 2013	April 17, 2018	2 - 1 Year	April 17, 2018

PAYMENT TERMS	DELIVERY TIMEFRAME
	N/A

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

MINIMUM DELIVERY REQUIREMENTS

N/A

DESCRIPTION OF CHANGE NOTICE				
OPTION	**LENGTH OF OPTION**	**EXTENSION**	**LENGTH OF EXTENSION**	**REVISED EXP. DATE**
☒	Two 1-year options	☐		April 17, 2020
CURRENT VALUE	**VALUE OF CHANGE NOTICE**	**ESTIMATED AGGREGATE CONTRACT VALUE**		
$4,681,344.27	$0.00	$4,681,344.27		

DESCRIPTION
Effective 10/30/2017, the State exercises both of the two available option years. Revised Contract expiration date is 4/17/2020. All other terms, conditions, pricing and specifications remain the same.

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

CHANGE NOTICE NO. 1
to

CONTRACT NO. 071B3200082
between

THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Solutions Thru Software Inc.	John Van der Heiden	john@sts-mh.com
2008 W. Sunset Road, Suite 100	**TELEPHONE**	**CONTRACTOR #, MAIL CODE**
Henderson, NV 89014-2074	(877) 926-4637 ext 4108	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	MDOS	Grace Ueberroth	517-322-3440	ueberrothg@michigan.gov
BUYER	DTMB	Mike Breen	517-284-7002	breenm@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: **Commercial Driver's License Automated Testing System**			
INITIAL EFFECTIVE DATE	**INITIAL EXPIRATION DATE**	**INITIAL AVAILABLE OPTIONS**	**EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW**
April 18, 2013	April 17, 2018	2, one year	April 17, 2018
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:		**AVAILABLE TO MiDEAL PARTICIPANTS**	
☐ P-card ☐ Direct Voucher (DV) ☐ Other		☐ Yes ☒ No	
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	**EXERCISE CONTRACT OPTION YEAR(S)**	**EXTENSION BEYOND CONTRACT OPTION YEARS**	**LENGTH OF OPTION/EXTENSION**	**EXPIRATION DATE AFTER CHANGE**
☒ No ☐ Yes	☐	☐		
VALUE/COST OF CHANGE NOTICE:		**ESTIMATED REVISED AGGREGATE CONTRACT VALUE:**		
$24,117.09		$4,681,344.27		
Effective August 4, 2014, this contract is hereby increased by $24,117.09 to add the service translation abilities of four additional languages per contract specifications (Arabic, Chinese, Russian and Ukrainian.) All other terms, conditions, pricing and specifications remain the same. Per agency (MDOS) and DTMB Procurement agreement.				

COST ESTIMATE

STATE OF MICHIGAN

OPERATORS KNOWLEDGE TEST IMPLEMENTATON

COMMERCIAL DRIVERS LICENSE AUTOMATED TESTING SYSTEM

SOLUTIONS THRU SOFTWARE ★★★★★ INTERNATIONAL

DOCUMENT REVISION DATE: September 4/2014

This page left intentionally blank

Cost Overview

Solutions Thru Software is pleased to provide this cost estimate for implementation of the Operators Knowledge Test in English as well as the additional specified translated language.

This document will outline the standard tasks and expected costs. Solutions Thru Software has a great deal of expertise in the implementation of additional tests and languages and does not expect any issues to occur throughout this process.

This document has been updated to reflect the revised word count of the Operators Test.

Operator Knowledge Test Task List

To complete the translation of any additional language for existing and/or new test types the following tasks are required:

- MDOS provides STS with the Test Question Item Pool including questions, distractors, etc. This will include additional test information including the indication of the correct answers, any applicable/required images, time limits (if applicable), etc.

- STS will convert the test question item pool information into the format required by the automated testing system.

- STS will choose applicable images for any question that does not have a required and/or mandatory image provided with it. All images are subject to MDOS approval.

- STS will provide and integrate audio files for all test questions and distractors in English only.

- MDOS and STS will test the test question item pool to ensure that all content is correct and is being presented according to State expectations.

- MDOS will provide approval of test question item pool and content upon completion of testing.

- MDOS will provide a list of approved languages for translation.

- STS will submit test question item pool content to the translation company for translation.

- STS will integrate translated content received from the translation company.

- MDOS and STS will test the translated test question item pool to ensure that all content is correct and is being presented according to State expectations.

- MDOS will approve the test question item pool content.

- STS will enable access to test question item pool content to all MDOS approved testing locations.

- STS will implement the test question item pool.

Cost Per Language

The table below outlines the translation cost per language for the Operator's Knowledge Test. The cost to develop the English language content including audio files is included within the Software Maintenance Agreement.

Cost of Additional Languages

Language	Minimum Change Fee	Language Cost Text Translation Only	Language Cost Audio and Text Translations
English	$0.00	$0.00	$0.00
Albanian*	$306.00	$2,267.28	$3,842.85
Arabic	$306.00	$1,822.95	$3,089.75
Burmese*	$306.00	$2,267.28	$3,842.85
Chinese (Simple)	$306.00	$1,822.95	$3,089.75
French (European)	$306.00	$1,822.95	$3,089.75
Greek*	$306.00	$2,267.28	$3,842.85
Hindi	$306.00	$1,822.95	$3,089.75
Italian	$306.00	$1,822.95	$3,089.75
Japanese	$306.00	$1,822.95	$3,089.75
Korean	$306.00	$1,822.95	$3,089.75
Polish	$306.00	$1,822.95	$3,089.75
Portuguese (Brazilian)*	$306.00	$2,267.28	$3,842.85
Russian	$306.00	$1,822.95	$3,089.75
Ukrainian*	$306.00	$2,267.28	$3,842.85
Spanish (American)	$306.00	$1,822.95	$3,089.75
Vietnamese	$306.00	$1,822.95	$3,089.75
Total Cost of Translation:		$31,388.89	$53,201.50

NOTE:

- *Language cost is based on a cost of $0.85 per word with a total of 3635 words for the Operator's Knowledge Test, plus an additional 886 words per language for system text for languages not previous implemented on the testing system. This additional 886 (total of 4521) words would apply only to Albanian, Burmese, Greek, Portuguese (Brazilian) and Ukrainian

- The Minimum change fee is for any minor wording changes that require re-translation.

- There is no limitation as to the number of languages that can be implemented at any one time.

This page left intentionally blank

Assumptions, Terms and Clarifications

Assumptions, Terms and Clarifications as noted throughout this document are collectively noted below for ease of review.

- Language cost based on a cost of $0.85 per as with a total of 3635 words for the Operator's Knowledge Test as per counts provided by STS as well as our translation service. An additional 886 words is required for system text for the languages not previous implemented by STS, these languages include Albanian, Burmese, Greek, Portuguese (Brazilian) and Ukrainian only.

- The minimum change fee per language is $306.00 for minor changes that requires (re)translation and reflects the minimum fee charged to STS by the translation company.

- All prices in US Dollars.

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

NOTICE
OF
CONTRACT NO. 071B3200082
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Solutions Thru Software Inc.	**John Van der Heiden**	**john@sts-mh.com**
2008 W. Sunset Rd. Ste. #100	TELEPHONE	CONTRACTOR #, MAIL CODE
Henderson, NV 89014-2074	**877-926-4637 x 4108**	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	**DTMB**	**Dan Klodt**	**517-636-0234**	**klodtk@michigan.gov**
BUYER:	**DTMB**	**Reid Sisson**	**517-241-1638**	**sissonr@michigan.gov**

CONTRACT SUMMARY:			
DESCRIPTION: **Commercial Driver's License Automated Testing System**			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 Years	**April 18, 2013**	**April 17, 2018**	**2, 1 Year Options**
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	**N/A**	**N/A**	**N/A**
ALTERNATE PAYMENT OPTIONS:		AVAILABLE TO MiDEAL PARTICIPANTS	
☐ P-card ☐ Direct Voucher (DV) ☐ Other		☐ YES ☒ NO	
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
The terms and conditions of this Contract are those of solicitation # 084R2200144 and this Contract Agreement. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		**$4,657,227.18**	

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

CONTRACT NO. 071B3200082
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Solutions Thru Software Inc.	**John Van der Heiden**	**john@sts-mh.com**
2008 W. Sunset Rd. Ste. #100	TELEPHONE	CONTRACTOR #, MAIL CODE
Henderson, NV 89014-2074	**877-926-4637 x 4108**	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	**DTMB**	**Dan Klodt**	**517-636-0234**	**klodtk@michigan.gov**
BUYER:	**DTMB**	**Reid Sisson**	**517-241-1638**	**sissonr@michigan.gov**

CONTRACT SUMMARY:			
DESCRIPTION: **Commercial Driver's License Automated Testing System**			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 Years	**April 18, 2013**	**April 17, 2018**	**2, 1 Year Options**
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	**N/A**	**N/A**	**N/A**
ALTERNATE PAYMENT OPTIONS:		AVAILABLE TO MiDEAL PARTICIPANTS	
☐ P-card ☐ Direct Voucher (DV) ☐ Other		☐ YES ☒ NO	
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
The terms and conditions of this Contract are those of solicitation # 084R2200144 and this Contract Agreement. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		**$4,657,227.18**	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #084R2980394752. Orders for delivery will be issued directly by the Department of Technology, Management & Budget through the issuance of a Purchase Order Form.

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

Table of Contents

13

Article 1 – Statement of Work (SOW)

1.000   Project Identification

1.001   PROJECT REQUEST
The State of Michigan has issued this Contract to provide a Commercial Driver License (CDL) automated testing system (CDL Kiosk System) for the Michigan Department of State (MDOS). The a CDL Testing System that will administer CDL Testing to Michigan citizens and customers. Contractor's Solution must provide software and external application and data hosting, which will leverage the State's current CDL Kiosk System equipment.

1.002   BACKGROUND
There are currently 80 branch offices that use the CDL Kiosks. There are 284 CDL Test Stations. This is a separate system from the State of Michigan network. The current system has two configurations: 1. an internet based server system; 2. an on-site, networked PC system.

The first configuration is comprised of individual PCS connected to a remote server, via an internet VPN. The second configuration consists of a PC server that is located behind the office counter and is locally connected to test stations and is not directly linked to the remote server.

Branch clerks are responsible for queuing up a CDL test for the customer. Customers input their answers via a touch screen monitor. All historical data for the tests are stored and available for administrative use.

1.100   Scope of Work and Deliverables

1.101   IN SCOPE
The State requires a CDL Kiosk Solution that will:
- Provide project planning and management for implementation of any refresh or expansion of Solution over the term of the Contract.
- Provide requirements validation for Solution implementation
- Provide Solution design, including both application screen presentation and the Solution architecture
- Provide the back-end software application used to provide the test and to collect data.
- Provide the back-end hosting of the application and the stored data, including data backup and disaster recovery
- Provide the software for unconnected kiosks that must run without direct Internet connection.
- Provide on-site hardware infrastructure (kiosks), including support of existing infrastructure (if used).
- Provide training of State System administrators and State Branch Office staff
- Fully maintain and support all aspects of the system (software, hardware infrastructure, & data storage), including all on-site CDL Kiosks
- The State reserves the right, as on option, to add other available tests to the solution, at dates to be decided.

The Contractor shall provide deliverables, services and staff and otherwise all things necessary or incidental to provide the functionality required for the State's business operations in accordance with requirements set forth below. The State reserves the right to purchase additional products and additional services through this Contract.

1.102   OUT OF SCOPE
All products and services not related to the CDL Kiosk System shall be considered out of scope for this Contract.

1.103   ENVIRONMENT

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

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors 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:
Information regarding the State's information technology architecture and standards for hardware, database applications, network hardware and monitoring tools, identity management/authentication and development tools may be found at:
 http://www.michigan.gov/dmb/0,4568,7-150-56355---,00.html

Enterprise IT Security Policy and Procedures:
http://www.michigan.gov/documents/dmb/1310_183772_7.pdf
http://www.michigan.gov/documents/dmb/1310.02_183775_7.pdf
http://www.michigan.gov/documents/dmb/1325_193160_7.pdf
http://www.michigan.gov/documents/dmb/1335_193161_7.pdf
http://www.michigan.gov/documents/dmb/1340_193162_7.pdf
http://www.michigan.gov/documents/dmb/1350.10_184594_7.pdf

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

IT eMichigan Web Development Standard Tools:
http://www.michigan.gov/documents/som/Look_and_Feel_Standards_302051_7.pdf

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

Agency Specific Technical Environment
The State has an existing inventory of equipment currently deployed to provide CDL Kiosk System Testing at Secretary of State Branch Office Locations. These locations and their deployed equipment are detailed in Attachment K – Branch Office Information.

Contractor shall identify hardware and infrastructure requirements needed to achieve the desired solution that meets current Michigan Department of Technology, Management and Budget (DTMB) standards.

133,352 CDL scrambled knowledge tests were administered in FY2012.
The existing CDL testing system does not contain any driver license records, only CDL test records. There are approximately 5 years of CDL test records that will need to be migrated to the new system.

The current testing system involves a centrally hosted environment. The centralized application model allows the use of standard internet connectivity to support ongoing testing activity from remote office locations. An internet connected network is established within each office to accommodate the external connectivity of each test station. The internet connected network is completely separate from any State network, with internet provided by a State secured third-party internet service provider. All communication and control functionality is handled through the central server.

The test results are automatically updated electronically to the central record keeping system. There is no manual intervention to update the central server.

Multiple-Choice questions or True/False questions. The test generated can only display the test questions in one format, not both multiple choice and true/false test questions.

The passing score for all CDL written tests is 80%. The passing/failing test score is stored as part of the applicant's test history in the Kiosk testing system. Branch staff will record the passing/failing test score on the applicant's Driver License and ID Card Request form. If the applicant passed the CDL Knowledge test, branch staff will process the driver license transaction. If the applicant failed the CDL Knowledge test, branch staff will offer the applicant to either retake the test or study the CDL manual before retaking the test.

Once the applicant selects an answer to a question and confirms their response, system automatically displays if their response is correct, if not it displays the correct answer. Once the applicant has answered the number of questions to determine a pass or fail score, system stops the test and notifies the applicant on screen the results of their test. The applicant is not required to continue with the test once a pass/fail score has been reached.

AAMVA Requirements:
The American Association of Motor Vehicle Administrators (AAMVA) Test Maintenance Subcommittee (TMS) and Federal Motor Carrier Safety Administration (FMCSA) developed a document titled Requirements Document for the Development of Computer-Generated Multiple Choice CDL Knowledge Tests. Each CDL knowledge test must meet the requirements set forth by FMCSA in 49 CFR 383 Subpart G. Software was developed that assists jurisdictions in generating CDL knowledge tests utilizing a 600 question item pool and the following requirements.

a.	The requirements set forth in 49 CFR 383, Part G
b.	Requirements set forth by AAMVA
c.	The difficulty level must fall within a 10-point range as determined by AAMVA. The level is based upon field testing and is the proportion of test applicants that answered the question correctly.
d.	Each question in the pool has a designated correct response in either position A, B, or C. The program must have the ability to change the response position.
e.	Each test must be unique from the previous test generated in the following manner:
i.	Each test must contain 25% new questions
ii.	The location of identical questions must be different from the previous test
iii.	The answers of identical questions must be in a different order from the previous question
f.	The tests must not contain incompatible answers.
g.	The ability to print test administration and reference documents

1.104   Work and Deliverable

I. Services and Deliverables To Be Provided

Contractor will support and provide the CDL Testing System that administers CDL Testing to Michigan citizens and customers. Contractor's Solution must provide software and external application and data hosting, and will include a plan to leverage or replace the State's current CDL Kiosk System equipment.

The deliverables listed in this section are not all-inclusive. Contractors may propose other deliverables. The award recommendation will be made to the responsive and responsible Contractor who offers the best value to the State of Michigan.

A. Project Planning and Management
At the State's request Contract will provide Project Planning and Management Services. Please see Section 1.300: Project Plan, and Section 1.400: Project Management

B. Requirements Validation
At the State's request Contractor will meet with State Project Managers and Subject Matter experts to validate the State's requirements for any enhancement or addition to the CDL Testing System. The Contractor should anticipate meeting and anticipating in the Lansing Michigan area.

20

Contractor Responsibilities will include:
- Contractor shall facilitate meetings
- Write a requirements validation document

State Responsibilities will include:
- Provide a minimum of 3 staff from MDOS Customer Services administration for all requirements meetings.
- Provide meeting facilities
- Provide transportation to and from all demo branch office locations
- Review and approve the requirements validation document

Deliverables for this activity will include, but not be limited to:
- Requirements validation document
- Requirements traceability matrix (traceability matrix provided with the detailed requirements)

Acceptance Criteria: See section 1.501 Acceptance Criteria

C. Design
At the State's request, Contractor will do all things necessary to provide the design of the enhancements or additons to the CDL Kiosk System that will be implemented.

Contractor Responsibilities will include:
- Write and finalize each of the design documents in the Deliverables below
- Provide a Statistical Database as a component of the CDL Kiosk System, which will serve as a repository for the retention of core information relevant to applicant testing, the testing process, test results, and the certification of test performance that will result in specific authorization for a license to drive.
- Identify any changes to current configuration, and submit
- In collaboration with MDOS, develop straightforward on-screen-instructional procedures that provide the applicant with a clear understanding of how to proceed with the test.
- Provide assistance to State Staff in development and finalization of IT Security Plan
- Provide assistance to State Staff in development and finalization of the Enterprise Architecture Solution Assessment

State Responsibilities will include:
- Provide a minimum of 3 staff from MDOS Customer Services administration for question and answer
- Provide meeting facilities
- Review and approve final designs
- Assist in the Security Plan and assessment

Contractor Deliverable(s) will include but not be limited to:
- Application/Solution design document, including:
    - Network design
    - Disaster Recovery and Backup solution design
    - Back-end IT Hardware design , including servers and storage
- Kiosk design
    - Kiosk housing
- Final data conversion and upload plan
- CDL Kiosk Solution Test Plan
- Project transition and implementation plan
- Final EA Solution Assessment Worksheet and sign-off (SEM template)
- Final Project Security Plan and Assessment and sign-off (SEM template)

Acceptance Criteria:
See section 1.501 Acceptance Criteria

D. Hardware
Contractor will provide and support all kiosk system hardware to the State:
- For the System hosted environment, Contractor will provide use of all hardware to the State and retain ownership.
- For Kiosks, this may include leveraging the state's existing kiosk inventory. Contractor will provide new kiosk hardware at the State's request, for implementation of the CDL Kiosk System at new locations or to refresh old equipment.

See Attachment I – Hardware, for a list of the State's current Kiosk hardware. (All equipment is owned by the State and available for use in the Contract, other needs to be provided by the vendor). Vendor may propose other hardware solutions. The preferred solution will use hardware already owned by the state. Maintenance of hardware, including replacement, is the contractor's responsibility.

Contractor will provide a warranty for all new kiosks.

Any new kiosk housing should not include any permanent vendor logo or branding.

Contractor Responsibilities will include:
- Hardware maintenance, including PC replacement when necessary (see section K below)
- Kiosk housing (use current or provide new)
- Propose pricing options for leased and purchased equipment

State Responsibilities
- Approve hardware solution
- Approve kiosk housing solution
- Monitor and approve performance of maintenance, including PC replacement
- Determine to lease or purchase equipment

Deliverable(s)
- Hardware
- Hardware support
- Hardware maintenance
- Kiosk housing
- Kiosk housing maintenance
- Hardware maintenance plan
- Hardware refresh plan

Acceptance Criteria

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

E. Software
Contractor will provide and support all software necessary for the successful and secure operation of the CDL Testing System, including all software for the hosted system and any software that must be installed on Kiosks. Contractor will grant to the State an enterprise-wide license for all CDL Testing System software, which shall allow for an unlimited number of State staff users and Test-takers, and shall be irrevocable for the Contract's term.

Contractor Responsibilities will include:
- Identification of all software to be installed and used
- Provide software, maintenance, update and support
- Implementation of patches and upgrades to current supported releases
- Provide a software refresh plan
- Provide software patching plan
- Provide software installation plan
- Software installation

- Licensing of any and all third-party software used as part of the CDL Kiosk Testing System, for which the State shall have no responsibility.

State Responsibilities
- Approve all updates to software
- Approve software refresh plan
- Approve software patching plan
- Approve software installation plan

Deliverable(s)
- Software refresh plan
- Software patching plan
- Procurement of software
- Software installation plan
- Software installation

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

F. System Hosting Operation Services
Contractor will do all things necessary to provide hosting operation services for the CDL Kiosk Testing System Environment, including hosting of all environment hardware, the software application, and data storage. Hosting Operation Services must also include solutions for backup and disaster recovery in the event of a system failure.

The CDL Kiosk Testing Server System will be the central point of control for the CDL Testing System for each interfaced location. The Server System is used to assign the application to test, to monitor test progress, to display test results, to review tests, to provide test results report, to provide statistical reports, and to store applicant test data. The Server System will be supplied by the Contractor.

Contractor Responsibilities will include
- Provide, operate, and maintain Software application, hardware environment, system backup and disaster recovery.
- Provide, operate, and maintain solution for systems management
- Provide data reconstruction, problem analysis data transfer reconciliation and system audits

State Responsibilities
- Provide internet connectivity to installed kiosks

Service Deliverables and Acceptance Criteria
The State's acceptance of Hosting Operation Services is determined by the Service Level Agreement as detailed in Attachment C: Service Level Agreements (SLA).

