



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
320 S. Walnut Street 2nd Floor Lansing, MI 48933
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **5**
to
Contract Number **MA071B5500028C**

CONTRACTOR	FRONTIER COMMUNICATIONS CORPORATION
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	Rochester NY 14646-0001
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CONTRACT SUMMARY				
Internet Service Provider				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
November 1, 2014	October 31, 2019	5 - 12 Months	October 31, 2024	
PAYMENT TERMS		DELIVERY TIMEFRAME		
n/a		n/a		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input checked="" type="checkbox"/> P-Card <input checked="" type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
n/a				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	0 Months	<input checked="" type="checkbox"/>	3 Years	October 31, 2027
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$8,122,032.00	\$150,000.00	\$8,272,032.00		
DESCRIPTION				
<p>Effective 10/30/2024, the State is adding \$150,000.00 in funding and three option years to this contract through Chapter 5.7.6 of procurement policy for useful life. The State is executing all 3 options now making the new expiration date 10/31/2027. Additionally, this contract hereby updates the attached terms and conditions to this contract.</p> <p>All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on 10/29/2024.</p>				

Effective 10/30/2024, this Contract is amended as provided in this Change Notice No. 5 to Contract No. 071B5500028. All other terms, conditions, pricing and specifications remain the same.

Section 1.601 is revised so that the following provision is hereby deleted from Section 1.601 in its entirety:

Method of Payment

The Contractors will be paid by the methods listed in the SOW.

Section 2.001 is hereby deleted in its entirety and replaced with the following:

2.001 CONTRACT TERM

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. The Term of this Contract is extended until 10/31/2027.

Section 2.048 is hereby deleted in its entirety and replaced with the following:

2.048 ELECTRONIC PAYMENT REQUIREMENT

The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/SIGMAVSS> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment.

The following Section 2.102a is hereby added to the Contract as follows:

2.102a State Data.

1. Ownership. The State's data ("**State Data**," which will be treated by Contractor as Confidential Information) includes (a) User Data; (b) all data made available to Contractor during the Term, including but not

limited to all text, sound, video, image files, or software; and (c) any other data collected, used, Processed, stored, or generated in connection with the Services, including but not limited to

- i. personally identifiable information (“PII”) collected, used, Processed, stored, or generated as the result of the Services, including, without limitation, any information that identifies an individual, such as an individual’s social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother’s maiden name, email address, credit card information, or an individual’s name in combination with any other of the elements here listed, and
 - ii. protected health information (“PHI”) collected, used, Processed, stored, or generated as the result of the Services, which is defined under the Health Insurance Portability and Accountability Act (“HIPAA”) and its related rules and regulations.
2. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State.
3. Contractor’s Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Services. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Services, such use and disclosure being in accordance with this Contract and applicable law; (c) keep and maintain State Data in the continental United States; and (d) not use, sell, rent, transfer, mine, distribute, commercially exploit, or otherwise disclose or make available State Data for Contractor’s own purposes or for the benefit of anyone other than the State without the State’s prior written consent. Contractor’s misuse of State Data may violate state or federal laws, including but not limited to MCL 752.795.
4. Loss or Compromise of State Data. In the event of any act, error or omission, negligence, misconduct, or breach on the part of Contractor that compromises

or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable:

- i. (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence;
- ii. (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State;
- iii. in the case of PII or PHI, at the State's sole election:
 1. with approval and assistance from the State, notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within 5 calendar days of the occurrence; or
 2. reimburse the State for any costs in notifying the affected individuals;
- iv. in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than 24 months following the date of notification to such individuals;
- v. (c) perform or take any other actions required to comply with applicable law as a result of the occurrence;
- vi. (d) pay for any costs associated with the occurrence, including but not limited to any costs incurred by the State in investigating and resolving the occurrence, including reasonable attorney's fees associated with such investigation and resolution;
- vii. (e) pay for any costs associated with required notification and credit monitoring to affected individuals; and
- viii. (f) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and

hold harmless the State for any and all 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 occurrence;

- ix. be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and
 - x. provide to the State a detailed plan within 10 calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, not be tangentially used for any solicitation purposes, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. The State will have the option to review and approve any notification sent to affected individuals prior to its delivery. Notification to any other party, including but not limited to public media outlets, must be reviewed and approved by the State in writing prior to its dissemination.
 - xi. The parties agree that any damages relating to a breach of this **Section 20** are to be considered direct damages and not consequential damages.
5. **Third-Party Requests.** Contractor will immediately notify the State upon receipt of any third-party requests which in any way might reasonably require access to State Data. Contractor will notify the State Program Managers or their designees by the fastest means available and also in writing. Contractor must provide such notification within twenty-four (24) hours from Contractor's receipt of the request. Contractor will not respond to subpoenas, service of process, FOIA requests, and other legal requests related to the State without first notifying the State. Upon request by the State, Contractor must provide to the State, its proposed response to the third-party request with adequate time for the State to review, and, as it deems necessary, to revise the response, object, or take other action.

6. “**User Data**” means all data, information and other content of any type and in any format, medium or form, whether audio, visual, digital, screen, GUI or other, that is input, uploaded to, placed into or collected, stored, Processed, generated or output by any device, system or network by or on behalf of the State, including any and all works, inventions, data, analyses and other information and materials resulting from any use of the Software by or on behalf of the State under this Contract.

I. The following provision is added as a new section 2.102b

1. **Data Privacy and Information Security.** Throughout the Term and at all times in connection with its actual or required performance of the Services, Contractor will 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 **Schedule E** to this Contract.

2. **Schedule E** is added to this Contract.

3. “**Process**” means to perform any operation or set of operations on any data, information, material, work, expression or other content, including to (a) collect, receive, input, upload, download, record, reproduce, store, organize, combine, log, catalog, cross-reference, manage, maintain, copy, adapt, alter, translate or make other improvements or derivative works, (b) process, retrieve, output, consult, use, disseminate, transmit, submit, post, transfer, disclose or otherwise provide or make available, or (c) block, erase or destroy. “Processing” and “Processed” have correlative meanings.

**The following subsection (o) is hereby added to Section 2.121
WARRANTIES AND REPRESENTATIONS, as follows:**

(o) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606.

Section 2.201 is hereby deleted in its entirety and replaced with the following:

2.201 NONDISCRIMINATION.

Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, partisan considerations, any mental or physical disability, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of the Contract.

The following Section 2.201a is hereby added to the Contract, as follows:

2.201a ACCESSIBILITY REQUIREMENTS.

- i. All Deliverables created or provided by Contractor under this Contract, including associated content and documentation, must at all times conform to the Digital Accessibility Standards. Contractor must provide a completed PAT for each such deliverable provided under the Contract. All "Not Applicable" or "N/A" responses to the specifications, if any, must be fully explained. A description of the evaluation methods used to support such conformance claims, including, if applicable, any third-party testing, must be provided. Throughout the Term of the Contract, at no additional costs to the State, Contractor must:
 1. promptly respond to and resolve, in a manner acceptable to the State, any complaint the State receives regarding the accessibility of any Deliverable;
 2. upon the State's written request, provide Deliverables in one or more alternative formats and within timeframes specified by the State; and
 3. participate in State of Michigan Digital Standards Review described below.
- ii. State of Michigan Digital Standards Review. Prior to Deliverables being accepted, put into production, or as otherwise required by the State, the State may conduct a Digital Standards Review to assess their accessibility and compliance with the Digital Accessibility Standards.

Contractor must assist the State with each such review, including submitting documentation or other information regarding accessibility and compliance with the Digital Accessibility Standards. Contractor must, at its sole cost and expense, remediate all issues resulting from such review in a manner and timeframe accepted in writing by the State, which may include providing a remediation status report and updated PAT to the State and a re-assessment of accessibility.