G. Set up and system configuration
Contractor will do all things necessary to set up and configure the hosted components of the CDL Kiosk Testing System, in accordance with the requirements and the system architecture design. This may include, but not be limited to, the acquisition, deployment, and configuration of servers, routers, software, firewalls, and other related components. This will also include readying the System for testing (See Part E below).

Contractor Responsibilities will include:
- Hosted System deployment, configuration, and implementation
- Load or convert the State's historical CDL test data into the System
- Provide a test environment separate from production.
    - Includes a complete data set to support the various test types.
    - Verification that the separate test environment is ready prior to the SOM Subject Matter Experts beginning their User Acceptance Testing. Ready includes:

23

- System loaded and "ready and able" to be used
- User testers have access and able to access the system
  - Authentication and authorization will be in place to ensure protection of data
- Reloading system to test including UAT after defects corrected
- Reloading test data as requested
- Testing of the Hosted System
- Develop and provide the final Kiosk implementation plan

State Responsibilities
- Provide the file of historical CDL test data
- Provide the list of branch offices for implementation, for both Phase 1 and Phase 2
- Approve the final implementation plan

Contractor's deliverables will include but not be limited to:
- Confirmation of successful Hosted System test
- Confirmation of State historical CDL Test Data upload
- Final Kiosk implementation plan

H. Training
At the State's request Contractor will train State staff for administration of the CDL Kiosk Test System. Training for administrative and System testing staff will be provided on site in Lansing, prior to beginning any System testing or implementation/ installation at branch office. Training at each branch office will occur at the same time as implementation/installation at **that branch, and** will include 1-5 staff per location (branch manager and lead workers).

Training shall be provided in a variety of formats for product installation, use, and administration for a variety of levels (e.g. basic, advanced, refresher, etc.)
All training manuals, training plans and other documentation provided become the property of the State.

All training materials must be provided on paper (1 copy), and electronic format (MS Word).

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

Contractor Responsibilities will include:
- Develop the training schedule
- Conduct a one-day training session at central office in Lansing for System Administrative and Testing staff
- Conduct one training session at each branch.
- Provide training plan and materials to MDOS administrative staff (approximately 10) prior to any training

State Responsibilities will include:
- Approve the training plan, materials, and schedule
- Approve the training conducted at each site
- Participate in training sessions

Deliverable(s) may include but not be limited to:
- Training schedule
- Training roster, agenda, and date of training at each site
- Training materials for State System administrators and testers
- Three copies of training materials

Acceptance Criteria
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501. Any additional or more specific criteria should be identified here.

I. System Testing

At the State's request Contractor will work with State staff to test the CDL Kiosk system to ensure successful operation that meets requirements and accurate collection and processing of Test data. This activity will include:

- System Testing
- Performance Testing
- Stress Testing
- User Acceptance Testing

This must also include remediation of reported issues

Contractor responsibilities will include:

1. Provide a reporting tool, similar to an Excel spreadsheet, to log and report defects from all the various tests including UAT. The tool shall be easily accessible to the State to post defects, review activity, and run reports.
2. During all phases of testing, the Contractor will monitor, track/report and resolve defects, and also:
   a. System performance
   b. Computer resource usage
3. Contractor will provide business and technical personnel to monitor progress, investigate and answer questions that may arise and assist users in documentation of defects during User Acceptance Testing
   a. All defects, unless specifically agreed to in writing by the DTMB Project Manager, will be corrected by the Contractor before completion of User Acceptance Testing
      i. Should a defect prevent continuation of testing by more than 1 business day, the State is not held responsible for schedule and associated costs of the delay.
4. Execution of testing:
   a. Unit Tests
   b. Integration Test
      i. This involves validating that all of the functions works in unison as the modules are developed.
   c. Functional Test
      i. This occurs in conjunction with integration testing.
      ii. This ensures that the new system is handling data correctly, receiving inputs from users and files, performing data defect checks and input validation, passing data between modules correctly, storing and retrieving data correctly, printing reports, and presenting the proper defect messages to the user.
   d. Performance and Stress Test
      i. This occurs after integration and functional testing is complete and involves testing application procedures and functions with the increasing data and user load to ensure that the response time is within contract and user standards.
      ii. Performance testing involves the responsiveness of the system, <u>in an environment equivalent to production</u>
      iii. Stress testing involves measuring how the application will perform, <u>in an environment equivalent to production</u>, in response to increasing demand by simulating the following: (1) increasing the number of users, (2) increasing the complexity of the tasks which the users are performing, and (3) increasing the number of tasks the users perform. The final load test needs to demonstrate the ability to handle expected peak demand.
      iv. Performance and Stress Test results will be documented no less than weekly and any concerns identified with corresponding recommendations to correct or improve.
      v. The Contractor shall perform this test prior to submitting code to the SOM for the User Acceptance Test.
   e. System Test
      i. This involves validating that all of the functions work in unison.
      ii. Stress testing involves measuring how the application will perform, <u>in an environment equivalent to production</u>
      iii. The Contractor shall perform this test prior to submitting code to the SOM for the User Acceptance Test.
   f. Support UAT
      i. Contractor response to questions and defects

g. Correction of all defects from the testing (listed above), unless specifically agreed to in writing by the DTMB Project Manager, before the system is turned over to the State for User Acceptance Testing.

State Responsibilities will include:
1. Provide a minimum of 3 staff from MDOS Customer Services administration for testing.
2. Provide testing location.
3. Review and approve final test results.
4. Review and approve the results of System Testing.
5. Review and approve the testing summary.
6. Perform User Acceptance Testing within the project schedule.
    a. Creation of the User Acceptance Test Plan and schedule.
    b. Creation of test cases that verify the functionality, including the capacity/performance to handle the expected load including peak demand.
        i. Defects are not considered as closed until verified at the same level of testing as occurred. Therefore, for example, a defect during performance test must be verified in performance test as corrected prior to closure.
        ii. Should a defect prevent continuation of testing by more than 1 business day, the State is not held responsible for schedule and associated costs of the delay.
    c. Though the State will perform User Acceptance Testing, the Contractor will provide business and technical personnel to monitor progress, investigate and answer questions that may arise and assist users in documentation of defects during User Acceptance Testing.
        i. All defects, unless specifically agreed to in writing by the DTMB Project Manager, will be corrected by the Contractor before completion of User Acceptance Testing.
            1. Should a defect prevent continuation of testing by more than 1 business day, the State is not held responsible for schedule and associated costs of the delay.
        ii. Creation of a test results report which records the test events, the dates of the events, the test results and the analysis of the results (defects and resolution).
    d. Update of the Requirements Traceability Matrix (RTM). This provides evidence that all requirements are accounted for in the testing to validate they perform as expected. This will cover the completion of the column marked "Test Case", where the Contractor is expected to provide a reference to approved Test Cases. The Test Case document(s) will not be considered complete until the updated version of the Requirements Traceability Matrix is approved.
    e. Updates against this phase will be included in the Project Status Report

Deliverable(s) will include but not be limited to:
Testing summary and defect resolution matrix.
1. Test Plan
2. Test Cases/Scripts
3. Updated Requirement Traceability Matrix
4. Test Environment
    a. Implementation of defect tracking tool
    b. Creation of Test Environment including data
    c. Test Environment Verification
5. Completion of tests as defined above
    a. Correction of defects (unless so excluded in writing by DTMB Project Manager)
    b. Test Result Report (developed after completion of each of the following: Performance/Stress Test, System Test)
6. Updated Project Plan

Acceptance Criteria
High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501. All high level and critical defects have been resolved.

J. Implementation
Contractor will be responsible for implementation of any enhancements or additions to the Kiosk Testing System within State Branch Offices, as directed by the State through approval of a Statement of Work.

Contractor Responsibilities will include:
- Install and implement the Kiosk solution for branch offices
- Reconfiguration of current routers
- Address reported system issues
- Provide resolution for identified issue

State Responsibilities will include:
- Administer the test system at the designated locations
- Assess performance and report system issues
- Track roll-out of any new equipment

Deliverables will include, but not be limited to:
- Application implemented in environment
- Final version of application files
- Updated installation plan
- New database populated with migrated data
- Stage exit agenda
- Stage exit approval

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

K. Kiosk Maintenance and Support
Upon installation and deployment of CDL Kiosks at designated locations, Contractor will do all things necessary to provide maintenance and support to ensure the successful operation of these devices.

Contractor Responsibilities will include:
- Track and resolve issues reported by MDOS Central Office
    - Provide Monthly Issue Tracking and Resolution Report to MDOS
- Provide Help Desk support to MDOS Central Office administrators.
- *P*rovide replacement of defective components. : In cases where the warranty is expired, the Contractor is responsible to replace defective components as part of the Maintenance and Support contract.
- Provide on-site maintenance services to return malfunctioning kiosks to operationality
- Provide the following services for all deployed versions of Kiosk software installed at State locations::
    1. **Error Correction.** Upon notice by State of a problem with the software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.
    2. **Material Defects**. The State will be notified of any material errors or defects in the deliverables known, or made known to contractor from any source during the contract term that could cause the production of inaccurate, or otherwise materially incorrect, results and shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.
    3. **Update**s. All new releases and bug fixes (collectively referred to as "changes") for any software deliverable developed or published by contractor and made generally available to its other customers at no additional charge will be provided to the State at no additional charge.

State Responsibilities will include:
- Provide branch office support contact at MDOS Central Office. MDOS Central Office will function as a first line help desk to the branches. MDOS Central Office will escalate issues to the contractor.
- Provide maintenance and support for ISP services

Deliverables and Acceptance Criteria
- Contractor will provide a monthly updated Kiosk Issue Tracking and Resolution Report for all issues reported by the State to the Contractor's Help Desk. The State shall have final authority as to when any issue may be considered resolved.
- Contractor's Service Level Agreement for on-site maintenance shall be four business hours from the State's contact to the Help Desk.

L. Transition
At the end of the Contract, Contractor will work with the State and its designated agents to ensure a transition to a new solution without interruption in service. Please see Section 2.170: Transition Responsibilities for further details.

Contractor Responsibilities will include:
- Removal of any existing testing software from testing kiosks
- Work with MDOS to coordinate transition of service
- Provide final copy of all hosted State data at transition cutover.

State Responsibilities will include
- Coordinate transition of service from existing vendor to new vendor
- Provide a transition schedule

Deliverables will include but not be limited to:
- *Provide MDOS with existing data files in an acceptable file format (text file or table)*

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

M. Additional Tests
At the State's option Contractor will do all things necessary to implement and provide additional available Tests through the CDL Kiosk Test System. Specific schedules, tasks, staffing, roles, and responsibilities will be identified through individual Statements of Work as separate projects.

II. Requirements
Requirements for the CDL Kiosk System are detailed in Attachment A: Requirements. Contractor is responsible for providing a solution that meets these requirements.

1.200   Roles and Responsibilities

1.201   CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

A. Contractor Staff
The Contractor will commit that staff identified in its proposal will 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. Identified Staff, including Key Personnel, are detailed in Attached D, Resume Templates.

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.

28

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.

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: John van der Heiden
- Technical Lead: Matt McIvor

The Contractor will provide a project manager to interact with the designated personnel from the State to insure a smooth transition to the new system. The project manager 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 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 a technical lead to interact with the designated personnel from the State to insure a smooth transition to the new system. The technical lead will coordinate all of the technical activities of the Contractor personnel assigned to the project and create all reports required by State. The Contractor's technical lead responsibilities include, at a minimum:
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures
- Prepare technical documents and materials
- Serve as the point person for all technical issues
- Oversee any data migration and system configuration
- Escalate technical issues and risks
- Coordinate and oversee the day-to-day technical activities

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

B. On Site Work Requirements
   1. Location of Work- *Statewide*
   The work is to be performed, completed, and managed at the following locations: Refer to Attachment K

2. **Hours of Operation:**
   a. Branch office working hours are 9:00 a.m. to 5:00 p.m. EST, Monday through Friday, 9:00 a.m. to 7 p.m. on Wednesdays, 9:00 a.m. to 2 p.m. on Saturdays, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.
   Normal Central office business hours are from 8:00 a.m. to 5:00 p.m. EST, Monday through Friday.
   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.

5. **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.

1.202   STATE STAFF, ROLES, AND RESPONSIBILITIES

Agency should specify State personnel dedicated to project, and identify their associated roles and responsibilities.

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

Executive Subject Matter Experts
The Executive Subject Matter Experts representing the business units involved will provide the vision for the business design and how the application shall provide for that vision. They shall be available on an as needed basis. The Executive SME's will be empowered to:
- Resolve project issues in a timely manner
- Review project plan, status, and issues
- Resolve deviations from project plan
- Provide acceptance sign-off
- Utilize change control procedures
- Ensure timely availability of State resources
- Review and sign-off invoices
- Make key implementation decisions, as identified by the Contractor's project manager, within 48-hours of their expected decision date.

Name	Agency/Division	Title	Phone/e-mail
Tina Densmore	MDOS - Customer Services Administration	Contract Compliance Inspector	517-322-5310

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

The State's Project Manager will provide the following services:
- Provide State facilities, as needed
- Coordinate the State resources necessary for the project

30

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

Name	Agency/Division	Title
Dan Klodt	DTMB	Project Manager
Jessica Koenigsknecht	MDOS	Project Manager

1.203   OTHER ROLES AND RESPONSIBILITIES - DELETED - NOT APPLICABLE

1.300   Project Plan

1.301   PROJECT PLAN MANAGEMENT

A.   The Contractor will carry out projects under the direction and control of the State.

B.   Although there will be continuous liaison with the Contractor team, the client agency's project director will meet monthly as a minimum, with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems that arise.

C.   The Contractor will submit brief written weekly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the client agency's project director; and notification of any significant deviation from previously agreed upon work plans. A copy of this report will be forwarded to the named buyer in Purchasing Operations.

D.   Within five (5) working days of commencement of any project, the Contractor will submit to the Department of State project director for final approval a work plan, which must include the following:

   i. The Contractor's project organizational structure.

   ii. 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.

   iii. The project work breakdown structure showing sub projects, activities and tasks, and resources required and allocated to each.

   iv. The time phased plan in the form of a graphic display, showing each event, task, and decision point in your work plan.

1.302   REPORTS

Reporting formats must be submitted to the State's Project Manager for approval within 5 business days after the execution of the Contract. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the project roll-out.

- Weekly Project Status Report (as applicable):
    - Summary of activity during the report period
    - Accomplishments during the report period
    - Deliverable status
    - Schedule status
    - Action Item status
    - Issues
    - Change Control
    - Repair status
    - Maintenance Activity
- Monthly Updated Project Plan (as applicable)
- Monthly Operations and Maintenance Report
    - Summary of activity during the report period
    - Accomplishments during the report period
    - SLA status
    - Schedule status
    - Action Item status
    - Issues
    - Change Control
    - Repair status
    - Maintenance Activity

1.400   Project Management

1.401   ISSUE MANAGEMENT

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

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

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

Issues shall be escalated for resolution from level 1 through level 2, as defined below:

   Level 1 – Subject Matter Experts (SME's)
   Level 2 – Project Managers

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 30 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

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

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

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

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

1.500   Acceptance

1.501   CRITERIA

Unless otherwise stated in the Statement of Work or Purchase Order, "Acceptance" of each Deliverable shall occur when each Deliverable/Service has been approved by the State.

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

The Bureau will accept deliverables after review, testing as appropriate and sign-off on a Change Request form or an Acceptance Criteria Document.

All documents will be reviewed within 5 business days. Documents must be submitted electronically in MS Office, or Adobe formats.

Some deliverables may require a presentation or meeting to explain its content and implication. MDOS will request these meetings or presentations as needed.

1.502   FINAL ACCEPTANCE

Final acceptance is expressly conditioned upon completion of all deliverables, completion of all tasks in the project plan as approved, completion of all applicable inspection and/or testing procedures, and the certification by the State that the Contractor has met the defined requirements. Unless otherwise stated in the Statement of Work or Purchase Order,

"Final Acceptance" of each Deliverable shall occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.251-2.257**. Payment will be made for Deliverables installed and accepted.

Please Note: For purposes of preparing proposals, contractors are to assume equipment must be delivered to each location and fully installed and in operation by July 1, 2013 (exception to this date would need prior approval from MDOS). Contractors are to describe how CDL Testing System service and maintenance would be provided to support the State's business operations at up to 131 MDOS locations.

Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria. "Final Acceptance" shall be considered to occur when the Custom Software Deliverable to be delivered has been approved by the State and has been operating in production without any material deficiency for 14 consecutive business days.

1.600   Compensation and Payment

1.601   COMPENSATION AND PAYMENT

Contract pricing is located in the cost table (Attachment G).

A. Method of Payment
Unless otherwise stated, the project will be paid at a firm, fixed price. The Costs Table(s) attached must be used as the format for submitting pricing information.

The State will pay for kiosks at a unit price, inclusive of warranty, any installed software, housing, and included components. As an option, the State may pay for partial kiosks and assembly that utilize existing State kiosk equipment as components. For kiosks whose warranty has expired, replacement components will be included as part of maintenance fees. Contractor is encouraged to provide discounts for high-volume purchases.

Contractor may, as an option, provide kiosk equipment to the State on a capital lease basis. Such lease shall not exceed the term of the Contract.

The State will pay for kiosk maintenance at a quarterly per-unit rate. The remaining value of unused maintenance for kiosk units taken out of service shall be applied to replacement units.

The State will pay for System Hosting Operation Services at a quarterly rate. All costs for all Contractor-hosted hardware, software, connectivity, staffing, and associated services will be included in this rate. The State shall not pay any separate costs for any hardware, software, or services hosted or occurring on the Contractor's site, for which the vendor shall be solely responsible.

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

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

C. Statements of Work and Issuance of Purchase Orders
  Unless otherwise agreed by the parties, each Statement of Work will include:
  1. Background
  2. Project Objective
  3. Scope of Work

4. Deliverables
5. Acceptance Criteria
6. Project Control and Reports
7. Specific Department Standards
8. Payment Schedule
9. Project Contacts
10. Agency Responsibilities and Assumptions
11. Location of Where the Work is to be performed
12. Expected Contractor Work Hours and Conditions

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

D. Invoicing
Contractor will submit properly itemized invoices to

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

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

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

E. State Administrative Fee
1. The Contractor must remit an administrative fee on all sales transacted under this Contract, and remit the fee within 30 days after the end of each quarter. The administrative fee equals one percent (1%) of the total quarterly sales reported.

2. The Contractor must pay the administrative fee by check payable to the State of Michigan. The Contractor must identify the check as an "Administrative Fee" and include the following information with the payment: the applicable Contract Number, the total quarterly sales by volume and dollar amount, and the quarter covered.

3. The Contractor must send the check to the following address:
    Department of Technology, Management and Budget
    Financial Services – Cashier Unit
    Lewis Cass Building
    320 South Walnut St.
    P.O. Box 30681
    Lansing, MI 48909

1.602   HOLDBACK - DELETED - NOT APPLICABLE

Article 2, Terms and Conditions

2.000   Contract Structure and Term

2.001   CONTRACT TERM

This Contract is for a period of 5 years beginning April 18, 2013 through April 17, 2018. All outstanding Purchase Orders must also expire upon the termination for any of the reasons listed in **Section 2.150** of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, shall remain in effect for the balance of the fiscal year for which they were issued.

2.002   OPTIONS TO RENEW

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to 2 additional 1-year periods.

2.003   LEGAL EFFECT

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

Except as otherwise agreed in writing by the parties, the State shall not be liable for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract or Change Order has been approved by the State Administrative Board (if required), signed by all the parties and a Purchase Order against the Contract has been issued.

2.004   ATTACHMENTS & EXHIBITS

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

2.005   ORDERING

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

2.006   ORDER OF PRECEDENCE

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

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

2.007 HEADINGS

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

2.008 FORM, FUNCTION & UTILITY

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

2.009 REFORMATION AND SEVERABILITY

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

2.010   Consents and Approvals

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

2.011 NO WAIVER OF DEFAULT

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

2.012 SURVIVAL

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

2.020   Contract Administration

2.021 ISSUING OFFICE

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

Reid Sisson
Buyer
Procurement
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Email: sissonr@michigan.gov
Phone: 517 241-1640

2.022   CONTRACT COMPLIANCE INSPECTOR

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

> Tina Densmore, Analyst
> Michigan Department of State
> Office of Program Support and Development
> 7064 Crowner Drive
> Lansing, MI 48918
> Densmoret1@michigan.gov
> Phone: 517-322-5310
> Fax: 517-322-5032

2.023   PROJECT MANAGER

The following individual will oversee the project:

> Jessica Koenigsknecht, Project Manager
> Michigan Department of State
> Office of Technology & Project Services
> 430 West Allegan, 4th Floor
> Email: koenigsknechtj3@michigan.gov
> Phone: 517-636-0723 (Operations Center)

2.024   CHANGE REQUESTS

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

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

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

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

(1) Change Request at State Request
   If the State requires Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").

(2) Contractor Recommendation for Change Requests:
   Contractor shall be entitled to propose a Change to the State, on its own initiative, should Contractor believe the proposed Change would benefit the Contract.

(3) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal shall include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

(4) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").

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

(6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025   NOTICES

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

> State:
> State of Michigan
> Procurement
> Attention: Reid Sisson
> PO Box 30026
> 530 West Allegan
> Lansing, Michigan 48909
>
> Contractor: See Contract Cover Sheet

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

2.026   BINDING COMMITMENTS

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

2.027 RELATIONSHIP OF THE PARTIES

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

2.028 COVENANT OF GOOD FAITH

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

2.029 ASSIGNMENTS

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

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

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

2.030   General Provisions

2.031 MEDIA RELEASES

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

2.032 CONTRACT DISTRIBUTION

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

2.033 PERMITS

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

41

2.034 WEBSITE INCORPORATION

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

2.035 FUTURE BIDDING PRECLUSION

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

2.036 FREEDOM OF INFORMATION

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

2.037 DISASTER RECOVERY

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

2.040   Financial Provisions

2.041 FIXED PRICES FOR SERVICES/DELIVERABLES

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

2.042 ADJUSTMENTS FOR REDUCTIONS IN SCOPE OF SERVICES/DELIVERABLES

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

2.043 SERVICES/DELIVERABLES COVERED

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

2.044 INVOICING AND PAYMENT – IN GENERAL

(a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.
(b) Each Contractor invoice shall show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis shall show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate.

Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.600**.

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

(d1) All invoices should reflect actual work done. Specific details of invoices and payments shall be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Procurement, Department of Management & Budget. This activity shall occur only upon the specific written direction from DTMB-Procurement.

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

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

2.045   PRO-RATION

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

2.046   ANTITRUST ASSIGNMENT

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

2.047   FINAL PAYMENT

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

2.048   ELECTRONIC PAYMENT REQUIREMENT

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

2.050   Taxes

2.051   EMPLOYMENT TAXES

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

2.052   SALES AND USE TAXES

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

2.060   Contract Management

2.061   CONTRACTOR PERSONNEL QUALIFICATIONS

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

2.062   CONTRACTOR KEY PERSONNEL

(a)   The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.
(b)   Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.
(c)   The State shall have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor shall notify the State of the proposed assignment, shall introduce the individual to the appropriate State representatives, and shall provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State shall provide a written explanation including reasonable detail outlining the reasons for the rejection.
(d)   Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.
(e)   The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

44

2.063   RE-ASSIGNMENT OF PERSONNEL AT THE STATE'S REQUEST

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

2.064   CONTRACTOR PERSONNEL LOCATION

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

2.065   CONTRACTOR IDENTIFICATION

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

2.066   COOPERATION WITH THIRD PARTIES

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

2.067   CONTRACT MANAGEMENT RESPONSIBILITIES

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

The Contractor shall provide the Services/Deliverables directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor shall act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

2.068   CONTRACTOR RETURN OF STATE EQUIPMENT/RESOURCES

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

2.070   *Subcontracting by Contractor*

2.071   CONTRACTOR FULL RESPONSIBILITY

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

2.072   STATE CONSENT TO DELEGATION

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

2.073   SUBCONTRACTOR BOUND TO CONTRACT

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

2.074   FLOW DOWN

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

2.075   COMPETITIVE SELECTION

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

2.080   *State Responsibilities*

2.081   EQUIPMENT

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

2.082   FACILITIES

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

2.090   Security

2.091   BACKGROUND CHECKS

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

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

2.092   SECURITY BREACH NOTIFICATION

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

2.093   PCI DATA SECURITY STANDARD

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

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

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

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

2.100   Confidentiality

2.101   CONFIDENTIALITY

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

2.102   PROTECTION AND DESTRUCTION OF CONFIDENTIAL INFORMATION

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

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

2.103   EXCLUSIONS

Notwithstanding the foregoing, the provisions in this Section shall not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section shall not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104   NO IMPLIED RIGHTS

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

48

2.105   RESPECTIVE OBLIGATIONS

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

2.110   Records and Inspections

2.111   INSPECTION OF WORK PERFORMED

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

2.112   EXAMINATION OF RECORDS

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

2.113   RETENTION OF RECORDS

Contractor shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records shall be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records shall be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114   AUDIT RESOLUTION

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

2.115   ERRORS

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

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

2.120   Warranties

2.121   WARRANTIES AND REPRESENTATIONS

The Contractor represents and warrants:

(a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.

(b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.

(c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under neither this Contract, nor their use by the State shall infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

(d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.

(e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.

(f) It is qualified and registered to transact business in all locations where required.

(g) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.

(h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.

(i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.

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

(k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.

(l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.

(m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.

50

(n)   If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Technology, Management and Budget, Procurement.

2.122   WARRANTY OF MERCHANTABILITY

Goods provided by Contractor under this agreement shall be merchantable. All goods provided under this Contract shall be of good quality within the description given by the State, shall be fit for their ordinary purpose, shall be adequately contained and packaged within the description given by the State, shall conform to the agreed upon specifications, and shall conform to the affirmations of fact made by the Contractor or on the container or label.

2.123   WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE

When the Contractor has reason to know or knows any particular purpose for which the goods are required, and the State is relying on the Contractor's skill or judgment to select or furnish suitable goods, there is a warranty that the goods are fit for such purpose.

2.124   WARRANTY OF TITLE

Contractor shall, in providing goods to the State, convey good title in those goods, whose transfer is right and lawful. All goods provided by Contractor shall be delivered free from any security interest, lien, or encumbrance of which the State, at the time of contracting, has no knowledge. Goods provided by Contractor, under this Contract, shall be delivered free of any rightful claim of any third person by of infringement or the like.

2.125   EQUIPMENT WARRANTY

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

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

Within 2 business days of notification from the State, the Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

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

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

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

2.126   EQUIPMENT TO BE NEW

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

51

2.127   PROHIBITED PRODUCTS

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless DTMB-Procurement has approved a change order pursuant to **Section 2.024**.

2.128   CONSEQUENCES FOR BREACH

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, the breach may be considered as a default in the performance of a material obligation of this Contract.

2.130   *Insurance*

2.131   LIABILITY INSURANCE

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

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

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

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

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

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

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

☑   1.   Commercial General Liability with the following minimum coverage:

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

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

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

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

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

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

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

☑ 4. Employers liability insurance with the following minimum limits:

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

☐ 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars ($1,000,000.00) with a maximum deductible of fifty thousand dollars ($50,000.00).

☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars ($10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

☐ 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars ($3,000,000.00) each occurrence and three million dollars ($3,000,000.00) annual aggregate.

☐ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

2.132 SUBCONTRACTOR INSURANCE COVERAGE

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

2.133 CERTIFICATES OF INSURANCE AND OTHER REQUIREMENTS

Contractor must furnish to DTMB-Procurement, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **The Contract Number or the Purchase Order Number must be shown on the**

53

Certificate Of Insurance To Assure Correct Filing. All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverage afforded under the policies SHALL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Procurement, Department of Technology, Management and Budget. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insured under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

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

2.140   Indemnification

2.141   GENERAL INDEMNIFICATION

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

The State may not indemnify, defend, or hold harmless any other party, under any circumstances.

2.142   CODE INDEMNIFICATION

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

2.143   EMPLOYEE INDEMNIFICATION

In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

2.144   PATENT/COPYRIGHT INFRINGEMENT INDEMNIFICATION

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the

54

equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

2.145   CONTINUATION OF INDEMNIFICATION OBLIGATIONS

The Contractor's duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

2.146   INDEMNIFICATION PROCEDURES

The procedures set forth below must apply to all indemnity obligations under this Contract.
(a)   After the State receives notice of the action or proceeding involving a claim for which it shall seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.
(b)   If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.
(c)   If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

2.150   Termination/Cancellation

2.151   NOTICE AND RIGHT TO CURE

If the Contractor breaches the contract, and the State in its sole discretion determines that the breach is curable, then the State shall provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

2.152   TERMINATION FOR CAUSE

(a)   The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State

(b)   If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.

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

(d)   If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

2.153   TERMINATION FOR CONVENIENCE

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for convenience must cease on the effective date of the termination.

2.154   TERMINATION FOR NON-APPROPRIATION

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

(b)   If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or change the production of

Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract shall be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

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

2.155 TERMINATION FOR CRIMINAL CONVICTION

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

2.156 TERMINATION FOR APPROVALS RESCINDED

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State shall pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

2.157 RIGHTS AND OBLIGATIONS UPON TERMINATION

(a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 RESERVATION OF RIGHTS

Any termination of this Contract or any Statement of Work issued under it by a party must be with full reservation of, and without prejudice to, any rights or remedies otherwise available to the party with respect to any claims arising before or as a result of the termination.

2.160 Termination by Contractor

2.161 TERMINATION BY CONTRACTOR

If the State breaches the Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate this Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract, (ii) breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.160** before it terminates the Contract.

2.170 Transition Responsibilities

2.171 CONTRACTOR TRANSITION RESPONSIBILITIES

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor shall comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 180 days. These efforts must include, but are not limited to, those listed in **Section 2.150.**

2.172 CONTRACTOR PERSONNEL TRANSITION

The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

2.173 CONTRACTOR INFORMATION TRANSITION

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

2.174 CONTRACTOR SOFTWARE TRANSITION

The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This must include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses must, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

2.175 TRANSITION PAYMENTS

If the transition results from a termination for any reason, the termination provisions of this Contract must govern reimbursement. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the

58

rates agreed upon by the State. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.176   STATE TRANSITION RESPONSIBILITIES

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to reconcile all accounts between the State and the Contractor, complete any pending post-project reviews and perform any others obligations upon which the State and the Contractor agree.
(a)   Reconciling all accounts between the State and the Contractor;
(b)   Completing any pending post-project reviews.

2.180   Stop Work

2.181   STOP WORK ORDERS

The State may, at any time, by written Stop Work Order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the Stop Work Order is delivered to Contractor, and for any further period to which the parties may agree. The Stop Work Order must be identified as a Stop Work Order and must indicate that it is issued under this **Section**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the Stop Work Order as provided in **Section 2.182**.

2.182   CANCELLATION OR EXPIRATION OF STOP WORK ORDER

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

2.183   ALLOWANCE OF CONTRACTOR COSTS

If the Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated for reasons other than material breach, the termination shall be deemed to be a termination for convenience under **Section 2.153**, and the State shall pay reasonable costs resulting from the Stop Work Order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a Stop Work Order issued under this Section**.**

2.190   Dispute Resolution

2.191   IN GENERAL

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

2.192 INFORMAL DISPUTE RESOLUTION

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

(1)   The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter at issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(2)   During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract shall be honored in order that each of the parties may be fully advised of the other's position.

(3)   The specific format for the discussions shall be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(4)   Following the completion of this process within 60 calendar days, the Director of Procurement, DTMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

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

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

2.193 INJUNCTIVE RELIEF

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

2.194 CONTINUED PERFORMANCE

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

2.200   Federal and State Contract Requirements

2.201 NONDISCRIMINATION

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, and marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 E-VERIFY - DELETED - NOT APPLICABLE

2.203 UNFAIR LABOR PRACTICES

Under 1980 PA 278, MCL 423.321, et seq., the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in

relation to the Contract, shall not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.204   WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT

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

2.205   PREVAILING WAGE - DELETED - NOT APPLICABLE

2.210   Governing Law

2.211   GOVERNING LAW

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

2.212   COMPLIANCE WITH LAWS

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

2.213   JURISDICTION

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

2.220   Limitation of Liability

2.221   LIMITATION OF LIABILITY

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

The State's liability for damages to the Contractor is limited to the value of the Contract.

2.230   Disclosure Responsibilities

2.231   DISCLOSURE OF LITIGATION

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

If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:
(a)   the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
(b)   whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
   (1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
   (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.
(c)   Contractor shall make the following notifications in writing:
   (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DTMB-Procurement.
   (2) Contractor shall also notify DTMB Procurement within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
   (3) Contractor shall also notify DTMB-Procurement within 30 days whenever changes to company affiliations occur.

2.232   CALL CENTER DISCLOSURE

Contractor and/or all subcontractors involved in the performance of this Contract providing call or contact center services to the State shall disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of this Contract.

2.233   BANKRUPTCY

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:
(a)   The Contractor files for protection under the bankruptcy laws;
(b)   An involuntary petition is filed against the Contractor and not removed within 30 days;
(c)   The Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
(d)   The Contractor makes a general assignment for the benefit of creditors; or
(e)   The Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

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

2.240   Performance

2.241   TIME OF PERFORMANCE

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

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

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

2.242   SERVICE LEVEL AGREEMENT (SLA)

(a)   SLAs will be completed with the following operational considerations:

  (1)   SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
  (2)   SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
  (3)   SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
  (4)   Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
    (i)   Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
    (ii)   Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.

(b)   Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.

(c)   Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.

(d)   All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

2.243   LIQUIDATED DAMAGES

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and the State does not elect to exercise its rights under **Section 2.152**, the State is entitled to collect liquidated damages in the amount of $5,000.00 and an additional $1,000.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

Unauthorized Removal of any Key Personnel

It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.152**, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount is $25,000.00 per individual if the Contractor identifies a replacement approved by the State under **Section 2.060** and assigns the replacement to the Project to shadow the Key Personnel who is leaving for a period of at least 30 days before the Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 days, in addition to the $25,000.00 liquidated damages for an Unauthorized Removal, Contractor must pay the amount of $833.33 per day for each day of the 30 day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to $25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide 30 days of shadowing must not exceed $50,000.00 per individual.

2.244   EXCUSABLE FAILURE

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.250   Approval of Deliverables

2.251   DELIVERY OF DELIVERABLES

A list of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable") or a Custom Software Deliverable is attached, if applicable. All Deliverables shall be completed and delivered for State review and written approval and, where applicable, installed in accordance with the State-approved delivery schedule and any other applicable terms and conditions of this Contract.

Prior to delivering any Deliverable to the State, Contractor will first perform all required quality assurance activities, and, in the case of Custom Software Deliverables, System Testing to verify that the Deliverable is complete and in conformance with its specifications. Before delivering a Deliverable to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and testing, (4) the Deliverable is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

In discharging its obligations under this Section, Contractor shall be at all times (except where the parties agree otherwise in writing) in compliance with Level 3 of the Software Engineering Institute's Capability Maturity Model for Software ("CMM Level 3") or its equivalent.

2.252   CONTRACTOR SYSTEM TESTING

Contractor will be responsible for System Testing each Custom Software Deliverable in Contractor's development environment prior to turning over the Custom Software Deliverable to the State for User Acceptance Testing and approval. Contractor's System Testing shall include the following, at a minimum, plus any other testing required by CMM Level 3 or Contractor's system development methodology:

Contractor will be responsible for performing Unit Testing and incremental Integration Testing of the components of each Custom Software Deliverable.

Contractor's System Testing will also include Integration Testing of each Custom Software Deliverable to ensure proper inter-operation with all prior software Deliverables, interfaces and other components that are intended to inter-operate with such Custom Software Deliverable, and will include Regression Testing, volume and stress testing to ensure that the Custom Software Deliverables are able to meet the State's projected growth in the number and size of transactions to be processed by the Application and number of users, as such projections are set forth in the applicable Statement of Work.

Contractor's System Testing will also include Business Function Testing and Technical Testing of each Application in a simulated production environment. Business Function Testing will include testing of full work streams that flow through the Application as the Application will be incorporated within the State's computing environment. The State shall participate in and provide support for the Business Function Testing to the extent reasonably requested by Contractor. Within ten (10) days before the commencement of Business Function Testing pursuant to this Section, Contractor shall provide the State for State review and written approval Contractor's test plan for Business Function Testing.

Within five (5) Business Days following the completion of System Testing pursuant to this **Section**, Contractor shall provide to the State a testing matrix establishing that testing for each condition identified in the System Testing plans has been conducted and successfully concluded. To the extent that testing occurs on State premises, the State shall be entitled to observe or otherwise participate in testing under this Section as the State may elect.

2.253   APPROVAL OF DELIVERABLES, IN GENERAL

All Deliverables (Written Deliverables and Custom Software Deliverables) require formal written approval by the State, in accordance with the following procedures. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications, which, in the case of Custom Software Deliverables, will include the successful completion of State User Acceptance Testing, to be led by the State with the support and assistance of

65

Contractor. The parties acknowledge that the approval process set forth herein will be facilitated by ongoing consultation between the parties, visibility of interim and intermediate Deliverables and collaboration on key decisions.

The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables being reviewed. If Contractor fails to provide a Deliverable to the State in a timely manner, the State will nevertheless use commercially reasonable efforts to complete its review or testing within the applicable State Review Period.

Before commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable (e.g., software, associated documentation, and other materials) have been delivered. If the State determines that the Deliverable is incomplete, the State may refuse delivery of the Deliverable without performing any further inspection or testing of the Deliverable. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable and the applicable certification by Contractor in accordance with this Section.

The State will approve in writing a Deliverable upon confirming that it conforms to and, in the case of a Custom Software Deliverable, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable that remain outstanding at the time of State approval.

If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing State approval of a Deliverable, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep this Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the contract price for such Deliverable and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses without the need to furnish proof in substantiation of such general expenses; or (iii) terminate this Contract for default, either in whole or in part by notice to Contractor (and without the need to afford Contractor any further opportunity to cure). Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

The State, at any time and in its own discretion, may halt the UAT or approval process if such process reveals deficiencies in or problems with a Deliverable in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the review or UAT process and, in that event, Contractor will correct the deficiencies in such Deliverable in accordance with the Contract, as the case may be.

Approval in writing of a Deliverable by the State shall be provisional; that is, such approval shall not preclude the State from later identifying deficiencies in, and declining to accept, a subsequent Deliverable based on or which incorporates or inter-operates with an approved Deliverable, to the extent that the results of subsequent review or testing indicate the existence of deficiencies in the subsequent Deliverable, or if the Application of which the subsequent Deliverable is a component otherwise fails to be accepted pursuant to **Section 2.080**.

2.254 PROCESS FOR APPROVAL OF WRITTEN DELIVERABLES

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Written Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that shall be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the

State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Written Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.

2.255   PROCESS FOR APPROVAL OF CUSTOM SOFTWARE DELIVERABLES

The State will conduct UAT of each Custom Software Deliverable in accordance with the following procedures to determine whether it meets the criteria for State approval – i.e., whether it conforms to and performs in accordance with its specifications without material deficiencies.

Within thirty (30) days (or such other number of days as the parties may agree to in writing) prior to Contractor's delivery of any Custom Software Deliverable to the State for approval, Contractor shall provide to the State a set of proposed test plans, including test cases, scripts, data and expected outcomes, for the State's use (which the State may supplement in its own discretion) in conducting UAT of the Custom Software Deliverable. Contractor, upon request by the State, shall provide the State with reasonable assistance and support during the UAT process.

For the Custom Software Deliverables listed in an attachment, the State Review Period for conducting UAT will be as indicated in the attachment. For any other Custom Software Deliverables not listed in an attachment, the State Review Period shall be the number of days agreed in writing by the parties (failing which it shall be forty-five (45) days by default). The State Review Period for each Custom Software Deliverable will begin when Contractor has delivered the Custom Software Deliverable to the State accompanied by the certification required by this **Section** and the State's inspection of the Deliverable has confirmed that all components of it have been delivered.

The State's UAT will consist of executing test scripts from the proposed testing submitted by Contractor, but may also include any additional testing deemed appropriate by the State. If the State determines during the UAT that the Custom Software Deliverable contains any deficiencies, the State will notify Contractor of the deficiency by making an entry in an incident reporting system available to both Contractor and the State. Contractor will modify promptly the Custom Software Deliverable to correct the reported deficiencies, conduct appropriate System Testing (including, where applicable, Regression Testing) to confirm the proper correction of the deficiencies and re-deliver the corrected version to the State for re-testing in UAT. Contractor will coordinate the re-delivery of corrected versions of Custom Software Deliverables with the State so as not to disrupt the State's UAT process. The State will promptly re-test the corrected version of the Software Deliverable after receiving it from Contractor.

Within three (3) business days after the end of the State Review Period, the State will give Contractor a written notice indicating the State's approval or rejection of the Custom Software Deliverable according to the criteria and process set out in this **Section**.

2.256   FINAL ACCEPTANCE

"Final Acceptance" shall be considered to occur when the Custom Software Deliverable to be delivered has been approved by the State and has been operating in production without any material deficiency for fourteen (14) consecutive days. If the State elects to defer putting a Custom Software Deliverable into live production for its own reasons, not based on concerns about outstanding material deficiencies in the Deliverable, the State shall nevertheless grant Final Acceptance of the Project.

2.260   Ownership

2.261   OWNERSHIP OF WORK PRODUCT BY STATE

The State owns all Deliverables, as they are work made for hire by the Contractor for the State. The State owns all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables.

2.262   VESTING OF RIGHTS

With the sole exception of any preexisting licensed works identified in the SOW, the Contractor assigns, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international

copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any the Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon the State's request, the Contractor must confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

2.263   RIGHTS IN DATA

The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

2.264   OWNERSHIP OF MATERIALS

The State and the Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State.

2.270   State Standards

2.271   EXISTING TECHNOLOGY STANDARDS - DELETED - NOT APPLICABLE

2.272   ACCEPTABLE USE POLICY - DELETED - NOT APPLICABLE

2.273   SYSTEMS CHANGES

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

2.280   Extended Purchasing- Deleted - Not Applicable

2.290   Environmental Provision

2.291   ENVIRONMENTAL PROVISION

Energy Efficiency Purchasing Policy: The State seeks wherever possible to purchase energy efficient products. This includes giving preference to U.S. Environmental Protection Agency (EPA) certified 'Energy Star' products for any category of products for which EPA has established Energy Star certification. For other purchases, the State may include energy efficiency as one of the priority factors to consider when choosing among comparable products.

Environmental Purchasing Policy: The State of Michigan is committed to encouraging the use of products and services that impact the environment less than competing products. The State is accomplishing this by including environmental considerations in purchasing decisions, while remaining fiscally responsible, to promote practices that improve worker health, conserve natural resources, and prevent pollution. Environmental components that are to be considered include: recycled content and recyclables; energy efficiency; and the presence of undesirable materials in the products, especially those toxic chemicals which are persistent and bioaccumulative. The Contractor should be able to supply products containing recycled and environmentally preferable materials that meet performance requirements and is encouraged to offer such products throughout the duration of this Contract. Information on any relevant third party certification (such as Green Seal, Energy Star, etc.) should also be provided.