- iii. Warranty. Contractor warrants that all conformance claims regarding conformance to the Digital Accessibility Standards made by Contractor pursuant to this Contract, including all information provided in any PAT Contractor provides to the State, are true and correct. If the State determines such conformance claims provided by the Contractor represent a higher level of conformance than what is actually provided to the State, Contractor will, at its sole cost and expense, promptly remediate its Software to align with Contractor's stated conformance claims in accordance with plans and timelines that are approved in writing by the State. If Contractor is unable to resolve such issues in a manner acceptable to the State, in addition to all other remedies available to the State, the State may terminate this Contract for cause.
- iv. Indemnification. Contractor must, without limiting Contractor's obligations of indemnification as further described in this Contract, 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 arising out of Contractor's failure to comply with the foregoing accessibility standard.
- v. Failure to comply with the requirements in this **Section** will constitute a material breach of this Contract.

SCHEDULE E – DATA SECURITY REQUIREMENTS

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 **Schedule** 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.

“**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 Modernization Act of 2014 (Pub.L. No. 113-283 (Dec. 18, 2014)).

“**Hosting Provider**” means any Permitted Subcontractor that is providing any or all of the Hosted Services and/or Operating Environment under this Contract.

“**NIST**” means the National Institute of Standards and Technology.

“**PCI**” means the Payment Card Industry.

“**PSP**” or “**PSPs**” means the State’s IT Policies, Standards and Procedures.

“**SSAE**” means Statement on Standards for Attestation Engagements.

“**Security Accreditation Process**” has the meaning set forth in **Section 6** of this Schedule

2. Security Officer. Contractor will appoint a Contractor employee to respond to the State’s inquiries regarding the security of the Solution who has sufficient knowledge of the security of the Solution and the authority to act on behalf of Contractor in matters pertaining thereto (“**Contractor Security Officer**”).

3. Contractor Responsibilities. Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to:

- (a) ensure the security and confidentiality of the State Data;

- (b) protect against any anticipated threats or hazards to the security or integrity of the State Data;
- (c) protect against unauthorized disclosure, access to, or use of the State Data;
- (d) ensure the proper disposal of any State Data in Contractor's or its subcontractor's possession; and
- (e) ensure that all Contractor Personnel comply with the foregoing.

The State has established Information Technology (IT) PSPs to protect IT resources under the authority outlined in the overarching State 1305.00 Enterprise IT Policy. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable public and non-public State IT policies and standards, of which the publicly available ones are at <https://www.michigan.gov/dtmb/policies/it-policies>.

This responsibility also extends to all service providers and subcontractors with access to State Data or an ability to impact the Solution. Contractor responsibilities are determined from the PSPs based on the services being provided to the State, the type of IT solution, and the applicable laws and regulations.

4. Acceptable Use Standard. To the extent that Contractor has access to the State's IT environment, Contractor must comply with the State's Acceptable Use Standard, see <https://www.michigan.gov/dtmb/-/media/Project/Websites/dtmb/Law-and-Policies/IT-Policy/13400013002-Acceptable-Use-of-Information-Technology-Standard.pdf>. All Contractor Personnel will be required, in writing, to agree to the State's Acceptable Use Standard before accessing State systems or Data. The State reserves the right to terminate Contractor's and/or subcontractor(s) or any Contractor Personnel's access to State Systems if the State determines a violation has occurred.

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

- 5.1 If Hosted Services are provided by a Hosting Provider, ensure each Hosting Provider maintains FedRAMP authorization for all Hosted Services environments throughout the Term, and in the event a Hosting Provider is unable to maintain FedRAMP authorization, the State, at its sole discretion, may either a) require the Contractor to move the Software and State Data to an

alternative Hosting Provider selected and approved by the State at Contractor's sole cost and expense without any increase in Fees, or b) immediately terminate this Contract for cause;

5.2 for Hosted Services provided by the Contractor, maintain either a FedRAMP authorization or an annual SSAE 18 SOC 2 Type II audit based on State required NIST Special Publication 800-53 MOD Controls using identified controls and minimum values as established in applicable State PSPs;

5.3 ensure that the Software and State Data is securely stored, hosted, supported, administered, accessed, backed up in the United States, its territories or Canada;

5.4 ensure that any Customization development work is performed in the United States;

5.5 ensure the data center(s) in which Software and State Data resides minimally meets Uptime Institute Tier 3 standards (<https://www.uptimeinstitute.com/>), or its equivalent;

5.6 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 Data that complies with the requirements of the State's data security policies as set forth in this Contract, and must, at a minimum, remain compliant with FISMA and NIST Special Publication 800-53 MOD Controls using identified controls and minimum values as established in applicable State PSPs;

5.7 Throughout the Term, Contractor must not provide any part of the Solution from the list of excluded parties in the [System for Award Management \(SAM\)](#) for entities excluded from receiving federal government awards for "covered telecommunications equipment or services.

5.8 provide technical and organizational safeguards against accidental, unlawful or unauthorized access to or use, destruction, loss, alteration, disclosure, encryption, transfer, commingling or processing of such information that ensure a level of security appropriate to the risks presented by the processing of State Data and the nature of such State Data, consistent with best industry practice and applicable standards (including, but not limited to, compliance with FISMA, NIST, CMS, IRS, FBI, SSA, HIPAA, FERPA and PCI requirements as applicable);

5.9 take all reasonable measures to:

(a) secure and defend all locations, equipment, systems and other materials and facilities employed in connection with the Solution against “malicious actors” and others who may seek, without authorization, to destroy, disrupt, damage, encrypt, modify, copy, access or otherwise use Hosted Services or the information found therein; and

(b) 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 Solution; (ii) State Data from being commingled with or contaminated by the data of other customers or their users of the Solution; and (iii) unauthorized access to any of the State Data;

5.10 ensure that State Data is encrypted in transit and at rest using FIPS validated AES encryption modules and a key size of 128 bits or higher;

5.11 ensure the Hosted Services support Identity Federation/Single Sign-on (SSO) capabilities using Security Assertion Markup Language (SAML), Open Authentication (OAuth) or comparable State approved mechanisms;

5.12 ensure the Hosted Services implements NIST compliant multi-factor authentication for privileged/administrative and other identified access.

5.13 Contractor must permanently sanitize or destroy the State’s information, including State Data, from all media both digital and nondigital including backups using National Security Agency (“NSA”) and/or National Institute of Standards and Technology (“NIST”) (NIST Guide for Media Sanitization 800-88) data sanitization methods or as otherwise instructed by the State. Contractor must sanitize information system media, both digital and non-digital, prior to disposal, release out of its control, or release for reuse as specified above.

6. Security Accreditation Process. Throughout the Term, Contractor will assist the State, at no additional cost, with its **Security Accreditation Process**, which includes the development, completion and on-going maintenance of a system security plan (SSP) using the State’s automated governance, risk and compliance (GRC) platform, which requires Contractor to submit evidence, upon request from the State, in order to validate Contractor’s security controls within two weeks of the State’s request. On an annual basis, or as otherwise required by the State such as for significant changes, re-assessment of the system’s controls will be required to receive and maintain authority to operate (ATO). All identified risks from the SSP will be remediated through a Plan of Action and Milestones (POAM) process with

remediation time frames and required evidence based on the risk level of the identified risk. For all findings associated with the Contractor's solution, at no additional cost, Contractor will be required to create or assist with the creation of State approved POAMs, perform related remediation activities, and provide evidence of compliance. The State will make any decisions on acceptable risk, Contractor may request risk acceptance, supported by compensating controls, however only the State may formally accept risk. Failure to comply with this section will be deemed a material breach of the Contract.

7. Unauthorized Access. Contractor may not access, and must not permit any access to, State Systems, in whole or in part, whether through the Hosted Services 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. 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.

8. Security Audits.

8.1 During the Term, Contractor will maintain complete and accurate records of its data protection practices, IT security controls, and the security logs relating to State Data, including but not limited to any backup, disaster recovery or other policies, practices or procedures relating to the State Data and any other information relevant to its compliance with this Contract.

8.2 Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Services and from time to time during the term of this Contract. The State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. If the State chooses to perform an on-site audit, Contractor will, 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 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 Hosted Services and their housing facilities and operating environments.

8.3 During the Term, Contractor will, when requested by the State, provide a copy of Contractor's and Hosting Provider's (if applicable) FedRAMP System Security Plan(s) or SOC 2 Type 2 report(s) to the State within two weeks of the State's request. The System Security Plan and SSAE audit reports will be recognized as Contractor's Confidential Information.