Hazardous Materials: For the purposes of this Section, "Hazardous Materials" is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state or local laws governing the protection of the public health, natural resources or the environment. This includes, but is not limited to, materials the as batteries and circuit packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act.

(a)   The Contractor shall use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State shall provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State shall advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor shall immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.

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

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

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

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

Refrigeration and Air Conditioning: The Contractor shall comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to this contract.

Environmental Performance: Waste Reduction Program - Contractor shall establish a program to promote cost-effective waste reduction in all operations and facilities covered by this contract. The Contractor's programs shall comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).

2.300   Deliverables

2.301   SOFTWARE

A list of the items of software the State is required to purchase for executing the Contract is attached. The list includes all software required to complete the Contract and make the Deliverables operable; if any additional software is required in order for the Deliverables to meet the requirements of this Contract, such software shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Statement of Work or Contract Change Notice). The attachment also identifies certain items of software to be provided by the State.

2.302   HARDWARE

A list of the items of hardware the State is required to purchase for executing the Contract is attached. The list includes all hardware required to complete the Contract and make the Deliverables operable; if any additional hardware is required in order for the Deliverables to meet the requirements of this Contract, such hardware shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Contract Change Notice). The attachment also identifies certain items of hardware to be provided by the State.

2.310   Software Warranties

2.311   PERFORMANCE WARRANTY

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of (90) ninety days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

2.312   NO SURREPTITIOUS CODE WARRANTY

The Contractor represents and warrants that no copy of licensed Software provided to the State contains or will contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty."

As used in this Contract, "Self-Help Code" means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

As used in this Contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code. Unauthorized Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

70

In addition, Contractor will use up-to-date commercial virus detection software to detect and remove any viruses from any software prior to delivering it to the State.

2.313   CALENDAR WARRANTY

The Contractor represents and warrants that all software for which the Contractor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.

The software design, to insure calendar year rollover compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

2.314   THIRD-PARTY SOFTWARE WARRANTY

The Contractor represents and warrants that it will disclose the use or incorporation of any third-party software into the Deliverables. At the time of Delivery, the Contractor shall provide in writing the name and use of any Third-party Software, including information regarding the Contractor's authorization to include and utilize such software. The notice shall include a copy of any ownership agreement or license that authorizes the Contractor to use the Third-party Software.

2.315   PHYSICAL MEDIA WARRANTY

Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. This warranty does not apply to defects discovered more than (30) thirty days after that date of Final Acceptance of the Software by the State. This warranty does not apply to defects arising from acts of Excusable Failure. If the Contractor breaches this warranty, then the State shall be entitled to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

2.320   Software Licensing

2.321   CROSS-LICENSE, DELIVERABLES ONLY, LICENSE TO CONTRACTOR – DELETED - NOT APPLICABLE

2.322   CROSS-LICENSE, DELIVERABLES AND DERIVATIVE WORK, LICENSE TO CONTRACTOR – DELETED - NOT APPLICABLE

2.323   LICENSE BACK TO THE STATE

Unless otherwise specifically agreed to by the State, before initiating the preparation of any Deliverable that is a Derivative of a preexisting work, the Contractor shall cause the State to have and obtain the irrevocable, nonexclusive, worldwide, royalty-free right and license to (1) use, execute, reproduce, display, perform, distribute internally or externally, sell copies of, and prepare Derivative Works based upon all preexisting works and Derivative Works thereof, and (2) authorize or sublicense others from time to time to do any or all of the foregoing.

2.324   LICENSE RETAINED BY CONTRACTOR – DELETED - NOT APPLICABLE

2.325   PRE-EXISTING MATERIALS FOR CUSTOM SOFTWARE DELIVERABLES

Neither Contractor nor any of its Subcontractors shall incorporate any preexisting materials (including Standard Software) into Custom Software Deliverables or use any pre-existing materials to produce Custom Software Deliverables if such pre-existing materials will be needed by the State in order to use the Custom Software Deliverables unless (i) such pre-

71

existing materials and their owners are identified to the State in writing and (ii) such pre-existing materials are either readily commercially available products for which Contractor or its Subcontractor, as the case may be, has obtained a license (in form and substance approved by the State) in the name of the State, or are materials that Contractor or its Subcontractor, as the case may be, has the right to license to the State and has licensed to the State on terms and conditions approved by the State prior to using such pre-existing materials to perform the Services.

2.330   Source Code Escrow

2.331   DEFINITION

"Source Code Escrow Package" shall mean:
(a)   A complete copy in machine-readable form of the source code and executable code of the Licensed Software, including any updates or new releases of the product;
(b)   A complete copy of any existing design documentation and user documentation, including any updates or revisions; and/or
(c)   Complete instructions for compiling and linking every part of the source code into executable code for purposes of enabling verification of the completeness of the source code as provided below. Such instructions shall include precise identification of all compilers, library packages, and linkers used to generate executable code.

2.332   DELIVERY OF SOURCE CODE INTO ESCROW

Contractor shall deliver a Source Code Escrow Package to the Escrow Agent, pursuant to the Escrow Contract, which shall be entered into on commercially reasonable terms subject to the provisions of this Contract within (30) thirty days of the execution of this Contract.

2.333   DELIVERY OF NEW SOURCE CODE INTO ESCROW

If at any time during the term of this Contract, the Contractor provides a maintenance release or upgrade version of the Licensed Software, Contractor shall within ten (10) days deposit with the Escrow Agent, in accordance with the Escrow Contract, a Source Code Escrow Package for the maintenance release or upgrade version, and provide the State with notice of the delivery.

2.334   VERIFICATION

The State reserves the right at any time, but not more than once a year, either itself or through a third party contractor, upon thirty (30) days written notice, to seek verification of the Source Code Escrow Package.

2.335   ESCROW FEES

The Contractor will pay all fees and expenses charged by the Escrow Agent.

2.336   RELEASE EVENTS

The Source Code Escrow Package may be released from escrow to the State, temporarily or permanently, upon the occurrence of one or more of the following:
(a)   The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;
(b)   The Contractor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Contractor to fail to meet its warranties and maintenance obligations in the foreseeable future;
(c)   The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.

2.337   RELEASE EVENT PROCEDURES

If the State desires to obtain the Source Code Escrow Package from the Escrow Agent upon the occurrence of an Event in this **Section**, then:
(a)   The State shall comply with all procedures in the Escrow Contract;

72

(b)   The State shall maintain all materials and information comprising the Source Code Escrow Package in confidence in accordance with this Contract;

(c)   If the release is a temporary one, then the State shall promptly return all released materials to Contractor when the circumstances leading to the release are no longer in effect.

2.338   LICENSE

Upon release from the Escrow Agent pursuant to an event described in this **Section**, the Contractor automatically grants the State a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support, update, have made, and create Derivative Works. Further, the State shall have the right to use the Source Code Escrow Package in order to maintain and support the Licensed Software so that it can be used by the State as set forth in this Contract.

2.339   DERIVATIVE WORKS

Any Derivative Works to the source code released from escrow that are made by or on behalf of the State shall be the sole property of the State. The State acknowledges that its ownership rights are limited solely to the Derivative Works and do not include any ownership rights in the underlying source code.

Glossary

Days	Means calendar days unless otherwise specified.
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
Additional Service	Means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Audit Period	See Section 2.110
Business Day	Whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
Blanket Purchase Order	An alternate term for Contract as used in the States computer system.
Business Critical	Any function identified in any Statement of Work as Business Critical.
Chronic Failure	Defined in any applicable Service Level Agreements.
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work
DTMB	Michigan Department of Technology, Management and Budget
Environmentally preferable products	A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.
Excusable Failure	See Section 2.244.
Hazardous material	Any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).
Incident	Any interruption in Services.
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders
Key Personnel	Any Personnel designated in Article 1 as Key Personnel.
New Work	Any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Ozone-depleting substance	Any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydro chlorofluorocarbons
Post-Consumer Waste	Any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.
Post-Industrial Waste	Industrial by-products that would otherwise go to disposal and wastes generated after completion of a manufacturing process, but do not include internally generated scrap commonly returned to industrial or manufacturing processes.
Recycling	The series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.
Deleted – Not Applicable	Section is not applicable or included in the RFP. This is used as a placeholder to maintain consistent numbering.
Reuse	Using a product or component of municipal solid waste in its original form more than once.
RFP	Request for Proposal designed to solicit proposals for services
Services	Any function performed for the benefit of the State.

Source reduction	Any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.
State Location	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
Subcontractor	A company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
Unauthorized Removal	Contractor's removal of Key Personnel without the prior written consent of the State.
Waste prevention	Source reduction and reuse, but not recycling.
Waste reduction and Pollution prevention	The practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.
Work in Progress	A Deliverable that has been partially prepared, but has not been presented to the State for Approval.
Work Product	Refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.

Attachment A – Requirements

The requirements identify what the solution or product must run on or integrate with, including any standards that must be met, security requirements, and interfaces. Technical 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.
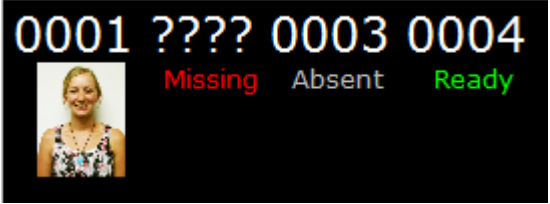
Section 1: CDL Kiosk System General Requirements

#	Requirements	Y/N/M	Comments
1	1. The kiosk system shall be capable of providing mobile testing, additional testing modules, and additional CDL Kiosks.	Y	Yes, the Examiner system is capable of providing mobile testing, additional testing modules, and additional CDL kiosks. As the incumbent testing provider for the State, we have operated independent testing systems in over 80 offices and recently migrated the majority of these to our hosted centralized system, highlighting the flexibility of the application to adapt to multiple operating scenarios.
1	2. The kiosk testing stations must be configurable to accommodate differences in branch floor plans.	Y	Yes, STS confirms that the kiosk testing stations are configurable to accommodate differences in branch office floor plans. STS offers a variety of testing kiosk options to adapt to virtually any testing environment.
1	3. The kiosk testing station identifier must include a serial number or other identifier agreed to by MDOS and the contractor.	Y	Yes, STS will work with you to create a mutually agreed upon unique identifier for the testing stations.
1	4. The kiosk testing stations and/or control stations must be capable of restarting all tests within five minutes after the workstation has been powered up.	Y	Yes, *Examiner* is capable of restarting tests within five minutes of the workstations being powered up. Tests may be restarted immediately upon station restart or alternately, immediately reassigned to an available testing station.
1	5. The kiosk system software must have the capability to retrieve and review test results for tests currently in-progress and tests previously completed at that location.	Y	Yes, *Examiner* can search and review test results for in-progress or completed tests from any location.

#	Requirements	Y/N/M	Comments

1	6. The kiosk system software must provide a continually updated display of the status and test progress for each local testing station with the following data:
	   a. CDL Testing Station number
	   b. Applicant identifier
	   c. Start time
	   d. Elapsed time
	   e. Number of questions answered correctly and incorrectly for test in progress.
	   f. Number of questions answered correctly and incorrectly and a pass/fail indicator for completed tests.
	   g. Number of questions answered correctly and incorrectly for test aborted (forced stop by branch clerk).
	   h. Number of questions answered correctly and incorrectly for test exited.
	   i. The questions and answers in the order presented in the test including graphics, the answer selected by the applicant and the correct answer when different from the selected answer.
	   j. The names of other tests assigned but not started
		Y	Yes, *Examiner* provides a monitor testing page that provides the ability to monitor all of the details of currently active and complete tests. The data available includes those elements listed and more.

1	7. The kiosk system software must allow results data from individual testing stations to be stored using unique identifiers. MDOS and the contractor will determine the applicant identifier.	Y	Yes, Examiner natively stores all test data with a unique identifier. The structure of the unique ID is configurable to support a variety of lengths and structures. STS will work with MDOS to implement the applicant identifier desired.

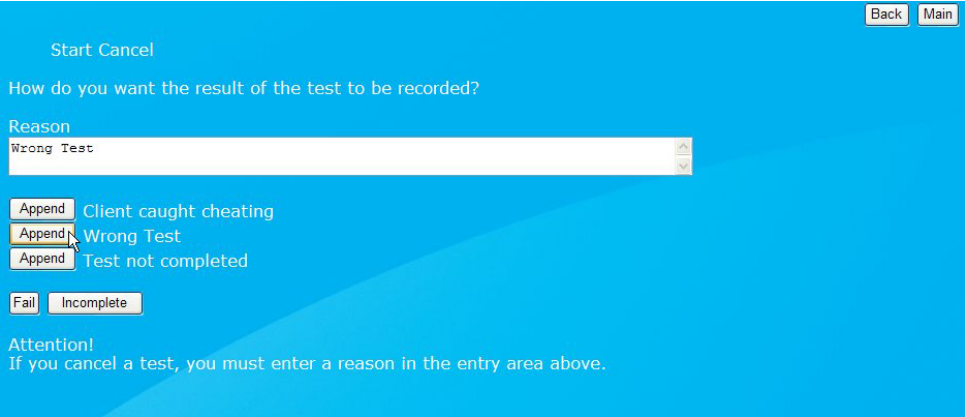| #	Requirements	Y/N/M	Comments
1	8. The kiosk system software must provide the ability to review any examination with branch clerk intervention. Examinations can be reviewed by system administrator or branch clerk at any authorized workstation.	Y	Yes, *Examiner* allows examinations to be reviewed by system administrators or branch clerks from any available authorized workstation.
1	9. The kiosk system software must be able to monitor each branch location and report system failures.	Y	Yes, *Examiner* system is able to monitor each branch location and report system failures. The Examiner can also check the status of all Test Units from any Exam Console. As shown below using the View Station Status feature, the Examiner can see that Test Unit 1 is providing an exam for an applicant; Test Unit 2 is Missing indicating that there is a problem with that unit; Test Unit 3 is Absent indicating that it has recently lost connectivity; and Test Unit 4 is Ready indicating that it is present and capable of receiving an exam. 0001 ???? 0003 0004 Missing Absent Ready
1	10. The kiosk system software must utilize automated procedures that guarantee password protection but allow system administrators to change passwords without Contractor intervention.	Y	Yes, *Examiner* allows password protection and allows system administrators to change their passwords without Contractor intervention. Optionally, *Examiner* allows integration with Active Directory or other LDAP authentication systems to provide externally controlled user and role management, along with single sign-on (SSO) capabilities.
1	11. The kiosk system software must provide online reporting capabilities, including queries of statistical data and audit reporting for Central Office administrative staff.	Y	Yes, *Examiner* provides both standard and ad-hoc online reporting capabilities. Access to reports can be assigned to various roles and made accessible to any authorized workstation.

#	Requirements	Y/N/M	Comments
1	12. The kiosk system software must require a combination of screen name (or user number) and secure password that will grant system administrators and/or branch clerks access to pre-defined user rights for various levels of system access.	Y	Yes, *Examiner* requires a combination of username and password for system access. STS will work with MDOS to define screen names.

Optionally, *Examiner* also allows integration with Active Directory and other LDAP authentication systems to provide externally controlled user and role management, along with single sign-on (SSO) capabilities. |
1	13. The kiosk system software must allow State staff to terminate a test after a preset percentage or number of the questions have been answered correct or incorrectly (e.g., "quick pass" or "quick fail").	Y	Yes, *Examiner* allows "quick pass" and "quick fail" thresholds to be configured.
1	14. The kiosk system software must allow State staff to require the applicant to take the entire test regardless of whether the applicant passes or fails.	Y	Yes, the *Examiner* system allows the "quick pass" and "quick fail" options to be disabled and allows the applicant to take the entire test. This can be allowed at the branch level, administrative level or test definition level.
1	15. The kiosk system software must allow State staff to permit the applicant to continue the test after being notified that the test has been passed or failed.	M	*Examiner* does not currently allow for an applicant to continue a test after they have been notified that they have already passed or failed. Based on STS's years of experience in knowledge testing, this type of approach reduces the efficiency and integrity of the testing system. Our experience has demonstrated that allowing applicants to continue to take a test increases testing time, which reduces office efficiency, as well as reduces the item pool integrity by exposing applicants to additional question material. *Examiner*'s design goal as an automated testing solution has been to increase office efficiency and testing integrity. Future consideration of such a feature is possible with further discussion with the State. *Examiner* is configurable to allow the "Quick Pass" and "Quick Fail" thresholds to be enabled / disabled on a test-by-test basis to open.

#	Requirements	Y/N/M	Comments
1	16. The kiosk system software must allow State staff to set the amount of time a question can be displayed without any selection (a warning sign will be displayed prior to test being terminated).	M	*Examiner* does not currently allow the timing of individual questions. Although this type of functionality has been evaluated in the past, lack of demand and several issues with this function have made it impractical. For this reason, this functionality has not been pursued. Future consideration of such a feature is possible with further discussion with the State. The preferred method is to time the entire test to ensure that a fair allotment of aggregate time is given for all questions due to their variability. Some of the impracticalities of timed questions are: • The variable length and complexity of a question does not allow for a fair timing from question to question using a singular limit. • Strict adherence to timing means that if a question is skipped the remaining time will have to be calculated, stored and then recalled if the question is returned to later in the test. This adds a substantial development burden to the application that has been to date, unjustified.
1	17. The kiosk system software must allow State staff to set the amount of time a test question is displayed after an answer has been chosen (a warning sign will be displayed prior to test being terminated).	M	*Examiner* does not currently allow setting of timings when an answer has been selected. Future consideration of such a feature is possible with further discussion with the State. The preferred method is to time the entire test to ensure that a fair allotment of aggregate time is given for all questions due to their variability.
1	18. The kiosk system software must allow State staff to set an option that would allow a test to be retaken without leaving the testing station.	Y	Yes, *Examiner* allows for staff to direct multiple tests for an applicant to a station or to directly assign a test to a specific station, allowing applicants to stay seated for multiple tests or retests as required.

#	Requirements	Y/N/M	Comments
1	19. The kiosk system software must enable the branch clerk to cancel any test in progress at any time. All normal statistical data shall be captured for the cancelled tests. In addition, a notation in the data will be made to show the test was cancelled before completion.	Y	Yes, the Examiner system allows for the ability to cancel any test in progress along with determining the cancellation reason. A cancelled test can be exited in two manners, Exit or Fail. An Exit is for a condition such as the wrong test was picked or wrong settings were picked or extenuating circumstances that are out of the examiner's or applicant's control that should not be counted against the applicant's testing history. The Fail option allows a test to be cancelled for reasons such as cheating or an applicant abandoning a test. A description of the reason can be forced as a requirement, allowing a comment for accountability. Several common "canned" comments can also be quickly selected and inserted automatically.

SAMPLE ABORT TEST SCREEN

#	Requirements	Y/N/M	Comments
1	20. The kiosk system software must include a practice mode or means of identifying practice tests.	Y	Yes, *Examiner* provides a practice question for the applicant before every test is started. This allows the applicant to become oriented to the operational features of the application with no negative impact on the overall testing experience. **SAMPLE PRACTICE QUESTION**
1	21. The kiosk testing station software must be browser-based and offer a locked-down operating environment.	Y	Yes, *Examiner* is a web-based application. Solutions Thru Software couples this with our secure "thin-browser" component on testing station kiosks, which effectively removes all standard menus, bars and buttons to secure the system from unauthorized system access. An additional benefit of the thin-browser system is its maximization of screen space by removing all bars and buttons, allowing use of 100% of the available screen area.
1	22. The kiosk testing station software must permit applicants to answer questions by simply touching the testing station screen using touch screen technology.	Y	Yes, *Examiner* permits the applicant to answer questions by touching the screen, using touch screen technology. In fact our intuitive page layout has been optimized for touch screen use and functionality. STS specifically uses ELO SAW (Surface Acoustic Wave) or APR (Acoustic Pulse Recognition) touch screen technology in its kiosks.