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

8.5 The State reserves the right, at its sole election, to immediately terminate this Contract or a Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this **Section 8**.

9. Application Scanning. During the Term, Contractor must, at its sole cost and expense, scan all Contractor provided applications, and must analyze, remediate and validate all vulnerabilities identified by the scans as required by the State Web Application Security Standard and other applicable PSPs.

Contractor's application scanning and remediation must include each of the following types of scans and activities:

9.1 Dynamic Application Security Testing (DAST) – Authenticated interactive scanning of application for vulnerabilities, analysis, remediation, and validation (may include Interactive Application Security Testing (IAST)).

(a) Contractor must either a) grant the State the right to dynamically scan a deployed version of the Software; or b) in lieu of the State performing the scan, Contractor must dynamically scan a deployed version of the Software using a State approved application scanning tool, and provide the State with a vulnerabilities assessment after Contractor has completed such scan. These scans and assessments i) must be completed and provided to the

State quarterly (dates to be provided by the State) and for each major release; and ii) scans must be completed in a non-production environment with verifiable matching source code and supporting infrastructure configurations or the actual production environment.

9.2 Static Application Security Testing (SAST) - Scanning source code for vulnerabilities, analysis, remediation, and validation.

(a) For Contractor provided applications, Contractor, at its sole expense, must provide resources to complete static application source code scanning, including the analysis, remediation and validation of vulnerabilities identified by application source code scans. These scans must be completed for all source code initially, for all updated source code, and for all source code for each major release and Contractor must provide the State with a vulnerability assessment after Contractor has completed the required scans.

9.3 Software Composition Analysis (SCA) – Third-Party and/or Open Source Scanning for vulnerabilities, analysis, remediation, and validation.

(a) For Software that includes third-party and open source software, all included third-party and open source software must be documented and the source supplier must be monitored by the Contractor for notification of identified vulnerabilities and remediation. SCA scans may be included as part of SAST and DAST scanning or employ the use of an SCA tool to meet the scanning requirements. These scans must be completed for all third-party and open source software initially, for all updated third-party and open source software, and for all third party and open source software in each major release and Contractor must provide the State with a vulnerability assessment after Contractor has completed the required scans if not provided as part of SAST and/or DAST reporting.

9.4 In addition, application scanning and remediation may include the following types of scans and activities if required by regulatory or industry requirements, data classification or otherwise identified by the State.

(a) If provided as part of the solution, all native mobile application software must meet these scanning requirements including any interaction with an application programming interface (API).

(b) Penetration Testing – Simulated attack on the application and infrastructure to identify security weaknesses.

10. Infrastructure Scanning.

10.1 Contractor must ensure their infrastructure and applications are scanned using an approved scanning tool (Qualys, Tenable, or other PCI Approved Vulnerability Scanning Tool) at least monthly and provide the scan's assessments to the State in a format that is specified by the State and used to track the remediation. Contractor will ensure the remediation of issues identified in the scan according to the remediation time requirements documented in the State's PSPs.

11. Nonexclusive Remedy for Security Breach.

11.1 Any failure of the Solution to meet the applicable 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, and Contractor must promptly reimburse to the State any Fees prepaid by the State prorated to the date of such termination.



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

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 to
 Contract Number **071B5500028**

CONTRACTOR	FRONTIER COMMUNICATIONS CORPORATION
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CONTRACT SUMMARY

INTERNET SERVICE PROVIDER			
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PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input checked="" type="checkbox"/> P-Card	<input checked="" type="checkbox"/> PRC	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

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DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	12 - Month	<input type="checkbox"/>		October 31, 2024
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$8,122,032.00	\$0.00	\$8,122,032.00		

DESCRIPTION

Effective 8/24/2023, the State is executing the final available option year on this contract. The revised contract expiration date is 10/31/2024.

Please note that for the State the Contract Administrator has been changed to Lauren Stempek and the Program Manager has been changed to Meghan Penny.

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

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

AGENCY	NAME	PHONE	EMAIL
DTMB	Meghan Penny	517-282-1272	PennyM2@michigan.gov



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 **071B5500028**

CONTRACTOR	FRONTIER COMMUNICATIONS CORPORATION
	180S Clinton Ave
	Rochester, NY 14646-0001
	Erick Gamble
	231-724-5127
	erick.gamble@ftr.com
	CV0001247

STATE	Program Manager	Ashley Adrian	DTMB
		517-525-9338	
		AdrianA1@michigan.gov	
	Contract Administrator	KeriAnn Trumble	DTMB
		989-259-2625	
		trumblek1@michigan.gov	

CONTRACT SUMMARY

INTERNET SERVICE PROVIDER			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
November 1, 2014	October 31, 2019	5 - 1 Year	October 31, 2021
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input checked="" type="checkbox"/> P-Card	<input checked="" type="checkbox"/> PRC	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

--

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	2 - 1 year options	<input type="checkbox"/>		October 31, 2023
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$8,122,032.00	\$0.00	\$8,122,032.00		

DESCRIPTION

Effective 7/22/2021, the State is exercising the third and fourth of 5 available option years. The revised contract expiration date is October 31, 2023.

Please note the Contract Administrator has been changed to KeriAnn Trumble and the Vendor Contact has been updated to Erick Gamble.

All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency, and DTMB Central Procurement 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 2
 to
 Contract Number 071B5500028

CONTRACTOR	FRONTIER COMMUNICATIONS CORPORATION
	180S Clinton Ave
	Rochester, NY 14646-0001
	Bill Ives
	517-315-7909
	bill.ives@ftr.com
	CV0001247

STATE	Program Manager	Ashley Adrian	DTMB
		517-525-9338	
		AdrianA1@michigan.gov	
	Contract Administrator	Jordan Sherlock	DTMB
		517-243-5556	
		sherlockj@michigan.gov	

CONTRACT SUMMARY

INTERNET SERVICE PROVIDER			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
November 1, 2014	October 31, 2019	5 - 1 Year	October 31, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS		EXTENDED PURCHASING	
<input type="checkbox"/> P-Card	<input type="checkbox"/> PRC	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

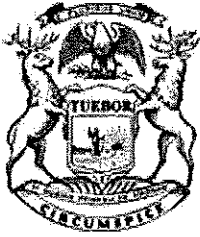
DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	24 Months	<input type="checkbox"/>		October 13, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$8,122,032.00	\$0.00	\$8,122,032.00		

DESCRIPTION

Effective 10/14/2019 the State is exercising (2) option years. The new expiration date is 10/13/2021. Please note that the Contract Administrator has been changed to Jordan Sherlock, and the Program Manager has been changed to Ashley Adrian.

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



**STATE OF MICHIGAN
ENTERPRISE PROCUREMENT**

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

CONTRACT CHANGE NOTICE

Change Notice Number 1
to
Contract Number 071B5500028

CONTRACTOR	Frontier Communications
	180S Clinton Ave
	Rochester, NY 14646-0001
	Bill Ives
	517-315-7909
	bill.ives@ftr.com

STATE	Scott Hall	DTMB
	517-241-4255	
	Halls9@michigan.gov	
	Mike Breen	DTMB
	(517) 284-7002	
	breenm@michigan.gov	

CONTRACT SUMMARY

ENTERPRISE INTERNET SERVICE PROVIDER			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
November 1, 2014	October 31, 2019	5 - 1 Year	October 13, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input checked="" type="checkbox"/> P-Card	<input checked="" type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		October 13, 2019
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$8,122,032.00	\$0.00	\$8,122,032.00		

DESCRIPTION

Effective upon mutual signature the payment methods for this contract are amended to add p-card and direct voucher (Sigma PRC-[payment request commodity]). All other terms and conditions 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

CONTRACT NO. 071B5500028
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Frontier Communications of America, Inc. 180 S. Clinton Ave. Rochester, NY 14646-0001	Bill Ives	Bill.ives@ftr.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 315-7909	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Scott Hall	517-241-4255	Halls9@michigan.gov
BUYER:	DTMB	Mike Breen	517-284-7002	breenm@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION:			
Enterprise Internet Service Provider			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 years	November 1, 2014	October 31, 2019	5, one year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$8,122,032.00	

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

CONTRACT NO. 071B5500028
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Frontier Communications of America, Inc. 180 S. Clinton Ave. Rochester, NY 14646-0001	Bill Ives	Bill.ives@ftr.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 315-7909	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Scott Hall	517-241-4255	Halls9@michigan.gov
BUYER:	DTMB	Mike Breen	517-284-7002	breenm@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION:			
Enterprise Internet Service Provider			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
5 years	November 1, 2014	October 31, 2019	5, one year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$8,122,032.00	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #084R4300003. Orders for delivery will be issued directly by the Department of Technology, Management & Budget through the issuance of a Purchase Order Form.