#	Requirements	Y/N/M	Comments
1	23. The kiosk testing station software must deny applicants, or other unauthorized persons, the ability to print or save any aspect of the testing information contained within a kiosk testing station.	Y	Yes, the Solutions Thru Software "thin-browser" component which is deployed on testing kiosks removes all standard menus, bars and buttons and disables all standard keyboard hotkeys that would typically allow anyone access to Save or Print content.
1	24. The kiosk testing station software must support English and Spanish languages in Test Types (1.A. below), excluding CDL Hazardous Material, in on-screen, audio, and written formats.	Y	Yes, *Examiner* supports English, Spanish and dozens of other languages in on-screen, audio, and written formats for any current or future test types.
1	25. The kiosk testing station software shall be capable of implementing additional languages upon request. Contractor will be able to add requested languages within 3 months from request. These languages include: Arabic, Albanian, Burmese, Cambodian, Chinese, French, German, Greek, Hindi, Hmong, Italian, Japanese, Korean, Laotian, Polish, Portuguese, Russian, Slavic, and Vietnamese.	Y	Yes, *Examiner* is capable of implementing virtually every written language on record. To date, STS has implemented over 20 languages including English, Spanish, Arabic, Bosnian, Chinese (Mandarin/Cantonese, Traditional/Simplified), Creole, Croatian, Farsi, French, French-Canadian, German, Hindi, Italian, Japanese, Korean, Punjabi, Russian, Serbo-Croatian, Somali, Tagalog, Thai, and Vietnamese.
1	26. The kiosk testing station software must require no more than ten (10) minutes per day per examination site to perform routine system management tasks, i.e., those tasks that must be completed daily in order for the system to operate (log-on, log-off, etc.).	Y	Yes, Solutions Thru Software's *Examiner* system requires no site based daily management. All system management requirements are automatically handled from the central server and scheduled to occur outside operational hours. System log-on and log-off events are also typically automated to occur outside business hours to avoid timing conflicts and event system reboots should typically take under 5mins to complete.
1	27. The kiosk testing station software must be capable of allowing an applicant to take multiple tests of differing lengths (e.g. one test with 25 questions and another with 50 questions) at one setting.	Y	Yes, *Examiner* allows the queuing of multiple tests of varying test types and lengths for an applicant at a single setting.
1	28. The kiosk testing station software must display prompts to guide applicants in responding to questions. At least three message prompts must be provided:	Y	Yes, *Examiner* employs several prompts to guide the applicant through the testing process from beginning to end, ensuring a smooth transition even for those that are not computer competent. The following is a brief list, in the typical order, as they are presented to the applicant from the beginning of the test:

#	Requirements	Y/N/M	Comments
	a. A prompt to help the applicant understand how to select an answer to a test item or respond to a screen. b. A prompt to confirm when the applicant chooses an answer, e.g., "You selected Answer 'X' would you like to submit this answer? Yes—No" An answer must not be finally accepted until the applicant actually touches the "Yes" area of the screen. The applicant must be able to change a selected answer to any other available choice any time prior to the touching the "Yes" area. Touching the "Yes" area is the final indication that an applicant has made his or her final decision. c. An End-of-Test prompt to instruct the applicant that the test is over and that they must report to the branch clerk for further information or processing.		• Welcome screen that confirms the applicant's identity and that can provide customized instructions and cautions, such as to turn off cellphones, and confirm that talking or cheating will not be tolerated. • An optional detailed orientation or instruction screen that may provide additional details about the purpose of the test, or other state policies. For example, detailed State distracted driving law orientation or impaired driving education. • A simple and concise help screen that outlines the buttons and features available to an applicant. • A sample test question that requires the applicant to correctly answer the question to prove a working knowledge of the system before continuing. • A warning prompt that the real test is about to begin, including the specific details of the test type chosen, such as total number of questions and minimum pass rate. • When answers are chosen, a confirmation prompt is provided to allow the applicant to confirm their answer or back-out and choose another. • A final summary page at the test completion informing the applicant of their pass/fail status and their final score, along with any additional instructions that may be required. **Your test begins with the next question** **You must correctly answer 20 of the 25 Questions to pass** **SAMPLE WARNING BEFORE TEST STARTS** The correct answer is C Continue

84

#	Requirements	Y/N/M	Comments
1			**SAMPLE PROMPT FOR INCORRECT ANSWER** FAIL Class D Score: 38% 5 Correct, 8 Incorrect, of 25 Total Please return to the counter Connected **SAMPLE END OF TEST PROMPT**
1	29. The kiosk testing station software must be capable of accurately and immediately scoring each individual test and recording the test results.	Y	Yes, *Examiner* scores and stores all automated tests in real-time allowing the applicant the ability to see their score tally with each question they answer (displaying of this information is configurable). The real-time storing ensures that no records are lost in the event of power disruption and results can be viewed administratively in real-time as well. The real-time storing also ensures the ability to immediately recover any interrupted tests.
1	30. The kiosk testing station software must be capable of providing a graphic, a message, or a testing station identifier (on the testing station or the control station, or the branch office administrator workstation) to aid the branch clerk in directing the applicant to the correct testing station.	Y	Yes, *Examiner* provides messages that aid the branch clerk in directing the applicant to the correct testing station. Started Test Success. Test is starting on testing station '0001'. **SAMPLE TEST STARTED MESSAGE ON EXAMINER STATION**

85

#	Requirements	Y/N/M	Comments
1	31. The kiosk testing station software must provide the applicant with on-screen options to: a. answer the question, b. repeat the question, or c. skip the question, i. If the applicant skips a question, the testing station shall repeat that question at the end of the test (but only if additional questions are necessary to pass or fail the applicant).	Y	Yes, *Examiner* provides on-screen options to perform all available features at the simple touch of a button. This includes: • Answering the questions • Repeating the audio for the questions • Skipping the questions (this is configurable to limit the amount of times questions may be skipped) • Zooming text and pictures • Accessing volume controls for audio tests • Accessing the help page All button functionality is clearly outlined in the starting phase with a concise help page, which can also be recalled at any time during the test. **ANSWERING QUESTIONS** This will be a multiple choice test. Choose your answer by pressing the button with the answer and then by confirming your choice by pressing the 'Yes' button. **SKIPPING QUESTIONS** If you would like to leave a question until the end of the test, you can press the button marked 'SKIP'. **ENLARGING PICTURES** Most questions display a picture and some questions use pictures for answers. To enlarge a picture, press the 'ZOOM' button. **REPEATING QUESTIONS** If you would like to hear the audio for the question again, you can press the button marked 'REPEAT'. **ADJUSTING VOLUME** If you want to adjust the audio volume, press the button marked 'VOLUME' and then use the up and down arrows. **SHOW INSTRUCTIONS** To display these instructions at any time during the test, you can press the button marked 'HELP'. **SAMPLE HELP SCREEN**

#	Requirements	Y/N/M	Comments
1	32. The kiosk testing station software must allow applicant to enlarge the graphic image to full screen size by touching an on-screen control so that the applicant may study the picture.	Y	Yes, *Examiner* allows the applicant to enlarge an image full screen by either selecting the image or selecting the "Zoom" button.
1	33. The kiosk testing station software must return the enlarged full-screen image automatically to original size by timer function after five seconds, or by touching the screen again	Y	Yes, *Examiner* will return the image to original size automatically based on a configurable time limit. Alternatively, applicants may also close the image automatically at any time by simply touching the screen again.
1	34. The kiosk testing station software must display to the applicant the test results, including the number of passed and failed questions.	Y	Yes, *Examiner* displays the test results to the applicant, both during the test (optional), and at the end of each completed test. Information includes the pass/fail status, the number correct and incorrect, and the final score as a percentage (configurable as correct/asked vs. correct/answered for quickpass/quickfail configurations). FAIL Class D Score: 38% 5 Correct, 8 Incorrect, of 25 Total **Please return to the counter** **Connected** **SAMPLE END OF TEST PROMPT**

Section 2: Current CDL Test Types:

#	Requirements	Y/N/M	Comments

#	Requirements	Y/N/M	Comments

2	1. The kiosk testing station software shall include the following CDL driver license knowledge tests:
	    a. CDL General Knowledge
	    b. CDL Combination Vehicle
	    c. CDL Air Brakes
	    d. CDL Passenger
	    e. CDL Double/Triple
	    f. CDL Tank
	    g. CDL Hazardous Materials
	    h. CDL School Bus
		Y	Yes, Solutions Thru Software works closely with AAMVA/FMCSA and all of our CDL customers to ensure that we have the latest CDL item pools. We include this complete CDL 2005 item pool set to all qualifying customers at no additional charge in both English and Spanish (including audio).

Section 3: Expected Enhancements to Test Types

#	Requirements	Y/N/M	Comments

3	1. The kiosk testing station software shall provide these Mechanics Test categories and sub-categories:
	    a. Automobile and Light Truck Repair categories for vehicles under 10,000 pounds Gross Vehicle Weight Rating (GVWR) are:
	      i. Engine Repair
	      ii. Engine Tune-Up/Performance
	      iii. Front End, Suspension, & Steering Systems
	      iv. Brakes & Braking Systems
	      v. Automatic Transmission
	      vi. Manual Transmission, Front & Rear Drive Axles
	      vii. Electrical Systems
	      viii. Heating & Air Conditioning
		Y	Yes, Solutions Thru Software's *Examiner* system can include the tests and subcategories requested for Mechanics testing as an enhancement to future test types.

3	2. Heavy-Duty Truck Repair categories for vehicles over 10,000 pounds GVWR are:
	    a. Engine Repair – Gasoline
	    b. Engine Repair – Diesel
	    c. Drive Train
	    d. Brakes & Braking Systems
	    e. Suspension & Steering Systems
	    f. Electrical Systems
		Y	Yes, Solutions Thru Software's *Examiner* system can include the requested test types as a future enhancement.

#	Requirements	Y/N/M	Comments

3	3. Repair categories for other on-road vehicles are:
	    a. Motorcycle
	    b. Pre-1973 Vehicles
	    c. Unitized Body Structural Repair
	    d. Recreational Trailer
	    e. Collision-Related Mechanical Repair
		Y	Yes, Solutions Thru Software's *Examiner* system can include the requested test types as a future enhancement.

3	4. The kiosk testing station software shall provide these additional knowledge test types:
	    a. Operator
	    b. Chauffer
	    c. Motorcycle
	    d. Moped
	    e. Recreational doubles
		Y	Yes, Solutions Thru Software's *Examiner* system can include the requested test types as a future enhancement.

Section 4: Test Modes

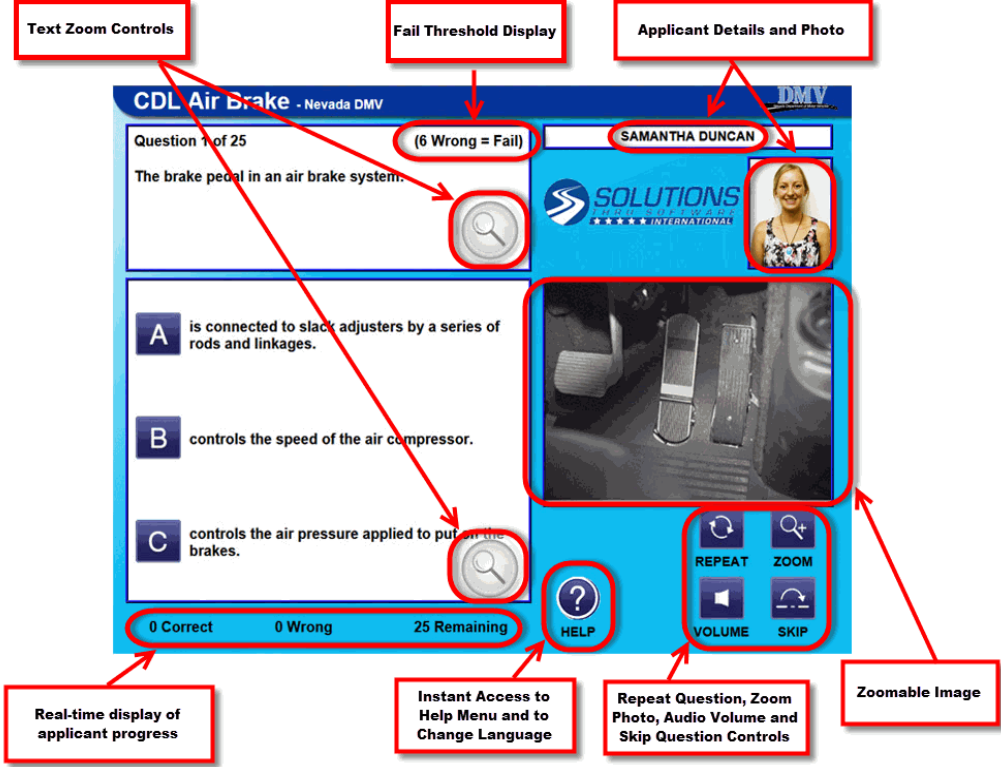| #	Requirements	Y/N/M	Comments

4	1. The kiosk testing station shall deliver all tests in the following three presentation modes:
	   a. On-Screen – via touch screen
	   b. Written – Ability for paper and pen tests that can be printed. Note: Contractor does not need to provide printer, but printing capability needs to exist within the software application.
	   c. Audio – through a listening device attached to the kiosk station
		Y	Yes, the Examiner system provides high quality tests in all of these presentation modes. Every Solutions Thru Software's kiosk system uses advanced touchscreen technology and includes a dual audio panel that enables the connection of two audio devices simultaneously. These standard features allow an examiner to listen to the audio with their own headphones should an applicant have a question.
			
			Additionally, *Examiner* is capable of printing paper tests for a number of reasons including busy periods, for technologically challenged customers, translated tests, etc. These printed tests are of the same high caliber and are created with the identical test creation algorithm, images and question item pool as the automated tests. Test scores can be manually entered into the system or automatically scored to ensure that all data is retained by the system

Section 5: On Screen and Written

#	Requirements	Y/N/M	Comments
5	1. Each test question (test item) shall include a question (stem) and a variable number of potential answers (choices).	Y	Yes, *Examiner* presents both the questions and between two to five potential answers for each question. The number of answers can vary for each question independently.
5	2. The format for these multiple choice test items shall be approved by MDOS.	Y	Yes, Solutions Thru Software will work with MDOS to confirm all test items are approved before any implementation.
5	3. The order of questions shall be randomly scrambled within any individual test.	Y	Yes, *Examiner* is designed to provide a randomized question sequence of test content during test generation. When used with a sufficiently large enough item pool of questions, it is virtually impossible for applicants to predict the questions that will be on their exams. Exam integrity is reinforced when it is easier to study to pass an exam than it is to cheat.
5	4. The order of possible answers for any individual questions will be randomly scrambled within any individual test.	Y	Yes, *Examiner* randomizes the answer sequence of test content. The randomization of answers makes it highly unlikely that two clients would complete the same test next to each other. However, even if two adjacent applicants should have the same questions on their screens, the use of answer randomization will ensure that answers are provided in a different order. If the applicant sees which answer the other applicant selected and selects that same answer by position, they are sure to get it wrong. This feature can also be disabled for specific questions where randomized order may not be desirable.
5	5. All test content for all finalized test items shall reside in a central Test Database.	Y	Yes, *Examiner*'s centralized nature holds all finalized production item pools in a central data store. Additionally, Solutions Thru Software will maintain a parallel company in our secure archive to assist in future modifications, reporting and support.

#	Requirements	Y/N/M	Comments
5	6. All test questions must be in compliance with the American Association of Motor Vehicle Administrators (AAMVA) and Federal Motor Carrier Administration (FMCA) standards.	Y	Yes, Solutions Thru software works closely with AAMVA/FMCSA and CDL testing jurisdictions to ensure up to date CDL testing material and compliance with standards for CDL tests questions.
5	7. Each test must have a unique ID and identifiable by location, date, time, and duration.	Y	Yes, *Examiner* uniquely stores and identifies each exam that is issued and this information is easily retrievable. All tests are identified by a unique customer ID, start date and time, location, assigned testing station, test media, duration and several other details.
5	8. Test questions shall be indexed and identifiable by test.	Y	Yes, *Examiner* meets this requirement. Each question used in the generation of tests has a unique identifier, which can be identifiable in each test.
5	9. Test question shall have one correct answer with a variable number of other choices that are included as distracters.	Y	Yes, *Examiner* allows one correct answer per test question, with up to four additional choices as distracters.
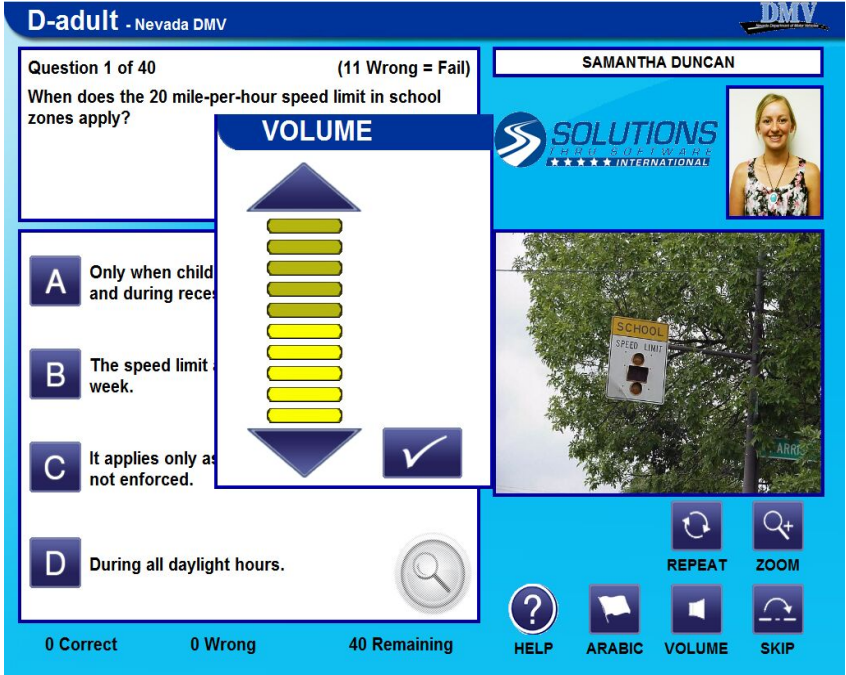
#	Requirements	Y/N/M	Comments
5			Yes, *Examiner* is designed with the placement of test questions, answers, and associated graphics in consistent screen locations. The testing interface has been designed from direct scientific research studies that have isolated specific data placement and visual cues.
	10. All test questions, including stems, choices and associated photographs or audio tracks shall be presented in a consistent format and location on the test station monitor.	Y	 **STANDARD TESTING STATION INTERFACE**
5	11. The text of the test question must be presented so that it does not disturb a photographic presentation, i.e. the applicant must be able to clearly view an accompanying picture while reading the question and making a choice.	Y	Yes, *Examiner*'s testing display presents all text and graphics in a manner that does not interfere with other text or graphics, clearly displaying all materials with no obstruction.

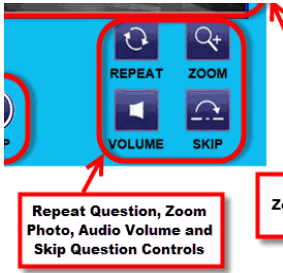| #	Requirements	Y/N/M	Comments
5	12. The "field" for each stem must have capability to allow for at least 300 characters of text.	Y	Yes, *Examiner* allows the question field to hold over 300 characters. Actual limitations of text length may be constrained based on the combination of screen size, resolution and font size chosen. Using typical fonts and screen resolutions, a question length of 300 characters is very achievable.
5	13. The field for each of the four choices (answer or distracter) must allow at least 154 characters.	Y	Yes, *Examiner* allows the answer field to hold over 154 characters. Actual limitations of text length may be constrained based on the combination of screen size, resolution and font size chosen. Using typical fonts and screen resolutions, an answer or distracter length of 154 characters is very achievable.
5	14. The total field for each CDL Kiosk System test question (stem and choices) must have capability to be at least 916 characters.	Y	Yes, *Examiner* allows a total combined field length of over 916 characters. Actual limitations of text length may be constrained based on the combination of screen size, resolution and font size chosen. Using typical fonts and screen resolutions, a total combined length of 916 characters is very achievable.
5	15. Character size shall be no smaller than 14 characters per inch.	Y	Yes, Solutions Thru Software confirms that character sizes will be no smaller than 14 characters per inch.
5	16. Character size, type and font must be approved in advance by the MDOS.	Y	Yes, STS will work with MDOS to approve character size, type and font.
5	17. The option of selecting Help shall be available for test-takers, for each test question.	Y	Yes, *Examiner* provides instant access to the Help menu for all test-takers, for each test question.
5	18. New or replacement questions can be added without any upgrades to hardware or software, or requiring software programming changes.	Y	Yes, *Examiner* allows easy replacement and expansion of questions and answer item pools with no additional upgrades to hardware or software or requiring software programming changes. Solutions Thru Software provides no-cost complimentary services to manage all item pool requirements for customers with current maintenance agreements.
5	19. New or replacement questions may be input into the system by Central Office administrative staff, without need for a programming or technical background.	Y	Yes, Solutions Thru Software can provide our *EditQuestion* item pool management software module. This module allows authorized managers to change images and add, delete, edit or suspend test question material. New question item pools can be created and tested prior to being deployed. However, as most jurisdictions make infrequent changes to item pools, Solutions Thru Software provides no-cost complimentary services to manage all item pool requirements for customers with current maintenance agreements.

Section 6: Audio

#	Requirements	Y/N/M	Comments
6	1. Audio shall be available on all test stations.	Y	Yes, audio will be available on all test stations. All STS testing kiosks are equipped with necessary audio hardware and dual headphone jack panels.
6	2. Audio tests shall be conducted with the use of secure listening devices to ensure privacy during tests	Y	Yes, audio test can be provided on all test stations through the use of a secure listening device to ensure privacy during tests.
6	3. Audio tests shall include a volume control feature to enable an applicant taking an audio test to change the volume to a comfortable level. The level must reset to a predetermined level after every test session has been completed	Y	Yes, *Examiner* includes a volume control feature that allows the applicant to adjust the volume to a comfortable level. This control also resets to a predetermined level after every completed test session. SAMPLE TESTING PAGE WITH VOLUME CONTROL
6	4. Audio tests shall be presented in clear and understandable audio	Y	Solutions Thru Software has been providing oral exams in a variety of languages for nearly 20years and is very experienced in providing audio that is clear and understandable. The questions and answers are read at a slightly slower rate than normal to help those with reading problems better understand the content. All answers are dictated in a method that is neutral so as not to give away the correct answer.

#	Requirements	Y/N/M	Comments
6	5. Audio tests shall use a digitized human or human-sounding voice system (in the form of digital sound files). This is the requirement for all audio tests, including languages other than English	Y	Yes, *Examiner* uses high quality human voice recordings stored in optimized digital format for all audio tests, including languages other than English.
6	6. Audio tests shall correspond word for word with the on-screen test answers and questions displayed on the test station monitors	Y	Yes, audio tests will correspond word for word with the on-screen test questions and answers.
6	7. Audio tests shall provide the test question and all answer choices	Y	Yes, *Examiner* provides audio for all test questions and all answer choices. System audio is also provided for instructions and all feedback messages that are displayed to the customer.
6	8. Audio tests shall permit the applicant to repeat the question and answer choices by touching a specific touch zone, e.g., "Repeat Question."	Y	Yes, *Examiner* allows the applicant to repeat the question and answer choices by selecting the "Repeat Question" button.
6	9. Audio test shall be available in all languages in which an on-screen test is available	Y	Yes, audio tests can be made available in all languages in which an on-screen test is available.

Section 7: Test Graphics

#	Requirements	Y/N/M	Comments
7	1. Where specified by MDOS, graphics shall appear visually on the testing station monitor in conjunction with the associated test question.	Y	Solutions Thru Software's *Examiner* system is designed to support the presentation of digital images with each question. STS will work with you to ensure that all presented images meet MDOS requirements.
7	2. Graphics included as a component of a test question shall be presented as a photograph accompanying text.	Y	Yes, *Examiner* allows photographs accompanying text. **SAMPLE QUESTION WITH PHOTO ACCOMPANYING TEXT**
7	3. No stick-figure type diagrammatic representations are acceptable.	Y	STS' picture database contains no stick-figure type representations. All images will be approved by MDOS before implementation.
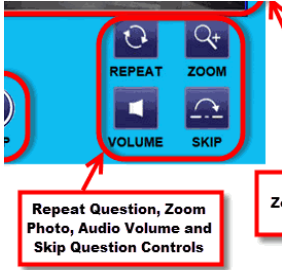
#	Requirements	Y/N/M	Comments
7	4. MDOS reserves the right to refuse to allow any picture or graphic to be used within any aspect of the kiosk system.	Y	Yes, STS confirms that any picture or graphic is subject to approval by MDOS.
7	5. Pictures supplementing test questions shall be clear digital photographs.	Y	Solutions Thru Software's Image library contains over 2,500 traffic-related images and includes pictures for virtually every traffic scene, weather environment, and even topography setting. If a suitable image is not available within the library then an image can easily be added from outside sources.
7	6. No graphics or pictures shall include any references to any state or area other than Michigan.	Y	Solutions Thru Software's Image library contains over 2,500 traffic-related images and includes pictures for virtually every traffic scene, weather environment, and even topography setting. Images have been purposely designed to be generic and avoid inclusion of any location or jurisdictional references. If a suitable image is not available within the library then an image can easily be added from outside sources. This allows MDOS to select pictures relevant to the material provided, as well as the environment expected by Michigan residents. Solutions Thru Software will consult with MDOS to ensure that all graphical images are approved prior to use.
7	7. The addition of new or replacement pictures must be possible without upgrades to hardware or software.	Y	Yes, *Examiner* allows the easy addition or replacement of pictures at any time without additional hardware or software upgrades.

#	Requirements	Y/N/M	Comments
7			Yes, pictures included as a component of a test question using *Examiner* will be at least 20%, but no larger than 50% of the testing station monitor screen. **SAMPLE QUESTION WITH PHOTO**
	8. Any picture included as a component of a test question shall be at least 20%, but no larger than 50%, of the size of the testing station monitor screen.	Y	

98

#	Requirements	Y/N/M	Comments
7	9. The kiosk system must have the capability of enlarging the picture to full screen and then reducing the image to the original size as prompted by CDL Testing Station and selected by the applicant.	Y	Yes, *Examiner* allows an applicant to enlarge an image full screen, by selecting the 'Zoom' button, and then reduce the image back to the original size by either selecting the image or waiting for an adjustable amount of time. Repeat Question, Zoom Photo, Audio Volume and Skip Question Controls

#	Requirements	Y/N/M	Comments
7			Yes, *Examiner* is designed with the placement of test questions, answers, and associated graphics in consistent screen locations throughout the test. The testing interface has been designed from direct scientific research studies that have isolated specific data placement and visual cues. **Standard Testing Station Interface**
	10. The picture shall appear in the same place on the screen for all test questions on all tests.	Y	

Section 8: CDL Kiosk Testing Station Requirements (structural requirements)

#	Requirements	Y/N/ M	Comments
8	1. The kiosk testing station power cords and cables must be covered from view whenever possible.	Y	Yes, the enclosed design of STS' desktop testing kiosk proposed as part of this response and currently in use in over 80 offices throughout the State, allows the internal components to be locked and covered from view, with only a power and network cable to protrude from the rear of the unit. These cables can also be hidden and secured from a customer's view.
8	2. The kiosk testing station display (monitor) must meet or exceed a 15 inch screen.	Y	Yes, Solutions Thru Software has proposed ELO 15" touchscreen monitors or optional 17" touchscreen monitors as part of our system.
8			Yes, the STS proposed "Desktop Kiosk" is a versatile kiosk enclosure that is suitable for use on any ADA compliant table, allowing the accommodation of testing for those applicant's using wheelchairs. These same kiosks are currently in use in over 80 offices throughout the State of Michigan.
			DESKTOP KIOSK
	3. The kiosk testing station must be adjustable to accommodate someone in a wheelchair.	Y	Additionally, STS has offered options in our cost proposal (attachment G submission) for our fully enclosed as well as our freestanding, ADA kiosks.

#	Requirements	Y/N/M	Comments
			FULL ADA COMPLIANT KIOSK **FREESTANDING ADA KIOSK**
8	4. The kiosk testing station housing must allow access to internal components to facilitate maintenance.	Y	Yes, all kiosks allow simple yet secure access to internal components.
8	5. The kiosk testing station access panel must be lockable and require a key to open.	Y	Yes, each desktop kiosk is lockable and requires a key to open and access the internal components.
8	6. The kiosk testing station components must be mounted so they can be easily removed and installed without special tools.	Y	Yes, STS meets this request. The only major component that would require any tool for removal is the touch screen monitor attached to the kiosk. This monitor is secured with 4 standard screws, allowing removal with a standard screwdriver. The kiosks themselves have locking doors using a common key.

#	Requirements	Y/N/ M	Comments
8	7. The kiosk testing station components must provide cooling airflow for all components which require cooling.	Y	Yes, the desktop kiosks provide adequate ventilation for the computer and touchscreen. Each computer has standard fans that cool the internal computer components.
8	8. The kiosk testing station installation and implementation must not require site modifications.	Y	Yes, the kiosks are easily installed without site modifications. The only requirements are power and network connectivity. Nearly 300 STS kiosks in over 80 offices are currently deployed throughout the State.

Section 9: CDL Kiosk Statistical Database Requirements

#	Requirements	Y/N/M	Comments
9	1. The statistical database shall automatically record and electronically store the results of on-screen and audio tests.	Y	Yes, the Solutions Thru Software application stores user results in real-time for on-screen and audio tests, and may also be used to store paper test results as well. This ensures complete statistical accuracy of captured data no matter the media administered in. When keyed to a unique customer ID, this also holds an accurate and ongoing applicant testing history.
9	2. The statistical database must allow data edits by authorized administrative users.	Y	Yes, although the application does not allow direct data edits to most data elements as a matter of data integrity. The limited amount of editable elements are controlled by strict authentication and user role. Additionally, all such actions are recorded in the audit log for accountability.
9	3. The statistical database must allow import and export of test data.	Y	Yes, various means can be employed to import or export test data. How these actions are performed is dependant upon the particular type of data required.
9	4. The statistical database data must be retrievable in a common usable format (text files or table) that is compatible with Microsoft Office (Excel)	Y	Yes, the *Examiner* application allows the simple extraction of most data through its integrated reporting engine, which can display on-screen or be exported as standard Comma Separate Value (CSV) files which are easily imported into Microsoft Office (Excel). If other data not included in reports is required, these can be directly extracted from the database into any desirable format.
9	5. The statistical database must include a tool to allow Central Office administrative staff to query, search, and execute against any field in the database.	Y	Yes, *Examiner* can allow detailed queries and searches against the database.

103

#	Requirements	Y/N/M	Comments
9	6. The statistical database must require that all data adds, edits, or deletes pass system edit checks (with associated warning prompts).	Y	Yes, the *Examiner* application provides complex filter checks and warnings to ensure that data entered meets required standards.
9	7. The statistical database must include an audit trail of system transactions and database updates, including the identity of the user who initiated the transaction (i.e. logon ID, user name, user number, or branch clerk code).	Y	Yes, the *Examiner* application maintains a detailed audit trail of all user transactions linked to their specific logon ID and source IP address.
9	8. The statistical database must retain active applicant test data for 3 years (current year plus 2 previous years).	Y	Yes, the *Examiner* application can maintain data for as long, or as little, as the State requires.
9	9. The statistical database shall include a data archive for 3 years beyond data in the active system (years 4, 5, & 6).	Y	Yes, the *Examiner* solution can provide an automatic archive of data outside of the active data set retention range for as long as the State desires.
9	10. The statistical database shall allow export of data older than six years, prior to deletion.	Y	Yes, the *Examiner* solution can provide a manual or automatic mechanism to export potentially purged data prior to deletion.
9	11. The statistical database must have disaster recovery and database back-up capabilities.	Y	Yes, the hosted solution architecture provides multiple layers of backup and redundancy for all components and provides disaster recovery capabilities in near real-time.
9	12. The statistical database shall maintain the following information for each test taken by an applicant: a. Branch number b. Date of test c. Test start time d. Test end time (elapsed time) e. Test ID f. Test language g. Test Category h. Test type(s) i. Test version(s) j. Test mode(s) k. Total number of questions l. Total number of questions answered correctly m. Total number of questions skipped n. Record of score (%) o. Test outcome (pass, fail, cancel, abandon) p. CDL Testing Station ID	Y	Yes, the *Examiner* application provides detailed statistical capture of all of the requested data elements and more. All of this information is available as part of the driver history.
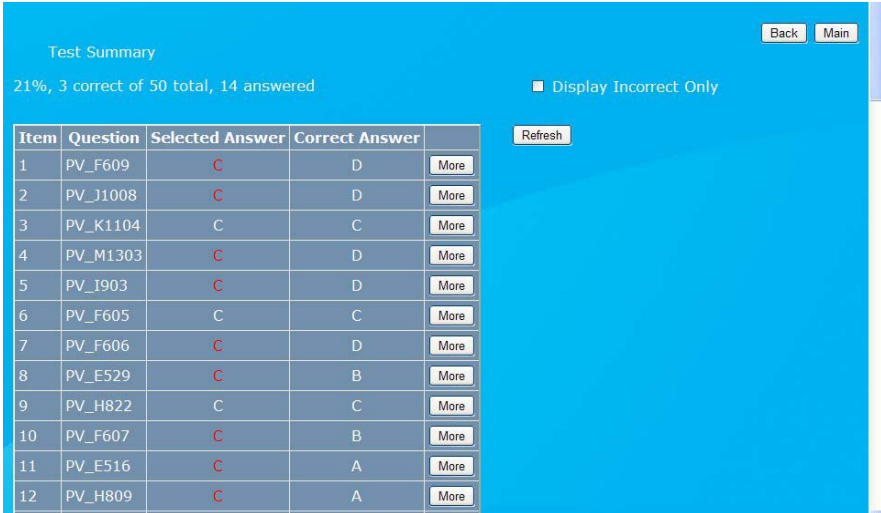
#	Requirements	Y/N/M	Comments

9	13. The statistical database shall maintain the following information for each test question:
	    a. Test question identifier
	    b. Total question usage
	    c. Choice selected
	    d. Choice correct
	    e. Average time required to respond
	    f. Rate at which questions are being answered correctly or incorrectly
	    g. Frequency at which answers are selected per test question
	    h. Display of associated graphic
		Y	Yes, the *Examiner* application provides all of the available data elements and more and can be easily retrieved through reports.

Section 10: Standalone CDL Kiosk Requirements (Local networked systems)

#	Requirements	Y/N/M	Comments
10	1. The control station must be capable of automatically receiving test results and applicant information.	Y	Yes, *Examiner* meets this requirement. Control stations operate as scaled down versions of the same system employed in larger hosted solutions. The centralized and web-based nature ensures that all test results are stored in real-time.
10	2. The control station must allow test results and applicant information to be accessed by the system administrator or branch clerk.	Y	Yes, *Examiner* allows test results and applicant information to be accessed by any authorized system administrator or branch clerk.
10	3. The control station must be scalable and capable of administering any number of kiosks located at a single location.	Y	Yes, *Examiner*'s efficient and scalable nature provides the ability to expand to virtually an unlimited number of stations, and users. STS is successfully operating in environments with over 60 testing stations at a single office.
10	4. The control station must be maintained by the contractor.	Y	Yes, STS will continue to maintain any Standalone CDL Kiosk system required.

10			Yes, *Examiner* allows an examination to be reviewed with branch clerk intervention.
			SAMPLE TEST SUMMARY PAGE
	5. The control station must allow review of any examination with branch clerk intervention.	Y	
10	6. The control station must be operational upon turn-on without the need to load any program or read any data from any external media.	Y	Yes, Solutions Thru Software meets this requirement. Each local server can be configured to automate logon and application loading with no intervention, and no external media source is required. Solutions Thru Software, as the incumbent provider, has provided stand-alone testing solutions in over 80 offices and nearly 300 testing stations throughout the State for 5years and can easily provide this ongoing capability.

10				Yes, *Examiner* is able to monitor the local site's kiosk station and report system failures to branch staff at that location. The Examiner can also check the status of all Test Units from any Exam Console. As shown below using the View Station Status feature, the Examiner can see that Test Unit 1 is providing an exam for an applicant; Test Unit 2 is Missing indicating that there is a problem with that unit; Test Unit 3 is Absent indicating that it has recently lost connectivity; and Test Unit 4 is Ready indicating that it is present and capable of receiving an exam.
				SAMPLE STATION STATUS
	7.	The control station must be able to monitor the local site's kiosk test station and report system failures to branch staff at that location.	Y	
10	8.	The control station must provide the software's reporting capabilities for tests taken at that location.	Y	Yes, *Examiner* has reporting capabilities for tests taken at any location, and has over 30 pre-configured report forms to use, plus the ability to create your own report forms.
10	9.	The control station must perform a system configuration check any time that the system is initially powered-up.	Y	Yes, the only system configuration checks that the system requires are the automatic system POST and Microsoft Windows operating system checks, which are standard on all computers.

Section 11: CDL Kiosk Report Requirements

#	Requirements	Y/N/M	Comments
11	1. The kiosk system software must include reporting tools.	Y	*Examiner*'s integrated reporting engine provides instant online access to over 30 different DMV specific report types. These reports are based on the needs that have developed with other jurisdictions in our nearly 20years of offering automated driver license testing. These can additionally be supplemented with custom ad-hoc reports. Any additional custom reports that are required to meet the State's needs are typically easily developed, in most cases at no additional charge under an active maintenance agreement. Samples of most Examiner reports are included in Appendix L. Unlike reporting systems based on third-party tools, such as Crystal Reports, our integrated and flexible reporting interface also means that reporting functions are retained in a common interface and with no additional fees or maintenance concerns.
11	2. The kiosk system software must be capable of generating reports (standard or elective) containing information extracted from a central database housed on the Server System (number of tests taken, test language, test category, test type, test version, test mode, etc.).	Y	*Examiner* offers a host of standard reports available to your administrators to determine individual record test scores, check the reliability of test questions, confirm pass and failure rates, etc. *Examiner* retains all the test questions and test answers that the applicant submitted on the system. This data, together with the applicant's photo if taken, may be recovered at any time. The report generator can use the data stored at the central site or collect data from other servers in the system and compute either location-by-location reports or jurisdiction-wide reports.

108

#	Requirements	Y/N/M	Comments
11	3. The kiosk system software must generate reports that are downloadable, in a readable format, and useable with software currently deployed by SOM/DTMB (Adobe Acrobat and MS Office).	Y	*Examiner* allows reports to be displayed onscreen, printed or exported in CSV format, which can be easily imported into Excel.
11	4. The kiosk system software must include up to 20 pre-constructed report queries and have the capability for branch clerks to easily select criteria and build their own report(s) from raw data.	Y	*Examiner* has over 30 pre-configured report forms to use, plus the ability to create your own adhoc reports.
11	5. The kiosk system software must generate reports for branch clerks that detail test and system usage statistics.	Y	Yes, *Examiner* has over 30 standard report forms to select from to generate report queries, including data such as test and system usage.
11	6. The kiosk system software must generate reports on-demand as frequently as desired for branch clerks that can be printed on any standard printer or that can be saved on an external device such as a thumb drive or CD.	Y	Yes, *Examiner* allows reports to be generated on-demand as frequently as desired for branch clerks that can be printed or saved to an external device.
11	7. The kiosk system software must create reports that allow branch clerks to see each question's success/failure rate, listing them in ascending or descending order as needed.	Y	Yes, *Examiner* meets this requirement. The standard Question Analysis report form allows staff to see each question's success / failure rate. A sample of the Question Analysis report is available in the Sample Reports document in Appendix L.
11	8. The kiosk system software must have capability for branch clerks to run a report and flag particular characteristics to assist with test analysis and applicant analysis.	Y	Yes, *Examiner* allows branch clerks to run reports and flag characteristics.
11	9. The kiosk system software must include Standard Reports as part of the types of pre-constructed report queries.	Y	Yes, *Examiner* has over 30 standard report forms to select from to generate report queries.
11	10. The kiosk system software must generate at least four Standard Reports that provide the following information:	Y	Yes, Solutions Thru Software can meet this requirement, and will work with MDOS to assess additional report form requirements.

#	Requirements	Y/N/M	Comments

11	a. **Standard Report 1**
	Provide an overview of test activity per single location. System administrators or branch clerks may select, and constrain if desired, report parameters including: beginning date, end date, test category, test type, test mode, test location, pass/fail/cancelled, or language. This report shall include the following information:
	    i. Beginning date
	    ii. End date
	    iii. Branch number
	    iv. Test category
	    v. Test mode
	    vi. Test type
	    vii. Language
	    viii. Number of tests taken
	    ix. Number of tests passed
	    x. Number of tests failed
	    xi. Average time to complete tests
	    xii. Number of tests cancelled
	    xiii. Report generation date
		
		M
			Yes, Solutions Thru Software can meet this requirement. All of the above data is included in the information that is recorded by *Examiner*. It has over 30 different report types available. These reports are based on the needs that other states have had over the years and cover most DMV requirements. STS will work with the State to assess current needs and develop additional report forms that you may need.

110

#	Requirements	Y/N/M	Comments

11	b. **Standard Report 2**
	 Provides a detailed listing of all tests taken within a particular time period. The report can be constrained by date, location, test category, test type, test mode, language, pass/fail/cancelled. Each result shall give the following information sorted and in ascending order:
	    i. Beginning date
	    ii. End date
	   iii. Branch number
	   iv. Client name and/or ID
	    v. Test date
	   vi. Start/end time
	  vii. CDL Testing Station ID
	 viii. Test category
	   ix. Test mode
	    x. Test type
	   xi. Language
	  xii. Test score
	 xiii. Number of tests taken
	 xiv. Average time to complete tests
	  xv. Number of tests passed
	 xvi. Number of tests failed
	 xvii. Number of tests cancelled
	 xviii. Report generation date
		M	Yes, Solutions Thru Software can meet this requirement. All of the above data is included in the information that is recorded by *Examiner*. It has over 30 different report types available. These reports are based on the needs that other states have had over the years and cover most DMV requirements. STS will work with the State to develop report forms that meet the State's needs.

#	Requirements	Y/N/M	Comments

11	**c. Standard Report 3**
	Provides test history and results for individual applicants. The report is generated by input of applicant name or identifier. Report information for each applicant shall include the following information:
	   i. Client name and/or ID
	   ii. Test names taken
	   iii. Test category
	   iv. Test mode
	   v. Test type
	   vi. Test start/end times
	   vii. Branch number
	   viii. CDL Testing Station ID
	   ix. Language for each test taken
	   x. Total number of questions for each test
	   xi. Total number of questions answered correctly
	   xii. Score for each test (%)
	   xiii. Final status for each test.
		M	Yes, Solutions Thru Software can meet this requirement. All of the above data is included in the information that is recorded by *Examiner*. It has over 30 different report types available. These reports are based on the needs that other states have had over the years and cover most DMV requirements. STS will work with the State to assess current needs and develop additional report forms that you may need.

11	**d. Standard Report 4**
	Provide detailed analyses of the question pool, which will help system administrators identify and correct problems related to incorrect, misleading and unfair questions. Reports should be able to be generated for individual questions, for all questions within any test category and test type, or for all questions that make up any previously administered test. Report information shall include the following information:
	   i. Question ID
	   ii. Question(s)
	   iii. Display of associated visual or an identifier associated for visual (this information is helpful in identifying poor quality or misleading graphics).
	   iv. Total question usage
	   v. Number of times answer and each distracter has been selected
	   vi. Average time taken by applicants to answer the question
	   vii. Number of times question has been skipped by applicants
		M	Yes, Solutions Thru Software can meet this requirement. All of the above data is included in the information that is recorded by *Examiner*. It has over 30 different report types available. These reports are based on the needs that other states have had over the years and cover most DMV requirements. STS will work with the State to assess current needs and develop additional report forms that you may need.