Notice of Contract #: 071B5500028

FOR THE CONTRACTOR:

Frontier Communications of America, Inc.

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Bill Pemble, IT Division Director

Name/Title

DTMB Procurement

Enter Name of Agency

Date



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Attachments:

- Attachment 6 - WAN Services Requirements Worksheet
- Attachment 7 - WAN Services Provider Coverage Worksheet
- Attachment 8 - WAN Services Pricing Tables



Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 PROJECT REQUEST

This contract will have a base term of five (5) years with five (5), one (1) year option. Renewal of the contract(s) must be at the sole discretion of the State of Michigan and must be based upon the acceptable performance of the selected Contractor as determined by the SOM. New Work and Additional Services will be added to the SOW, subject to the Contract Change Management process.

1.002 BACKGROUND

The objective of this Contract is to provide increased bandwidth, provide network diversity to State Remote Sites, transition to current WAN transport service technologies, reduce recurring costs, and increase agility in providing network services to the State in accordance with this SOW and the WAN Design.

1.100 Scope of Work and Deliverables

1.101 IN SCOPE

This Contract is for the provision of all deliverables, services, resources and feature(s) that will be utilized to comprise the SOM WAN and any optimization of the WAN in accordance with this SOW, the WAN Design. Subject to Contract Change Management, the SOM reserves the right to select and approve any Equipment, which will be used to at the SOM Remote Sites (at the SOM LAN Demarcation Point) in support of the WAN.

- The WAN will support Quality of Service (QoS) and Group of Service (CoS) capabilities to the SOM WAN Equipment. A mutually agreed upon queuing methodology must be used to provide QoS capabilities within the WAN.
- The WAN will support bandwidth in increments from 1.544 Mb (Megabits) to 40 Gb (Gigabits) to the Equipment at the State Remote Sites. The key elements of the WAN capability will be defined by the SOM.

This Contract consists of the following scope:

1. WAN Service Providers
 - A. Procurement of Services
 - B. Invoicing
 - C. WAN Service Provider Managed Services
 - D. Service Level Agreements
 - E. MAC
 - F. Reports
 - G. Continuity of Service/Disaster Recovery
 - H. Optional Services
2. Enterprise Internet Service Providers
 - A. Procurement of Services
 - B. Invoicing
 - C. Enterprise Internet Service Provider Services
 - D. Service Level Agreements
 - E. Reports
 - F. Continuity of Service/Disaster Recovery
 - G. Optional Services

This contract includes Services for WAN Service Providers and Enterprise Internet Service Providers (ISP)

A more detailed description of the Equipment, telecommunication Services and Deliverables required in the contract are provided in Article 1, Section 1.104, Work and Deliverables.

1.102 OUT OF SCOPE

The following topics are out of scope:



- Management of State's metropolitan area networks
- Management of State's hosting center network
- Management of State's local area networks

1.103 ENVIRONMENT

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

Enterprise IT Policies, Standards and Procedures:

<http://www.michigan.gov/dmb/0,1607,7-150-56355---,00.html> and <http://www.michigan.gov/dmb/0,1607,7-150-56355-107739--,00.html>

All Equipment at the Demarcation Point provided by Contractor will be compatible with the Design. The State's Contract Administrator and DTMB must approve any tools, in writing, before use on any information technology project for New Work.

It is recognized that technology changes rapidly. Either party may, subject to Contract Change Management request, in writing, a change in the standard environment Equipment or Transport Services, providing justification for the requested change and all costs associated with any change. The SOM Contract Compliance Inspector must approve any changes, in writing, before work may proceed based on the changed environment.

The State's security environment includes:

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



1.104 WORK AND DELIVERABLES – WAN SERVICE PROVIDER(S)

WAN Service Providers must provide deliverables, services, resources, and features, and otherwise do all things required to provide the functionality required for the State of Michigan, in accordance with the requirements as set forth below and in **Attachment 6 – WAN Services Requirements Worksheet**.

For a complete list of WAN Service Provider requirements, please see **Attachment 6 – WAN Services Requirements Worksheet**.

I. Services (work) To Be Provided and Deliverables

Acceptance Criteria

High-level acceptance criteria for Document Deliverables are listed in Section 1.501. Any additional or more specific criteria are identified here.

A. Procurement of Services

The Contractor will provide a complete list of all contracted services that will be utilized as part of the WAN Services Solutions and make access to those services available to the SOM via a secure online portal. The online portal will provide the SOM real-time access to inquiry on service requests, service request ordering and accurate billing information.

The Contractor's online portal will have the capability to allow the Contractor and the SOM to store documents on critical issues and key projects.

The Contractor's online portal will allow the SOM to place orders electronically for services under this contract. The SOM can submit the accurate order and track the order status all within the Contractor's online portal. The portal will also send back due dates and completion notifications to recipients defined by the SOM.

The SOM reserves the right to procure services, products and software necessary for WAN Services through other SOM contracts.

The Contractor will provide consulting and design services for all WAN Services provided by the Contractor under this SOW, at no additional cost to the SOM.

The State or SI will provide accurate and complete order documentation for the WAN. The State will provide an LOA for SI to place orders. The State will arrange and provide accurate local contact (LCON) information and site access. The State will provide adequate space and power to install circuit demarcation and associated circuit termination equipment. The State will obtain any approval necessary for WAN circuit installation from property owners.

B. Invoicing

The Contractor will submit properly itemized invoices to "Bill To" Address on Purchase Order. Invoices will provide and itemize, as applicable:

- Contract number
- Purchase Order number
- Contractor name, address, phone 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 Service Integrator's list price for each item and applicable discounts
- Maintenance charges
- Net invoice price for each item
- Shipping costs
- Other applicable charges
- Total invoice price
- Payment terms, including any available prompt payment discount



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.

The Contractor invoices will be paid via Electronic Funds Transfer (EFT).

The SOM has the right to withhold payment of a disputed amount on an invoice until the dispute is settled or resolved. If the investigation of the disputed amount is found to be settled in the SOM's favor, this disputed amount will appear as an adjustment credit on the next billing invoice, following dispute resolution. If the disputed amount is determined to be billed correctly, the disputed amount will carry forward to the next billing invoice, following dispute resolution, as a pending balance due.

Billing will commence at a Site as of the Service Activation Date regardless of the function of the Site in a SOM network (e.g., remote, spoke, hub, or head-end sites) or the provisioning status of other Sites in the SOM network. Billing for service components or features begins on the day the service component or feature is made available for use by SOM.

The 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

The Contractor invoices will be paid via Electronic Funds Transfer (EFT).. Contractor will accept ACH transactions from the State or Service Integrator in either CCD+ or CTX format. These formats include both remittance information and addenda records.

For EFT payments, the NACHA standard file will be received by Contractor's bank. Any errors will be corrected the next business day. If the error cannot be corrected, Contractor will contact the State/Service Integrator for verification

C. WAN Service Provider Managed Services

1. Managed Services

The Contractor will provide the following managed services under this Contract.

- Provide equipment, wiring, and maintenance necessary to operate the WAN network up to the demarcation point.
- Provide demarcation extension during WAN circuit installation, where building facility management allows, which may be provided on a time and materials basis.
- Maintain network to meet SLAs, detailed in **Section D, Service Level Agreements**
- Work with the Service Integrator on performance issue (break/fix) resolution:

a. Service Management

The Contractor will schedule all Service work when least disruptive to the SOM, as defined by the SOM, however, all non-Service affecting MACs and projects are priced to be performed during Normal Business Hours. The Contractor will have documented permission from the SOM or Service Integrator for any service order. The Contractor will submit to the SOM for approval the procedures that the Contractor will use for the dispatch of a technician during and outside of SOM business hours.

The Contractor will coordinate all work with the Service Integrator.



Any installation or repair work performed by the Contractor that does not meet the requirements of the Agreement must be corrected at no extra cost to the SOM.

SOM approved Order activity requiring dispatch outside normal business hours will be coordinated, but may incur an additional charge.

b. Problem Management

Problem Management includes activities related to restoring Services after an outage and reporting the cause of failure. The Contractor will collaborate and coordinate Fault Management Services with the Service Integrator on the SOM WAN, including remote alarm monitoring, problem report receipt, problem identification and isolation, remote and on-site resolution, and dispatch management.

Upon receipt of a problem or alarm notification, the Contractor will initiate problem resolution efforts in coordination with the Service Integrator. The Contractor will prioritize the support ticket in accordance with mutually agreed-upon metrics, as provided by the SOM and Service Integrator.

The Contractor will coordinate with the Service Integrator to troubleshoot, isolate and resolve problem conditions related to the SOM WAN services. Upon determining the source of the fault, should the Service Integrator refer the work to the Contractor, the Contractor will perform the following activities:

- Resolve the problem remotely, where possible
- Change the software feature, reroute past or replace the defective equipment, hardware component, and/or
- Dispatch technicians for on-site repair or replacement

The Contractor will escalate issues per the mutually agreed-upon escalation procedures and provide the SOM, via the Service Integrator, with status at escalation thresholds throughout trouble resolution efforts.

The Contractor will provide appropriate technical support (e.g., manufacturer technical support) to resolve SOM WAN outage conditions and performance issues in accordance with performance standards detailed in the **Section D. Service Level Agreements**

Ticket will be opened with Contractor immediately upon confirmation of WAN circuit trouble.

c. Monitoring and Management

The Contractor will proactively manage, maintain and operate WAN Service Provider network segments used by the SOM WAN on a 24x7x365 basis and will discover any Incidents that are outside the metrics performance standards detailed in the **Section D. Service Level Agreements**.

The Contractor's network is available 24x7x365 except for outages during scheduled maintenance.

The Contractor may need to schedule planned maintenance at times due to, for example, government inspections or power maintenance. The Contractor will use reasonable efforts to give the SOM at least 30-days' notice of such scheduled or extended maintenance.

2. The contractor will reach the areas in the SOM referenced in **Attachment 7, WAN Service Provider Coverage Areas**
3. Letter of Authority/Agency (LOA)

The Contractor will provision services necessary to establish and maintain WAN connectivity through Letter of Authority/Agency provided by the SOM to the Service Integrator.

D. Service Level Agreements (SLA)



The following Service Group definitions apply to the appropriate SLAs listed in this section.

Service Group #	Service Group Description
Group 1 (99.999%)	A site equipped with the following high availability options; redundant access Transport Service with diversely routed paths and enters the site on separate cable entrances, router redundant power supply, and router UPS system.
Group 2 (99.95%)	A site equipped with the following high availability options; redundant access transport service with same path or equipped with an access transport backup option, and router UPS system. Site must be equipped with UPS 10-minute capacity allowing generator backup to resume.
Group 3 (99.85%)	A site not equipped with the necessary redundant options to qualify as Service Group 1 or 2. Service Group 3 sites must have at least one router and one private transport network Circuit.
Group 4 (99%)	A SOM Remote Site connected to a commercial Internet Service Provider (ISP) or any downstream edge/shared services-connected sites.

1. Monthly WAN Site Availability. Site availability must enable the SOM to determine where outages occur and allow the SOM to better provide for greater stability of the State of Michigan WAN. This SLA measures unscheduled outage(s) or service interruption(s) affecting site availability at SOM site(s).
 - a. The Formula used to measure performance must be as follows:
 Service Group Downtime (SGD) = the total number of out-of-service hours for a given Service Group divided by the total number of site service hours, within service Group x 100. Agreed-upon, pre-scheduled maintenance windows are excluded from out-of-service hours. The Contractor will report the percentage (%) of time the network was down and the percentage (%) of time the network was available in total Per Site/Service Group. This data may be audited by the SOM or a designated third-party. The Performance Objective is for the Contractor to provide the following availability to the SOM as a percentage of time by Service Group as stated below:

SGA by Service Group Table

Service Group #	Performance Objective
Group 1	99.999%
Group 2	99.95%
Group 3	99.85%
Group 4	99.00%

This SLA does not start until a ticket is open with Contractor's helpdesk. All ticket communication will be coordinated with the SI and Contractor helpdesk.

2. Monthly WAN Time to Repair (TTR) Service Level Objective. The time must be measured from the time a trouble ticket is established at the Service Integrator's NOC through any means until the Service Integrator's trouble ticket is changed to resolved status after approval by the SOM site contact.

TTR by Service Group Table

Service Group #	Performance Objective
Group 1	4.0 hours



Group 2	4.0 hours
Group 3	4.0 hours
Group 4	8.0 hours

3. Monthly WAN Software MAC (Move/Add/Change) Request. Each Software MAC request must meet a mutually agreed-upon due date between the Contractor, Service Integrator and the SOM.

- a. The Formula used to measure MAC requests on a per-site basis must be as follows:
 - A. Number of MAC requests completed on, or prior to, the due date during the reporting period.
 - B. Total number of MAC requests completed during the reporting period.

Compliance = $A/B \times 100$ (The result is a percentage)
 Performance Objective = 100%

The Contractor will include the number of tickets closed during the reporting period, the average successful MAC Request completion time, the number of tickets whose resolution time was greater than the average and the number of tickets whose resolution time was less than the average. This data may be audited by the SOM or a designated third-party.

If the Contractor agrees to expedite an order for a Service Component, the MAC SLA applies to the original Due Date provided by Contractor, not the expedited date.

4. Monthly WAN Hardware MAC (Move/Add/Change) Request. Each Hardware MAC request must meet a mutually agreed upon due date between the Service Integrator/Contractor and the SOM.

- a. The Formula used to MAC requests on a per-site basis must be as follows:
 - A. Number of MAC requests completed on or prior to the due date during the reporting period.
 - B. Total number of MAC requests completed during the reporting period.

Compliance = $A/B \times 100$ (The result is a percentage)
 Performance Objective = 100%

The WAN Service Provider must include the number of tickets closed during the reporting period, the average successful MAC Request completion time, the number of tickets whose resolution time was greater than the average and the number of tickets whose resolution time was less than the average. This data may be audited by the SOM or a designated third-party.

If the Contractor does not have any hardware MAC activity, then this SLA does not apply.

E. Move, Add, Change (MAC)

The Contractor will receive MAC requests directly from the Service Integrator.

The following objectives apply for MAC orders:

- Five (5) Business Days for software MAC
- Thirty (30) Business Days for hardware MAC (physical circuits or hardware services) where facilities and hardware are available
- The Contractor will complete service orders assigned by the Service Integrator by the completion due date.

The Contractor will identify, prior to performance, any MAC activity that may result in disruption of service; in such instances, the SOM may request such activities be performed outside normal business hours.



Orders will be processed based on the information submitted to the Contractor. The Contractor will provide a due date for the order.

The State or SI will submit all Hardware and Software MAC orders through the Contractor's online tool. The orders will be processed based on the information submitted. Contractor will provide a due date for the order. The SOM or SI can check the status through the Contractor's online and the tool will send a completion notification back to the SOM or SI.

The SOM or SI will provide accurate and complete order documentation. The SOM will arrange and provide accurate LCON information and site access. The SOM will provide adequate space and power to install circuit demarcation and associated circuit termination equipment, if necessary.

F. Reports

The Contractor will provide reports electronically to the SOM and the Service Integrator.