112

Section 12: CDL Kiosk System Maintenance and Support Requirements

#	Requirements	Y/N/M	Comments
12	1. Maintenance programs shall commence at the end of the warranty period.	Y	Solutions thru Software confirms that the Maintenance Program will commence at the end of the warranty period.
12	2. All maintenance shall be performed by qualified personnel familiar with the hardware and software.	Y	Solutions Thru Software confirms that all maintenance will be performed by a qualified service technician that is familiar with the hardware and software.
12	3. Remote diagnostic capabilities shall be provided.	Y	Solutions Thru Software confirms that we have the capability to perform remote diagnostics and maintenance on the system.
12	4. Maintenance shall be available on an annually renewable contract.	Y	Solutions Thru Software agrees to provide Maintenance on an annually renewable contract.
12	5. The maintenance program shall include all future software updates and system enhancements applicable to system modules licensed without further charge to all licensed users maintaining an annually renewable software support contract.	Y	Solutions Thru Software confirms that our maintenance program provides all software updates and upgrades including new features and/or functions as they become available without any additional cost to the State.
12	6. Help desk support shall be available during branch office hours (9 am – 7 pm Wednesdays, 9 am – 5 pm M, Tu, Th, F, and 9 am – 2 pm on Saturdays) with escalation as necessary to senior technical/engineering staff, and then to higher management and/or senior management.	Y	Solutions Thru Software confirms that our Help Desk support is available from 8 am – 8 pm, Monday through Saturday which exceeds the requirement requested by the State.
12	7. Maintenance service options shall be provided during branch office hours (9 am – 7 pm Wednesdays, 9 am – 5 pm M, Tu, Th, F, and 9 am – 2 pm on Saturdays), onsite service, 2- (emergency/system wide failure), 4-, and 8-hour and next day response times.	Y	Solutions Thru Software confirms that maintenance service options will be provided during branch office hours based on the level and urgency of the issue. Service urgency will be determined through consultation with the State as to the onsite service level required.
12	8. Calls for service shall be returned within 2 hours.	Y	Solutions Thru Software agrees that all calls for service will be returned within 2 hours or less. Typically all calls to our Help Desk are answered immediately, however, in instances in which a message has been left our staff will return the call as soon as they are available, but within 2 hours or less.

113

#	Requirements	Y/N/M	Comments
12	9. Guaranteed parts shall be available within the service response window at all times.	Y	Solutions Thru Software confirms that we will maintain a spares pool of serviceable exchange equipment as well as spare parts to repair any equipment as necessary.
12	10. Emergency/system wide failure assistance shall be available during branch office hours (9 am – 7 pm Wednesdays, 9 am – 5 pm M, Tu, Th, F, and 9 am – 2 pm on Saturdays) at no additional cost to the State.	Y	Solutions Thru Software confirms that emergency/system wide failure assistance shall be available during standard branch business hours, Monday through Friday at no additional cost to the State.
12	11. A Web-enabled help desk interface shall be provided at no additional cost.	Y	Solutions Thru Software confirms that we have a web enabled Help Desk Interface that allows our clients to contact our Help Desk online from our company website. Support requests may be emailed to our Help Desk at support@sts-intl.com as well.
12	12. The State shall be provided with information on software problems encountered at other locations, along with the solution to those problems, when such information is relevant to State software.	Y	Solutions Thru Software agrees to notify the State with information regarding any software issues and resolutions encountered at any other locations that may be relevant to the State.
12	13. Support shall be provided for superseded releases and back releases still in use by the State	Y	Solutions Thru Software agrees to continue providing support for superseded, back or previous releases if they are currently in use by the State.

114

Attachment B   Deleted - Not Applicable

Attachment C – Service Level Agreement (SLA)

Requirement 1	Support Response
Description	Once operational, **Contractor will respond to calls for system support as follows:** • Between the hours of (a) 8 a.m. to 5 p.m., Eastern Time. The selection of options is based upon cost and finalized with the contract • **Critical** (system outage) or **High** (major modules down, some services available) – Contractor response within 30 minutes • **Moderate** (majority of application is up, some services down) or **Low** (Limited problem with no major disruptive ramifications) - Contractor response within 2 hours
Measurement	Total number of trouble tickets responded to, within the severity level time frame, divided by total number of tickets received.
Target Performance	No more than one failure if less than 10 tickets 90% compliance with target service level if at least 10 tickets but less than 20 tickets 95% compliance with target service level if at least 20 tickets but less than 100 tickets 99% compliance with target service level if at least 100 tickets
Period of Review	Monthly
Solutions Thru Software agrees to be held responsible for the Service Level Agreement requirements as outlined above. We are also willing to negotiate changes to the SLA by mutual consent with the State.	

Attachment D – Reserved from Contract

Attachment E   DELETED - NOT APPLICABLE

Attachment F – Reserved From Contract

Attachment G – Cost Tables and Payment Schedule

Table 1: One-Time Project Costs				
Item Section	**Project Milestone**	**% of Total Project Cost**	**Cost ($)**	**Estimated Hours and Comments**
1.104 I:A	Project Planning and Management	10%	$0	0
1.104 I:B	Requirements Validation	5%	$0	0
1.104 I:C	Design	5%	$0	0
1.104 I:D	Setup and System Configuration	5%	$0	0
1.104 I:E	Training	5%	$0	0
1.104 I:F	System Testing	10%	$0	0
1.104 I:G.1	Implementation Phase 1: Pilot	10%	$0	0
1.104 I:G.2	Implementation Phase 2: Full	50%	$0	0
	Total:	100%	$0	0

Terms and Clarifications:

- Table 1: As the incumbent provider, project implementation costs reflect the assumption of continued operation of the existing system in its present state. It is expected that no changes, additions or enhancements to the current system are requested or required. Modification or addition to the existing system and features may incur further costs not reflected in this table.

- Table 1: Project Implementation costs do not reflect possible costs for project management, training or other expenses that will be incurred with a request to add or upgrade offices, or equipment beyond the existing system.

Table 2a: Kiosk Hardware Purchase Costs		
Undiscounted Kiosk Unit Cost (not-to-exceed)	**Estimated Quantity**	**Estimated Total Cost** (Kiosk Unit Cost x 500)
$3,710.79	500	$1,855,395.00
Applicable Kiosk Hardware Volume Discount Levels		
Tier	Volume Range	Applicable Discount Off List Price
Tier 1	100 to 199 units	$22.26 (per unit)
Tier 2	200 to 299 units	$37.10 (per unit)
Tier 3	300 to 500 units	$55.66 (per unit)
A Kiosk Annual Lease Unit Cost (not-to-exceed)	B Estimated Quantity	C Depreciated Buyout Value at Lease's End D Estimated Total Cost (A x B + C)
$2,037.23	500 units x 3 years	$371,080.00 $3,426,925.00

1. Estimated Quantity is included in this table for evaluation purposes only and is not a commitment on the State's part to purchase.

2. Kiosk Unit Cost (not-to-exceed) shall be the base cost for the purchase of all Kiosk Units for the Contract's duration.

Assumptions, Terms and Clarifications:

- Table 2a: The Desktop Kiosk per unit purchase price includes the cost of the Testing Station Software License fee.

- Table 2b: The Lease Term is 3 (three) years.

Table 3: Recurring Costs			
A Item	B Estimated Quantity	C Quarterly Rate	D Estimated Cost (B x C)
Kiosk Maintenance, contract base term	20 quarters x 500 kiosks	$196.25	$1,962,500.00
Kiosk Maintenance, option year 1	4 quarters x 500 kiosks	$202.14	$404,280.00
Kiosk Maintenance, option year 2	4 quarters x 500 kiosks	$208.21	$416,420.00
Operations Hosting Services, contract base	20 quarters x	$2,990.00	$59,800.00
Operations Hosting Services, option year 1	4 quarters x	$3,079.70	$12,318.80
Operations Hosting Services, option year 2	4 quarters x	$3,172.10	$12,688.40
Total Estimated Cost:			$2,868,007.20

1. Estimated Quantity and Estimated Cost are included in this table for evaluation purposes only and are not a commitment on the State's part to purchase.

2. Quarterly Rate for option years shall not exceed 3% of the previous year's quarterly rate.

Terms and Clarifications:

- Table 3: The cost of Kiosk Maintenance includes both Hardware and Software Maintenance.

- Any references to the Existing Hosted system includes the 284 Desktop Kiosks currently installed and in operation within the 80 MDOS testing offices as listed in Attachment K – Branch Office Information. A small number of these offices operate in a standalone or autonomous mode, which includes a Control Station/PC Server. The remaining Control Station/PC Servers are expected to be phased out when a suitable ISP is determined for that office. If operational, the Control Station/PC Server(s) will be subject to the same Kiosk Maintenance Fee assessed to the Kiosk Units.

Table 4: Reserve Bank of Hours for Future Enhancements			
Staffing Category	Firm Fixed Hourly Rate (FIXED FOR THE 5-YEAR BASE PERIOD)	Est. Hours (5 year total)	Future Enhancement Cost (Firm Fixed Hourly Rate x 454)
Project Manager	$150.00	454	$68,100.00
Business Analyst	$150.00	454	$68,100.00
System Analyst	$150.00	454	$68,100.00
Developer	$175.00	454	$79,450.00
Database administrator	$175.00	454	$79,450.00
Q/A Manager	$150.00	454	$68,100.00
Security Specialist	$175.00	454	$79,450.00
Testers	$125.00	454	$56,750.00
Technical Writers	$125.00	454	$56,750.00
System Architect	$150.00	454	$68,100.00
Training Specialists	$192.00	454	$87,168.00
Total Estimated Cost	N/A	4,994	$779,518.00

1. Estimated Hours and Estimated Cost are included in this table for evaluation purposes only and are not a commitment on the State's part to purchase.

2. The State reserves the right to use any Staffing Category resource, regardless of the number of hours work.

3. The State reserves the right to add other Staffing Categories to the Contract.

Terms and Clarifications:

- Table 4: The fixed hourly rate for Installation and Training staff includes basic travel costs including air fare, car rental, per diem, lodging, etc. based on a minimum of 1 business week (8 hours per day for 5 business days onsite).

Table 5a: Cost of Additional Languages To System			
Language Item	**Cost**	**Estimated Quantity**	**Estimated Total (Cost x Estimated Quantity)**
First additional language, textual & aural translations	$0.86 per word	1	$0.86
Each additional language, textual & aural translations	$0.86 per word	2	$1.72
Modification to individual question	$0.86 per word **$306.00 per language minimum	10	$8.60
Total:			$11.18

Table 5b: Other Language Costs	
Language Item	**Cost**
First additional language, textual translation only	$0.43 per word
Each additional language, textual translation only	$0.43 per word

Terms and Clarifications:

- Table 5: The cost for updating CDL item pool content will be borne by Solutions Thru Software including the costs of audio and translations for the STS supplied English and Spanish content. The State will be responsible for the cost of updates to any translated content in any State specific language for CDL and/or other State specific test types.

- Table 5: As specified in addendum 2, question #6, the cost of translations has been identified as a cost per word. The cost of the first, as well as each additional language, including textual and aural translations is $0.86 per word with a $306.00 minimum charge fee per language, per change. The cost of textual translations is $0.43 per word with a minimum charge $306.00 fee per language, per change. Solutions Thru Software will provide a quote for any translation work prior to any changes being made.

Table 6: Other		
Item	**Cost**	**Comments**
Total Cost		Total discounts and other costs

	Table 7: Contract Value Cost Summary 1)		
	Cost Items	**Total Cost**	**Comments**
1	**One-Time Project Costs Total from Table 1**	$0	Reflecting estimated operation of the current implemented system with no additions or changes.
2	**Kiosk Hardware Costs Estimated Total Cost from Table 2a**	$1,855,395.00	Kiosk hardware purchase costs for 500 Kiosks.
3	**Kiosk Hardware Costs Estimated Total Cost from Table 2b**	$3,426,925.00	Kiosk hardware lease costs for 500 Kiosks plus lease buyout costs.
4	**Recurring Costs Total Estimated Cost from Table 3, Contract Base Term Only (not including option years)**	$2,022,300.00	Kiosk Maintenance and Hosting Costs
5	**Reserve Bank of Hours Total Estimated Cost from Table 4**	$779,518.00	Encompasses any desired additions, enhancement or feature changes beyond the currently implemented system, including but not limited to Mechanics testing.
6	**Table 5a: Cost of Additional Languages**	$11.18	Based on per word count, per language.
7	**Other from Table 6**	$0	
8	**Contract Total Estimated Cost with Hardware Purchase (Table 2a) (Add Rows 1,2,4,5,6,7), Contract Base Term only (not including option years)**	**$4,657,224.18**	

126

Terms and Clarifications

Terms and Clarifications noted throughout this cost proposal are collectively noted below for ease of review.

- Table 1: As the incumbent provider, project implementation costs reflect the assumption of continued operation of the existing system in its present state. It is expected that no changes, additions or enhancements to the current system are requested or required. Modification or addition to the existing system and features may incur further costs not reflected in this table.

- Table 1: Project Implementation costs do not reflect possible costs for project management, training or other expenses that will be incurred with a request to add or upgrade offices, or equipment beyond the existing system.

- Table 2a: The CDL Kiosk per unit purchase price includes the software license.

- Table 2b: The Lease Term is based on a duration of 3 (three) Years.

- Table 3: The cost of Kiosk Maintenance includes both Hardware and Software Maintenance.

- Any references to the Existing Hosted system includes the 284 Desktop Kiosks currently installed and in operation within the 80 MDOS testing offices as listed in Attachment K – Branch Office Information. A small number of these offices operate in a standalone or autonomous mode, which includes a Control Station/PC Server. The remaining Control Station/PC Servers are expected to be phased out when a suitable ISP is determined for that office. If operational, the Control Station/PC Server(s) will be subject to the same Kiosk Maintenance Fee assessed to the Kiosk Units.

- Table 4: The fixed hourly rate for Installation and Training staff includes basic travel costs such as air fare, car rental, per diem, lodging, etc. based on a minimum of 1 business week (8 hours per day for 5 business days onsite).

- Table 5: The cost for updating CDL item pool content will be borne by Solutions Thru Software including the costs of audio and translations for the STS supplied English and Spanish content. The State will be responsible for the cost of updates to any translated content in any State specific language for CDL and/or other State specific test types.

- Table 5: As specified in addendum 2, question #6, the cost of translations has been identified as a cost per word. The cost of the first, as well as each additional language, including textual and aural translations is $0.86 per word with a $306.00 minimum charge fee per language, per change. The cost of textual translations is $0.43 per word with a minimum charge $306.00 fee per language, per change. Solutions Thru Software will provide a quote for any translation work prior to any changes being made.

- Solutions Thru Software will negotiate with the State a reduced Kiosk Maintenance rate if the State chooses to perform a primary electronic component upgrade on the existing CDL Kiosks.

- Solutions Thru Software will negotiate with the State a reduced Kiosk Maintenance rate if the State permits MDOS staff to provide 5 to 10 minutes of "remote hands" to troubleshoot issues prior to STS dispatching service personnel.

- The cost of the Testing Kiosk software license is $1,820.00 per unit

- The cost of the kiosk cabinet (less PC, touch screen monitor and power brick) is $558.43

All prices in US Dollars.

Attachment I – Hardware

Hardware provided by the State

As the incumbent, we would propose that the State continue to use the existing 284 kiosk cabinets already in use across the State. In our cost proposal included in this response, we have provided options for the State's consideration in regards to the continued use of the electronic hardware in the existing kiosks or, the updating of this hardware, but the decision to use the existing electronic hardware or update, belongs to the State. If the State wishes to add to the current number of kiosks, any required hardware for operation of the kiosks will be included in the price of the kiosk.

Hardware provided by the Contractor

Solutions Thru Software will continue to provide and maintain hosting for the system at the price noted in our cost proposal. No other hardware is required.

Attachment J – Software

Software provided by the State

As the incumbent, our Examiner automated testing system software is already in use in 284 kiosks in 80 offices across the State. No additional software is anticipated to be provided by the State.

Software provided by the Contractor

As the incumbent, our Examiner automated testing system software is already in use in 284 kiosks in 80 offices across the State. No additional software is anticipated to be provided by Solutions Thru Software for the continued use of these kiosks. The State is eligible for any future STS software upgrades at no additional charge as long as an active maintenance agreement is in place.

Attachment K – Branch Office Information

All CDL Kiosks include the following Touch-Screen Monitor:

1537L 15-inch Open-Frame Touchmonitor

Model	1537L
Display	15.0" diagonal
Aspect Ratio	4:3
Useful Screen Area	**Horizontal**: 12.0" (304 mm) **Vertical**: 9.0" (228 mm)
Native (Optimal) Resolution	1024 x 768 at 60 Hz
Other Supported Resolutions	1024 x 768 at 60, 65 (Sun), 70 or 75 Hz 832 x 624 at 75 Hz (Mac) 800 x 600 at 56, 60, 72 or 75 Hz 720 x 400 at 70 Hz 720 x 350 at 70 Hz 640 x 480 at 60, 66 (Mac), 72 or 75 Hz 512 x 256 at 60 Hz 512 x 247 at 60 Hz
Colors	16.2 million
Brightness (Typical)	**LCD panel**: 250 nits **AccuTouch**: 200 nits **Acoustic Pulse Recognition**: 230 nits **CarrollTouch**: 230 nits **IntelliTouch**: 230 nits **SecureTouch: 230 nits**
Response Time - Total (Typical)	14.5 msec
Viewing Angle ? (Typical)	**Horizontal**: ±70° or 140° total **Vertical**: 60/55° or 115° total
Contrast Ratio (typical)	500:1
On-Screen Display (OSD)	**Controls (optional remote with 1.8m cable)**: Auto/Sel, up, down, menu **Controls (back)**: menu, up, down, select, power **Settings**: contrast, brightness, H/V position, RGB (color temp), clock, phase, recall **Languages**: English, German, Spanish, Japanese, French **Lockouts**: power, user controls

Offices Currently With CDL Kiosks:

Region	Branch Name	Branch #	Branch Address	Testing Kiosks Totals	Branch Kiosk Service Tag Numbers
1	Adrian	100	1114 S. Winter Suite G, Adrian, MI 49221-4200	3	135NJG1 (OPTIPLEX760), 139LJG1 (OPTIPLEX760), 133PJG1 (OPTIPLEX760)
1	Brownsto wn	125	18412 Telegraph Rd, Brownstown, MI 48174-9614	4	1RM9ZD1 (OPTIPLEX 755), 5FW8QF1 (OPTIPLEX 755), 1GW8QF1 (OPTIPLEX 755), B5HZYD1(OPTIPLEX 755)
1	Central Wayne County Plus	118	6090 N Wayne Rd, Westland, MI 48185-2169	4	2JM9ZD1 (OPTIPLEX 755), H4HZYD1 (OPTIPLEX 755), F5HZYD1 (OPTIPLEX 755), 1KM9ZD1 (OPTIPLEX 755)
1	Chelsea	112	1113 M-52 Village Plaza, Chelsea, MI 48118-1266	3	11DNJG1 (OPTIPLEX 755), 11FMJG1 (OPTIPLEX 755), 112PJG1 (OPTIPLEX 755)
1	Dearborn	144	5094 Schaefer, Dearborn, MI 48126-3249	4	15BPJG1 (OPTIPLEX760), 113LJG1 (OPTIPLEX760), 11CMJG1 (OPTIPLEX760), 155MJG1 (OPTIPLEX760)

130

1	Detroit East Plus	154	14634 Mack Ave, Detroit, MI 48215-2523	4	5SM9ZD1 (OPTIPLEX 755), 62HZYD1 (OPTIPLEX 755), HXM9ZD1 (OPTIPLEX 755), 2KM9ZD1 (OPTIPLEX 755)
1	Detroit New Center Super!Center	157	3046 W Grand Blvd, Detroit, MI 48202-6046	3	HFW80F1 (OPTIPLEX 755), 8CW80F1 (OPTIPLEX 755), HGW80F1 (OPTIPLEX 755
1	Downriver Area Plus	110	3040 Van Horn, Trenton, Mi 48183-4001	4	134NJG1 (OPTIPLEX760), 12ZLJG1 (OPTIPLEX760), 130NJG1 (OPTIPLEX760), 131NJG1 (OPTIPLEX760)
1	Hamtramck Area Plus	151	8717 Joseph Campau, Hamtramck, MI 48212-3720	2	115NJG1 (OPTIPLEX760), 114PJG1 (OPTIPLEX760)
1	Inkster	101	26603 Michigan Ave, Inkster, MI 48141	3	102PJG1 (OPTIPLEX 755), 12YLJG1 (OPTIPLEX 755), 12YNJG1 (OPTIPLEX 755)
1	Jackson County Plus	220	1184 Jackson Crossing, Jackson, MI 49202-2096	3	11HLJG1 (OPTIPLEX760), 13XNJG1 (OPTIPLEX760), 11CLJG1 (OPTIPLEX760), 11FLJG1 (OPTIPLEX760)
1	Livingston County Plus	230	1448 Lawson Rd, Howell, MI 48843	2	1136NJG1 (OPTIPLEX760), 211DLJG1 (OPTIPLEX760)
1	Livonia Area Super!Center	120	17176 Farmington Rd, Livonia, MI 48152-3102	5	BBM9ZD1 (OPTIPLEX 755), C3HZYD1 (OPTIPLEX 755), 7CM9ZD1 (OPTIPLEX 755), 63HZYD1 (OPTIPLEX 755), H5HZYDI (OPTIPLEX 755)
1	Monroe	115	1107 S Telegraph Rd, Monroe, Mi 48161-4005	4	138NJG1 (OPTIPLEX 755), 135LJG1 (OPTIPLEX 755), 132MJG1 (OPTIPLEX 755), 12XNJG1 (OPTIPLEX 755)
1	Northeast Wayne County Plus	117	25700 Joy Rd, Redford, MI 48239-1720	4	8BM9ZD1 (OPTIPLEX 755), 3QM9ZD1 (OPTIPLEX 755), 8QM9ZD1 (OPTIPLEX 755), GCM9ZD1 (OPTIPLEX 755)
1	Northwest Detroit Plus	135	20210 West 7 Mile, Detroit, MI 48219-3469	4	9CM92D1 (OPTIPLEX 755), 50M92D1 (OPTIPLEX 755), 7RM9ZD1 (OPTIPLEX 755), JRM9ZD1 (OPTIPLEX 755)
1	Southeast Wayne County Plus	141	21572 Ecorse Rd, Taylor, MI 48180	4	FBM9ZD1 (OPTIPLEX 755), 1DM9ZD1 (OPTIPLEX 755), G9M9ZD1 (OPTIPLEX 755), BRM9ZD1 (OPTIPLEX 755)
1	Southwest Detroit Plus	138	7760 W Vernor, Detroit, MI 48209-1516	3	132PJG1 (OPTIPLEX 755), 134LJG1 (OPTIPLEX 755), 15DNJG1 (OPTIPLEX 755)
1	Southwest Wayne County Plus	111	795 Sumpter Rd, Belleville, Mi 48111-2916	4	3BM92D1 (OPTIPLEX 755), DFM92D1 (OPTIPLEX 755), 46HZYD1 (OPTIPLEX 755), 45HZYD1 (OPTIPLEX 755)

1	Temperance	116	7200 Lewis Ave, Temperance, Mi 48182-1553	3	137MJG1 (OPTIPLEX760), 138LJG1 (OPTIPLEX760), 136PJG1 (OPTIPLEX760)
1	Washtenaw CP	109	353 North Maple Rd, Ann Arbor, Mi 48103-2824	4	1SM9ZD1 (OPTIPLEX 755), 6PM9ZD1 (OPTIPLEX 755), 5PM9ZD1 (OPTIPLEX 755), JPM92D1 (OPTIPLEX 755)
1	West Wayne County Plus	128	8565 N Lilley Rd, Canton, MI 48187	4	
1	Ypsilanti	113	2720 Washtenaw, Ypsilanti, MI 48197-1506	4	118MJG1 (OPTIPLEX760), 15KNJG1 (OPTIPLEX760), 155LJG1 (OPTIPLEX760), 113NJG1 (OPTIPLEX760)
2	Bad Axe	275	33 Patrick Dr, Bad Axe, MI 48413-9100	2	134MJG1 (OPTIPLEX760), 133LJG1 (OPTIPLEX760)
2	Central Macomb County Plus	164	50640 Schoenherr Rd, Shelby Township, Mi 48315	3	113PJG1 (OPTIPLEX760), 157PJG1 (OPTIPLEX760), 11BMJG1 (OPTIPLEX760)
2	Clinton Township Super!Center	166	37015 S Gratiot Ave, Clinton Township, MI 48036	4	DLM9ZD1 (OPTIPLEX 755), 5QM9ZD1 (OPTIPLEX 755), 3GM9ZD1 (OPTIPLEX 755), DPM9ZD1 (OPTIPLEX 755)
2	Davison	185	300 N Main St, Davison, MI 48423-1434	4	156PJG1 (OPTIPLEX760), 15BNJG1 (OPTIPLEX760), 15DMJG1 (OPTIPLEX760), 116LJG1 (OPTIPLEX760)
2	East Oakland County Plus	175	1111 E Long Lake, Troy, Mi 48085-4964	3	118LJG1 (OPTIPLEX760), 133NJG1 (OPTIPLEX760), BF4BZD1 (OPTIPLEX 755)
2	Flint Area Super!Center	194	G5512 Fenton Rd, Flint, MI 48507-4031	4	DNM9ZD1 (OPTIPLEX 755), B3N9Z91 (OPTIPLEX 755), 4RM9ZD1 (OPTIPLEX 755), DHM9ZD1 (OPTIPLEX 755)
2	Lapeer County Plus	176	700 S Main St, Lapeer, MI 48446-3077	4	9JM9ZD1 (OPTIPLEX 755), FF4BZD1 (OPTIPLEX 755), 2G4BZD1 (OPTIPLEX 755), No Service Tag (OPTIPLEX 755)
2	Mt. Morris	187	11960 N Saginaw St, Mt Morris, MI 48458-1531	4	119MJG1 (OPTIPLEX760), 155PJG1 (OPTIPLEX760), 114MJG1 (OPTIPLEX760), 15HLJG1 (OPTIPLEX760)
2	North Macomb CP	171	51305 Gratiot Ave, Chesterfield Township, Mi 48051-2041	4	6WM9ZD1 (OPTIPLEX 755), BVM92D1 (OPTIPLEX 755), 25M92D1(OPTIPLEX 755), 9VM92D1 (OPTIPLEX 755)
2	North Oakland County Plus	189	7090 Shabaaw rd, Clarkston, MI 48348	4	DGW8QF1 (OPTIPLEX 755), CFQ8QF1 (OPTIPLEX 755), 9FW8QF1 (OPTIPLEX 755), CDW8QF1 (OPTIPLEX 755)

132

2	Oakland County Super Center	181	1608 N Perry Rd, Pontiac, MI 483402235	4	GNM9ZD1 (OPTIPLEX 755), BKM9Z91 (OPTIPLEX 755), DBM9ZD1 (OPTIPLEX 755), HF4BZD1(OPTIPLEX 755)
2	Rochester Hills	168	2250 Crooks Rd, Rochester Hills, MI 483093600	2	133MJG1 (OPTIPLEX760), 12WNJG1 (OPTIPLEX760)
2	Sanilac County Plus	291	277 E Sanilac, Sandusky, MI 4847-1320	2	CMM9ZD1 (OPTIPLEX760), JD4BZD1 (OPTIPLEX760)
2	Shiawassee County Plus	290	1720 E Main St, Owosso, MI 48867	3	103LGJ1 (OPTIPLEX760), 117NGJ1 (OPTIPLEX760), 11BNJG1 (OPTIPLEX760)
2	South Oakland County Plus	143	25263 Telegraph Rd, Southfield, MI 480342501	3	12YMJG1 (OPTIPLEX760), 139PJG1 (OPTIPLEX760), 12ZNJG1 (OPTIPLEX760)
2	Southeast Macomb County Plus	162	24040 Harper Ave, St Clair Shores, MI 48080	4	1PM9ZD1 (OPTIPLEX 755), 4PM9ZD1 (OPTIPLEX 755), 2NM9ZD1 (OPTIPLEX 755), 8TMQZD1 (OPTIPLEX 755)
2	Southeast Oakland CP	142	26196 Greenfield Rd, Oak Park, Mi 48237-1091	4	5TM9ZD1 (OPTIPLEX 755), 5VM9ZD1 (OPTIPLEX 755), J3HZYD1 (OPTIPLEX 755), 25HZYD1 (OPTIPLEX 755)
2	Southwest Macomb County Plus	158	28220 Dequindre Warren, MI 48092-5604	6	15GLIG1 (OPTIPLEX760), 114LJG1 (OPTIPLEX760), 116MJG1 (OPTIPLEX760), 115MJG1 (OPTIPLEX760), 136LJG1 (OPTIPLEX760), 12WMJG1 (OPTIPLEX760)
2	Southwest Oakland County Plus	121	31164 Back Rd, Novi, Mi 48377-1020	4	8CM9ZD1 (OPTIPLEX 755), 74HZYD1 (OPTIPLEX 755), 36HZYD1 (OPTIPLEX 755), JVM9ZD1 (OPTIPLEX 755)
2	St. Clair County Plus (Port Huron)	163	2887 Krafft Rd, Port Huron, MI 48060-1530	2	139NJG1 (OPTIPLEX760), 1DW80F1 (OPTIPLEX 755)
2	Sterling Heights	169	34208 Van Dyke Ave, Sterling Heights, MI 48312-4647	3	131MJG1 (OPTIPLEX760), 119LJG1 (OPTIPLEX760), 130MJG1 (OPTIPLEX760)
2	Tuscola County Plus	293	150 Millwood st, Caro, MI 48723-1630	3	BHM9ZD1 (OPTIPLEX 755), FFM9ZD1 (OPTIPLEX 755), 1VM9ZD1 (OPTIPLEX 755)
2	West Oakland County Plus	182	672 N. Milford Rd, Highland, MI 48357	4	FHW80F1 (OPTIPLEX 755), FDW80F1 (OPTIPLEX 755), CHW80F1 (OPTIPLEX 755), CCW80F1 (OPTIPLEX 755)

3	Allegan	258	430 Western Ave, Allegan, MI 49010-1242	3	11NJG1 (OPTIPLEX760), 15CMJG1 (OPTIPLEX760), 155NJG1 (OPTIPLEX760)
3	Calhoun County Plus	216	2545 Capital Ave Suite 140, Battle Creek, MI 49015	4	1HW8QF1 (OPTIPLEX755), 9HW8QF1 (OPTIPLEX755), 5DW8QFI (OPTIPLEX755), FCW8QFI (OPTIPLEX755)
3	Capital Area Plus	228	3315 E Michigan Ave, Lansing, MI 48912	3	116PJG1 (OPTIPLEX760), 15DLJG1 (OPTIPLEX760), 15KLJG1 (OPTIPLEX760)
3	Coldwater	223	7 Vans Ave, Coldwater, MI 49036-1724	3	11BLJGI (OPTIPLEX760), 11FNJG1 (OPTIPLEX760), 119PJG1 (OPTIPLEX760)
3	Grand Rapids Area Super!Center	263	3665 28th St SE, Grand Rapids, MI 49512-1605	4	2XM9ZD1 (OPTIPLEX755), 1HM9ZD1(OPTIPLEX755), D4HZYD1(OPTIPLEX755), FKM9ZD1 (OPTIPLEX755)
3	Hastings	259	1611 S Hanover, Hastings, MI 49058-2579	4	154PJG1 (OPTIPLEX760), 11HMJG1 (OPTIPLEX760), 156CJG1 (OPTIPLEX760), 116NJG1 (OPTIPLEX760)
3	Hudsonville	255	5211 Cherry Avenue Plaza, Hudsonville, Mi 49426-1432	4	15LLJG1 (OPTIPLEX760), 159NJG1 (OPTIPLEX760), 158MJG1 (OPTIPLEX760), 156NJG1 (OPTIPLEX760)
3	Ionia	268	603 W Adams, Ionia, Mi 48846-1537	3	11BPJG1 (OPTIPLEX760), 117PJG1 (OPTIPLEX760), 11DMJG1 (OPTIPLEX760)
3	Kalamazoo County Plus	201	3298 STADIUM DRIVE, Kalamazoo, MI 49008	4	DTM9ZD1 (OPTIPLEX755), HBM9ZD1 (OPTIPLEX755), CRM9ZD1 (OPTIPLEX755), 9RM9ZD1 (OPTIPLEX755)
3	Lansing Area Plus	226	5827 W Saginaw, Lansing, MI 48917-2460	4	GD4BZD1 (OPTIPLEX755), 4F4BZD1 (OPTIPLEX755), GSM9ZD1 (OPTIPLEX755), CQM9ZD1 (OPTIPLEX755)
3	Mason	229	806 Hogsback Rd, Mason, MI 48854	4	15FNJG1 (OPTIPLEX760), 117LJG1 (OPTIPLEX760), 12ZMJG1 (OPTIPLEX760), 11GLJG1 (OPTIPLEX760)
3	Montcalm County Plus	239	701 S Greenville West Dr, Greenville, MI 48838	3	7F4BZD1 (OPTIPLEX755), 7LM9ZD1 (OPTIPLEX755), 9PM9ZD1 (OPTIPLEX755)
3	Muskegon County Plus	244	1485 Apple Ave, Muskegon, MI 49442-3748	3	15FMJG1 (OPTIPLEX760), 15HNJG1 (OPTIPLEX760), 115LJG1 (OPTIPLEX760)
3	NE Kent County Plus	261	3472 Plainfield Ave NE, Grand Rapids, MI 49505-2719	4	11GNJG1 (OPTIPLEX760), 11GMJG1 (OPTIPLEX760), 11CNJG1 (OPTIPLEX760), 113MJG1 (OPTIPLEX760)

134

3	Northwest Berrien County Plus	208	1960 Mall Drive, Benton Harbor, MI 49022-2306	4	136MJG1 (OPTIPLEX760), 6HM9ZD1 (OPTIPLEX755), 8MM9ZD1 (OPTIPLEX755), 119NJG1 (OPTIPLEX760)
3	Ottawa County Plus	256	587 E Eighth Street, Holland, Mi 48423-3764	3	157LJG1 (OPTIPLEX760), 15JMG1 (OPTIPLEX760), 154NJG1 (OPTIPLEX760)
3	South Kalamazoo County Plus	202	603 Rommence Rd, Portage, MI 49024-3446	4	6RM9ZD1 (OPTIPLEX755), GRM9ZD1 (OPTIPLEX755), BSM9Z01 (OPTIPLEX755), 4SM9ZD1 (OPTIPLEX755)
3	Southeast Berrien County Plus	207	110 E Main St, Niles, MI 49120-2200	4	FJM9ZD1 (OPTIPLEX755), 3SM9ZD1 (OPTIPLEX755), 4MM9ZD1 (OPTIPLEX755), JLM9ZD1 (OPTIPLEX755)
3	Sparta	247	534 S State St, Sparta, MI 49345-1397	4	112NJG1 (OPTIPLEX760), 15FLJG1 (OPTIPLEX760), 157NJG1 (OPTIPLEX760), 15JNJG1 (OPTIPLEX760)
3	St. Johns	270	1041 US 27, St Johns, MI 48879-2423	3	159LJG1 (OPTIPLEX760), 15GNJG1 (OPTIPLEX760), 15HMJG1 (OPTIPLEX760)
3	St. Joseph County Plus	205	931 S Centerville rd, Sturgis, Mi 49091-2502	3	9GW9QF1 (OPTIPLEX755), FFW9QF1 (OPTIPLEX755), HCWI9QF1 (OPTIPLEX755)
3	SW Kent County Plus	273	1056 Rogers Plaza SW, Wyoming, Mi 49509-2800	4	3FW8QF1 (OPTIPLEX755), 7HW8QF1 (OPTIPLEX755), 5HW8QF1 (OPTIPLEX755), 7GW8QF1 (OPTIPLEX755)
3	Van Buren CP	203	1037 E Michigan Ave, Paw Paw, MI 49079-0218	2	BNM9ZD1 (OPTIPLEX755), 1NM9ZD1 (OPTIPLEX755)
4	Alma	237	221 N State St, Alma, MI 48801-2264	4	158LJG1 (OPTIPLEX760), 15BMJG1 (OPTIPLEX760), 157MJG1 (OPTIPLEX760), 15KMJG1 (OPTIPLEX760)
4	Bay County Plus	296	1007 N Euclid Ave, Bay City, MI 48706-2404	4	15JLJG1 (OPTIPLEX760), 132NJG1 (OPTIPLEX760), 114NJG1 (OPTIPLEX760), 156MJG1 (OPTIPLEX760)
4	Grand Traverse CP	341	1759 Barlow St, Traverse City, MI 49696-6220	2	G1HZYD1 (OPTIPLEX755), 75HZYD1 (OPTIPLEX755)
4	Mecosta County Plus	301	206-A N Michigan Ave, Big Rapids, MI 49307-1518	3	2CW8QF1 (OPTIPLEX755), 3HW8QF1 (OPTIPLEX755), 6CW8QF1 (OPTIPLEX755)
4	Midland	254	1832 N Saginaw, Midland, MI 48640-6612	3	159MJG1 (OPTIPLEX760), 15GMJG1 (OPTIPLEX760), 15CNJG1 (OPTIPLEX760)

135

4	Mt. Pleasant	243	1245 N Mission, Mt Pleasant, MI 48858-1050	2	15BLJG1 (OPTIPLEX760), 158PJG1 (OPTIPLEX760)
4	Roscommon County Plus	358	2565 S Gladwin Rd, Prudenville, Mi 48651-0169	2	7FW8QF1 (OPTIPLEX755), 5GW8QF (OPTIPLEX755)
4	Saginaw County Plus	279	4404 Bay Road, Saginaw, MI 48603-1208	4	1HDW80F1 (OPTIPLEX755), 118PJG1 (OPTIPLEX760), 158NJG1 (OPTIPLEX760), 159PJG1 (OPTIPLEX760)
4	Saginaw South	288	4212 Dixie Hwy, Saginaw, Mi 48601-4254	3	12XMJG1 (OPTIPLEX760), 12XLJG1 (OPTIPLEX760), 131PJG1 (OPTIPLEX760)
5	Delta County Plus (Escanaba)	381	305 Ludington, Escanaba, MI 49829-4048	3	JDWSQF1 (OPTIPLEX755), 115PJG1 (OPTIPLEX760), GGQSQF1 (OPTIPLEX755)
5	Marquette County Plus	387	2025 US 41 W, Marquette, MI 49855-4924	3	3DWSQF1, 7DWSQF1, 3GWSQF1 (OPTIPLEX755)
	Central Office		7064 Crowner Dr Lansing, MI 48918	7	
	Totals			283	

136

Offices Currently Without CDL Kiosks

Region	Branch Name	Branch #	Branch Address
1	Detroit East 8 Mile	153	9560 E 8 Mile Rd, Detroit, MI 48234-1104
1	Detroit Livernois	133	17500 Livernois, Detroit, MI 48221-2761
1	Hillsdale	224	59 E. Saint Joe St, Hillsdale, MI 48242-1757
2	Flint Downtown	195	408 S Saginaw St, Flint, MI 48502-1803
2	Romeo	170	71130 Van Dyke, Bruce, MI 48065-5436
2	West Bloomfield	131	4301 Orchard Lake Rd, West Bloomfield, MI 48323-1643
3	Albion	219	308 S. Superior St, Albion, MI 49224
3	Dowagiac	206	601 N Front St, Dowagiac, MI 49047-1753
3	Grand Haven	257	1110 Robbins Rd, Grand Haven, MI 49417-2740
3	Grand Rapids Downtown	262	One Division, Grand Rapids, MI 49503-2339
4	Baldwin	332	5653 S M37, Baldwin, MI 49304
4	Benzie County Plus	333	10577 Main St, Honor, MI 49640
4	Cadillac	334	1574 N Mitchell Ave, Cadillac, MI 49601-1131
4	Clare	331	121 Schoolcrest , Clare, MI 48617-1145
4	East Tawas	356	1712 N US-23, East Tawas, MI 48730-0629
4	Fremont	302	7159 W 48th St, Fremont, MI 49412-9757
4	Gladwin	349	1208 N State St, Gladwin, MI 48624-1246
4	Grayling	350	2384 C I-175 Business Loop, Grayling, MI 49738-0653
4	Harrisville	351	205 N State Street, Harrisville, MI 48740-0365
4	Hart	342	3740 Polk Road West, PO Box 206, Hart, MI 49420-9552
4	Kalkaska	336	114 Northland Plaza Suite F, Kalkaska, MI 49646-2008
4	Lake City	337	49 N Morey Rd, Lake City, MI 49651-9066
4	Ludington	338	5902 US-10 Hwy, Ludington, MI 49431-1918
4	Manistee	339	1638 US 31 South Hillsdale Plaza Suite 400, Manistee, MI 49660-1436
4	Reed City	335	21719 Howard St, Reed City, MI 49677-9774
4	St. Charles	286	115 S Saginaw St, St. Charles, MI 48655-1404
4	Standish	355	529 S Main PO Box 10, Standish, MI 48685-9531
4	Suttons Bay	340	100 Cedar St PO Box 236, Suttons Bay, MI 49682-0236

4	West Branch	357	2394 West M-55, West Branch, MI 48661-9701
5	Alpena	364	2666 US 23 South, Alpena, MI 49707-3171
5	Atlanta	365	12519 State St Elkland Center, PO Box 346, Atlanta, MI 49709-0346
5	Bellaire	310	4607 S M-88 Hwy, Bellaire, MI 49615-9548
5	Bessemer	380	206 E Mary St, Bessemer, MI 49911-1427
5	Charlevoix	367	05951 Loeb Rd, Charlevoix, MI 49720-0575
5	Cheboygan	368	300 Mill St Ste 10, Cheboygan, MI 49721-2220
5	Gaylord	369	829 W Main #C-4 & C-5, Gaylord, MI 49735-1901
5	Houghton	382	902 Razorback Drive, Ste 1, Houghton, MI 49931-2801
5	Iron Mountain	383	1044 S Stephenson Ave, Iron Mountain, MI 49801-4005
5	Iron River	384	992 Lalley Rd, Iron River, MI 49935-9564
5	L'Anse	385	115 Front St, L'anse, MI 49946-1112
5	Manistique	386	300 Walnut St #125, Manistique, MI 49854-1217
5	Menominee	388	4000 Tenth St, Menominee, MI 49858-1904
5	Mio	363	302 N Morenci Ave PO Box 298, Mio, MI 48647-0298
5	Mohawk	392	36 Mohawk St, Mohawk, MI 49950
5	Munising	389	418 Mill St, Munising, MI 49862-1431
5	Newberry	379	504 W McMillan, Newberry, MI 49868-1716
5	Ontonagon	391	728 South 7th St, Ontonagon, MI 49953-1451
5	Petoskey	371	1185 N US 31 Hwy, Petoskey, MI 49770-1918
5	Rogers City	372	246 N Bradley Hwy, Rogers City, MI 49779-1321
5	Sault Ste. Marie	374	2700 Davitt St, Sault Ste Marie, MI 49783-2234
5	St. Ignace	373	364 N State St, St. Ignace, MI 49781-1484