The Contractor will provide the following SLA reports on a monthly basis per site:

- WAN Service Group Availability (SGA).
- WAN Time to Repair (TTR) metric.
- WAN Software MAC (Move/Add/Change) Request metric.
- WAN Hardware MAC (Move/Add/Change) Request metric.

The Contractor will provide reports for all MAC activity on a rolling 30 day window.

G. Continuity of Service/Disaster Recovery

The Contractor will adhere to the Telecommunications Service Priority (TSP) program and provide for the rapid provisioning and restoration of services to SOMs having a national security and emergency preparedness function. Reference the requirements set forth in Telecommunication Service Priority (TSP) Service Exhibit – Title 47 Part 64. Specifically, Contractor will work with the State to prioritize circuits with TSP markings.

H. RESERVED



1.104 WORK AND DELIVERABLES – ENTERPRISE INTERNET SERVICE PROVIDER(S)

The Enterprise Internet Service Provider(s) shall provide the Services required for the State of Michigan, in accordance with the requirements as set forth below and in **Attachment 6 – WAN Services Requirements Worksheet**.

For a complete list of Enterprise ISP requirements please see **Attachment 6 – WAN Services Requirements Worksheet**.

I. Services (work) To Be Provided and Deliverables

Acceptance Criteria

High-level acceptance criteria for Document Deliverables are listed in Section 1.501. Any additional or more specific criteria are identified here.

A. Procurement of Services

The Contractor will provide a complete list of all services offered that may be utilized as part of the Enterprise Internet Services. The SOM reserves the right to procure services, products and software necessary for Enterprise Internet Services through other SOM contracts. The SOM requires any Enterprise ISP to coordinate services through a single Service Integrator.

- Consulting in regards to the Contractor's Enterprise Internet Services will be available at no additional charge. The Contractor will provide a Contractor on-line secure portal or electronic method for tracking order status.
- The State or SI will provide accurate and complete order documentation. The State will provide an LOA for SI to place orders. The State will arrange and provide accurate local contact (LCON) information and site access. The State will provide adequate space and power to install circuit demarcation and associated circuit termination equipment. The State will obtain any approval necessary for ISP Circuit installation from property owners.

B. Invoicing

The Contractor will invoice the State directly. The Contractor will submit properly itemized invoices to "Bill To" Address on Purchase Order. Invoices must provide and itemize, as applicable:

- Contract number.
- Purchase Order number.
- Contractor name, address, phone number
- 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 Service Integrator's list price for each item and applicable discounts.
- Net invoice price for each item.
- Shipping costs.
- Other applicable charges.
- Total invoice price.
- Payment terms, including any available prompt payment discount.

Billing for service components or features begins on the day the service component or feature is made available for use by SOM (which shall be considered the Service Activation Date). Billing shall commence at a Site as of the Service Activation Date regardless of the function of the Site in a SOM network (e.g., remote, spoke, hub, or head-end sites) or the provisioning status of other Sites in the SOM network.

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.

The Contractor invoices will be paid via Electronic Funds Transfer (EFT).



The SOM has the right to withhold payment of a disputed amount on an invoice until the dispute is settled or resolved. If the investigation of the disputed amount is found to be settled in the SOM's favor, this disputed amount will appear as an adjustment credit on the next billing invoice, following dispute resolution. If the disputed amount is determined to be billed correctly, the disputed amount will carry forward to the next billing invoice, following dispute resolution, as a pending balance due.

Billing will commence at a Site as of the Service Activation Date regardless of the function of the Site in a SOM network (e.g., remote, spoke, hub, or head-end sites) or the provisioning status of other Sites in the SOM network. Billing for service components or features begins on the day the service component or feature is made available for use by SOM

Contractor must submit properly itemized invoices to:

DTMB – Financial Services
Accounts Payable
P.O. Box 30026
Lansing, MI 48909

Or

DTMB-Accounts-Payable@michigan.gov

The Contractor invoices will be paid via Electronic Funds Transfer (EFT). Contractor will accept ACH transactions from the State or Service Integrator in either CCD+ or CTX format. These formats include both remittance information and addenda records.

For EFT payments, the NACHA standard file will be received by Contractor's bank. Any errors will be corrected the next business day. If the error cannot be corrected, Contractor will contact the State/Service Integrator for verification of the payment.

C. Enterprise Internet Service Provider Services

1. Service Features

The service features below are requirements for the Contractor's Services to the SOM. The preferred method of connection between the Contractor and the SOM is Ethernet.

- a. The Contractor will use standards-based routing protocol(s) to announce routes from the SOM site router.
- b. The Contractor dedicated ISP connection service must provide IPv4 and IPv6 support.
- c. The Contractor dedicated ISP connection service must provide near real-time online network utilization statistics.
- d. Dedicated Internet connections must be available from speeds of 1.5 Mbps and above for transmit and receive.
- e. The Contractor will provide a Network Operations Center that is available 24x7x365
- f. The Contractor will provide contact information for its Network Operations Center (NOC)
- g. The Network Operations Center provided by The Contractor will be able to accept trouble tickets electronically or via phone.
- h. The Contractor will describe the architecture, features and capabilities of its enterprise Internet access service offering, to include:
 - i. Ability to provide dedicated Internet access at all access speeds.
 - ii. Redundancy in the Service Integrator's network between the State of Michigan and the Internet NAPs.
 - iii. Primary and Secondary DNS services.
 - iv. Network Address Translation (NAT) services).
 - v. Border Gateway Protocol (BGP) routing services.
 - vi. The Service Integrator's capability to route the SOM's IP addresses, the capability to provide IP addresses, and the smallest address space the Vendor shall route on its backbone.
 - vii. Web caching service (New Work)



- viii. Content Distribution Network services (New Work)
- ix. Network time protocol (NTP) (New Work) –
- x. Security services available to mitigate interruptions and mechanisms for detecting and eliminating fraudulent and/or unauthorized use of the services provided to the SOM. Examples of known, unauthorized activity include, but are not limited to, Distributed Denial of Service (DDoS) and DNS spoofing (Optional Service).
- xi. Ability to provide Internet2 access (New Work)
- xii. Up to 14 IP addresses

a. Service Management

All Service work will be scheduled by the Contractor when least disruptive to the SOM.. The Contractor will have documented permission from the State for any service order. The Contractor will submit to the State for approval the procedures that the Contractor will use for the dispatch of a technician during and outside of SOM business hours.

If the State believes that any installation work or repair work performed by Contractor does not meet the State's standards, Contractor will work with the State to understand what was not performed adequately and work to resolve the issue. If Contractor is in agreement that the work was not performed adequately, Contractor will correct the issue at no additional cost to the State.

The State will provide adequate space and power to install circuit demarcation and associated circuit termination equipment. The State will obtain any approval necessary for ISP circuit installation from property owners.

b. Problem Management

Problem Management includes activities related to restoring Services after an outage and reporting the cause of failure. The Contractor will collaborate and coordinate Fault Management Services with the SOM/SI, including remote alarm monitoring, problem report receipt, problem identification and isolation, remote and on-site resolution, and dispatch management.

Upon receipt of a problem or alarm notification, the Contractor will initiate problem resolution efforts in coordination with the SOM/SI. The Contractor will prioritize the support ticket in accordance with mutually agreed-upon metrics, as provided by the SOM.

The Contractor will coordinate with the SOM/SI to troubleshoot, isolate and resolve problem conditions related to the Services. Upon determining the source of the fault, the Contractor will perform the following activities:

- Resolve the problem remotely, where possible
- Change the software feature, reroute past or replace the defective equipment, hardware component, and/or
- Dispatch technicians for on-site repair or replacement

The Contractor will escalate issues per the mutually agreed-upon escalation procedures and provide the SOM/SI with status at escalation thresholds throughout trouble resolution efforts.

The Contractor will provide appropriate technical support (e.g., manufacturer technical support) to resolve SOM outage conditions and performance issues in accordance with performance standards detailed in the **Section D. Service Level Agreements**

The State will provide adequate space and power to install circuit demarcation and associated circuit termination equipment. The State will obtain any approval necessary for Internet circuit installation from property owners.

c. Monitoring and Management



The Contractor will proactively manage, maintain and operate the Contractor network used by the SOM on a 24x7x365 basis and will discover any Incidents that are outside the metrics performance standards detailed in the Section **D. Service Level Agreements**.

D. Service Level Agreements (SLA)

The following is the Service Group Description and the applicable availability % targeted by the State for Enterprise Internet Service Provider Services.

Service Group #	Service Group Description
Group 4 (99%)	A SOM Remote Site connected to a commercial Internet Service Provider (ISP) or any downstream edge/shared services-connected sites.

1. **Monthly Enterprise ISP Service Group Availability (SGA).** Site availability must enable the State to determine where outages occur and allow the State to better provide for greater stability of the State of Michigan’s Internet Services. This SLA measures unscheduled outage(s) or service interruption(s) affecting Internet services availability at State site(s) by service Group.

- a. The Formula used to measure performance must be as follows:
 Service Group Downtime (SGD) = the total number of out-of-service hours for a given Service Group divided by the total number of site service hours, within service Group multiplied by 100. Agreed-upon, pre-scheduled maintenance windows are excluded from out-of-service hours. The Service Integrator must report the percentage (%) of time the network was down and the percentage (%) of time the network was available in total Per Site/Service Group. This data may be audited by the State or a designated third-party. The Performance Objective is for the Enterprise ISP to provide the following Service Group Availability to the State as a percentage of time by Service Group as stated below:

SGA by Service Group Table

Service Group #	Performance Objective
Group 4	99.00%

2. **Monthly Enterprise ISP Time to Repair (TTR) metric.** The time must be measured from the time a trouble ticket is established at the Enterprise ISP’s NOC through any means until the Enterprise ISP’s trouble ticket is changed to resolved status after approval by the SOM site contact.

Service Integrator must not exceed the objective as stated by Group as stated below.

TTR by Service Group Table

Service Group #	Performance Objective
Group 4	8.0 hours

3. **Monthly Enterprise ISP Software MAC (Move/Add/Change) Request metric.** Each Software MAC request must meet a mutually agreed-upon due date between the Enterprise ISP and the SOM.

- a. The Formula used to measure MAC requests on a per-site basis must be as follows:



- A. Number of MAC requests completed on, or prior to, the due date during the reporting period.
- B. Total number of MAC requests completed during the reporting period.

Compliance = $A/B \times 100$ (The result is a percentage)
 Performance Objective = 100%

The Enterprise ISP must include the number of tickets closed during the reporting period, the average successful MAC Request completion time, the number of tickets whose resolution time was greater than the average and the number of tickets whose resolution time was less than the average. This data may be audited by the SOM or a designated third-party.

- 4. Monthly Enterprise ISP Hardware MAC (Move/Add/Change) Request metric. Each Hardware MAC request must meet a mutually agreed upon due date between the Enterprise ISP and the SOM.
 - b. The Formula used to MAC requests on a per-site basis must be as follows:
 - C. Number of MAC requests completed on or prior to the due date during the reporting period.
 - D. Total number of MAC requests completed during the reporting period.

Compliance = $A/B \times 100$ (The result is a percentage)
 Performance Objective = 100%

Enterprise ISP must include the number of tickets closed during the reporting period, the average successful MAC Request completion time, the number of tickets whose resolution time was greater than the average and the number of tickets whose resolution time was less than the average. This data may be audited by the SOM or a designated third-party.

E. Reports

The Enterprise ISP must provide the following SLA reports on a monthly basis per site:

- Enterprise ISP Service Group Availability (SGA).
- Enterprise ISP Time to Repair (TTR) metric.
- Enterprise ISP Software MAC (Move/Add/Change) Request metric.
- Enterprise ISP Hardware MAC (Move/Add/Change) Request metric.

The Enterprise ISP must provide near real-time online network statistics for utilization. Dedicated Internet connections must be available from speeds of 1.5 Mbps and above for transmit and receive.

F. Continuity of Service/Disaster Recovery

The Contractor will adhere to the Telecommunications Service Priority (TSP) program and provide for the rapid provisioning and restoration of services to SOMs having a national security and emergency preparedness function. Reference the requirements set forth in Telecommunication Service Priority (TSP) Service Exhibit – Title 47 Part 64. Specifically, Contractor will work with the State to prioritize circuits with TSP markings.

G. RESERVED



II. Overall Service Requirements

A. Detailed Requirements

The detailed Service requirements for the Contract are listed in this SOW and **Attachment 6 – WAN Services Requirements Worksheet**.

1.200 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

A. Staff

The Contractor must 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 must have primary responsibility and final authority for the work.

1. Key Personnel

All Key Personnel may be subject to the States' interview and approval process. Any Key Personnel staff substitution must have the prior approval of the State in accordance with the Contract. The State has identified the following as Key Personnel for this SOW:

- **Account Manager/Single Point of Contact (SPOC)**

Contractor must provide an **Account Manager/SPOC** to interact with the designated personnel from the State to ensure a smooth transition to the new contract. The Account Manager must coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by the SOM. The Account Manager responsibilities must include, at a minimum:

- The Account Manager must act as the Single Point of Contact (SPOC) for any issue related to the issued contract.
- Escalation point for contract issues, risks, and other concerns.
- Utilize Contract Change Management
- Communicate on order and delivery status and issues.
- Route calls or requests to the appropriate resource.
- Manage resolution of order and delivery issues.
- Provide information on business processes for using the contract.
- Manage all defined Contractor responsibilities in this Scope of Services.
- Manage and report on the project's budget.
- Process all submitted SOW and SI (via an LOA) requests and deliver detailed service and price proposals.
- Deliver all contract required reports on product and service delivery, and SLA compliance.
- Facilitate dispute resolution.
- Advise the State of performance under the terms and conditions of the Contract.

B. On Site Work Requirements

1. Location of Work

For work that must be executed on-Site, it must be performed, completed and managed at State-owned or leased facilities.

2. Hours of Operation

- a. Normal State working hours, depending on the site, are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines.
- b The State holidays and the days they are observed are:



- New Year's Day, January 1, or closest weekday.
- Martin Luther King, Jr. Day, Third Monday in January.
- Presidents Day, Third Monday in February.
- Memorial Day, Last Monday in May.
- Independence Day, July 4, or closest weekday.
- Labor Day, First Monday in September.
- General Election Day, First Tuesday in November, even numbered years.
- Veterans Day, November 11.
- Thanksgiving Day and the day after, the fourth Thursday and Friday in November.
- New Year's Eve, December 31.
- Christmas Day December 25 and the day before/after depending on how the holiday falls

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

The State project team will consist of Executive Sponsors, project support, and a DTMB project manager.

Executive Sponsors

The Executive Sponsors represent the DTMB executive team by providing the vision for the contract, securing departmental support for the contract, and providing high level direction to the team.

The State's Executive Sponsors will provide the following services:

- Act as a vocal and visible champion within the State.
- Provide high level direction to the team.
- Keep abreast of major contract activities and performance.
- Make important decisions related to scope and direction.
- Solicit the State resources necessary for the contract.

Name	Agency/Division	Title	Phone/e-mail
Greg Faremouth	DTMB Network and Telecommunications Services	Director	(517) 241-1646 faremouthg@michigan.gov

Contract Compliance Inspector

DTMB will assign a Contract Compliance Manager who will be responsible for the State's infrastructure and coordinate with the Service Integrator in determining the system configuration.

The State's Contract Compliance Manager will provide the following services:

- Collect information necessary to monitor each Contractor's performance against SLA requirements.
- Attend periodic meetings to review each Contractor's deliverables and metrics.
- Facilitate communication between each Contractor and State departments/divisions.
- Conduct regular and ongoing reviews of each Contractor's performance.
- Make key implementation decisions, as identified by each Contractor's Bills of Materials and Project Plans.

Name	Agency/Division	Title	Phone/e-mail
Scott Hall	DTMB Network and Telecommunications Services	Contract Compliance Manager	(517) 241-4255 Halls9@michigan.gov

State Project Manager – for the Transition and other projects, as needed

The State's Project Manager must provide the following services:

- Coordinate the State resources necessary for the project.
- Provide acceptance and sign-off of deliverable/milestone and invoices.



- Collect information necessary to monitor the Service Integrator’s performance against SLA requirements.
- Attend periodic meetings to review the Contractors’ deliverables and metrics.
- Escalate outstanding/high priority issues.
- Utilize Contract Change Management procedures and resolve Transition project-related issues.
- Conduct regular and ongoing reviews of the transition project.
- Document and archive all important project decisions.
- Provide status updates to compliance manager and executive sponsors.

Name	Agency/Division	Title	Phone/e-mail
TBD	DTMB	State Project Manager	TBD

DTMB Contract Administrator

DTMB will assign a Contract Administrator who will manage post contractual activities which include but are not limited to:

- Negotiating or clarifying contractual provisions.
- Approving amendments to or extensions of the Contract.
- Participating in scheduled reviews of Contract milestones and deliverables.
- Resolving Contract issues between the State and the Service Integrator, WAN Service Providers and Enterprise ISPs.
- Verifying that all contractual activities are complete prior to contract close out.
- Document and archive all important contract decisions.

Name	Agency/Division	Title	Phone/e-mail
Michael Breen	DTMB Purchasing	State Buyer	517-241-7720 BreenM@michigan.gov

1.203 OTHER ROLES AND RESPONSIBILITIES

1.300 Contract Management

1.301 CONTRACT MANAGEMENT

A. Orientation Meeting

Within 10 business days after contract signing, each Contractor may be required to attend an orientation meeting to discuss the content and procedures of the Contract. The meeting must be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

B. Performance Review Meetings

The State requires the Service Integrator, WAN Service Providers and Enterprise ISPs to attend monthly meetings, at a minimum, to review performance under the Contract and monthly monitoring reports. The meetings must be held in Lansing, Michigan, or by teleconference, as mutually agreed by the State and the Contractors.



C. Contract Control

1. The Contractor must carry out this project under the direction and control of the DTMB **Network and Telecommunications Services** Division.
2. Within 20 business days of Contract execution, the Contractor must submit the project plan to the State project manager(s) for final approval. This project plan must be in agreement with Article 1, Section 1.104 Work and Deliverables.

The State is responsible for providing a point-of-contact who will assume responsibility for managing the rollout of the transition/transformation project. The State is also responsible for cooperating in the completion of all activities related to this project.

1.302 REPORTS

Reports (formats to be created by the State) must be submitted to the State's Contract Compliance Manager for approval within 45 business days after the execution of the Contract. Once both parties have agreed to the format of the reports, it shall become the standard to follow for the duration of the Contract.

- Service Integrator – Section 1.104
- WAN Service Provider – Section 1.104
- Enterprise ISP – Section 1.104

1.400 Project Management

In the event the State desires Contractor to provide support for a Service requiring project management and/or project engineering beyond those called out in the definitions of a Soft MACD or a Hard MACD ("**Project**"), the Contractor must assign a Project Manager to oversee major Project implementations. The Project Manager's contact information must be provided to the State when any Project is initiated.

The Contractor's Project Statement of Work must include:

- Project Objective
- Scope of Work
- Design, if required by the State
- Deliverables
- Acceptance Criteria
- Payment by accepted milestone
- Agency Responsibilities and Assumptions
- Escalation Plan
- Work Breakdown Structure

Note: Before a Project can commence, the State must approve the Project Plan, which must include the Contractor's project SOW, to-be built design and a price quote based on deliverables.

1.401 RESERVED

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 ultimately responsible for establishing a risk management plan and process. Working with the WAN Service Providers, the plan will include the identification and recording of risk items, prioritization of risks, definition of mitigation strategies, monitoring of risk items, and periodic risk assessment reviews with the State.

A risk management plan format shall be submitted to the State for approval within twenty (20) business days after the effective date of the contract. The risk management plan must be developed during the initial planning phase of the project, and be in accordance with the State's PMM (Suite) 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 by the Contractor.

The Contractor shall provide the tool to track risks. The Contractor must 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 Contract/Project and reporting to the State Project Manager. Mitigating and/or eliminating assigned risks must be the responsibility of the Contractor, subject to Contract Change Management. The State must assume the same responsibility for risks assigned to them.

The State will be responsible for working timely with Contractor to develop and approve the risk management plan's format and notifying Contractor of any changes that may occur.

1.500 Acceptance

1.501 CRITERIA

The following is standard acceptance criteria for Document Deliverables. Any other specific criteria are identified in Section 1.104 Work and Deliverables.

Document Deliverables Process

1. Documents are dated and in electronic format.
2. Draft documents are not accepted as final Document Deliverables.
3. The Document Deliverables must be reviewed and accepted in accordance with the requirements of the Contract and Appendices.
4. DTMB must review Document Deliverables within a mutually agreed upon timeframe.
 - a. Approvals must be written and signed by DTMB Project Manager.
 - b. Issues must be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor must resubmit documents for approval within 30 days of receipt.

1.502 FINAL ACCEPTANCE

Final acceptance is expressly conditioned upon completion of ALL deliverables/milestones, 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.

1.600 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

1. Firm, fixed price.
 - Contractor will submit monthly invoices for Services delivered with sufficient documentation to explain the billing.
2. Time and Materials (T&M)
 - Contractor will provide a process for acquiring New Work on a time and materials basis.
 - Firm, fixed unit rates for T&M work to be provided with Project proposal.
 - Contractor will submit monthly invoices for time and material services.
3. The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to the Contract (and any future amendments of it) must be defined and described in detail in an Attachment or Purchase Orders (PO) executed under the 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 the Contract. Contractor shall perform in accordance with the Contract, including the Statements of Work/Purchase Orders executed under it.
4. Payment Terms: As per the Contract.

Method of Payment



The Contractors will be paid by the methods listed in the SOW.

Travel

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

1.602 RESERVED



2.000 Contract Structure and Term

Contractor shall check only 1 box below, and identify exception(s) in regard to Article 2	
<input type="checkbox"/>	I have reviewed Article 2 and agree to the State's terms with no exceptions.
<input type="checkbox"/>	I have reviewed Article 2 and have identified all exceptions per the instructions below. I have identified all exceptions and revisions to Article 2 as tracked changes. I understand this could impact the State's ability to award a contract to my firm by considering my proposal, and furthermore the State reserves the right to deduct as much as five (5) points from my technical score for any exception or revision to Article 2. Furthermore, I understand that, if the State awards to my firm, and if the State and my firm cannot reach agreement on all excepted or revised Article 2 Terms and Conditions within fifteen (15) business days of Notice of Recommendation, then the State reserves the right, at its sole discretion, to rescind the Award and to re-award to the next-most qualified Contractor.

Contractor shall provide a statement that a Certificate of Insurance will be provided as a condition of award has been included (referenced in Section 2.133).	
Contractor Response:	

2.001 CONTRACT TERM

This Contract is for a period of 5 years beginning upon mutually signed contract through 5 additional years from mutually signed contract. 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 5 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 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 Telecommunications (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:

Michael Breen
Buyer
Procurement
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Email: breenm@michigan.gov
Phone: 517-241-7720

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:

CCI Steve McMahon
Manager of Core Network Services
Department of Technology, Management, and Budget-Telecommunications
Hannah Building, Lansing Michigan 48909
Email: McmahonsS@michigan.gov
Phone 517-373-6353

2.023 PROJECT MANAGER

The following individual will oversee the project:

Project Manager **TBD**
Department
(Address)
Email
Phone
Fax

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:
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor:

Name:
Address:

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

2.026 BINDING COMMITMENTS

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

2.027 RELATIONSHIP OF THE PARTIES

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

2.028 COVENANT OF GOOD FAITH

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

2.029 ASSIGNMENTS

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

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

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



2.030 General Provisions

2.031 ADMINISTRATIVE FEE AND REPORTING

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

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

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

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

2.032 MEDIA RELEASES

News releases (including promotional literature and commercial advertisements) pertaining to the 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 Contract are to be released without prior written approval of the State and then only to persons designated.

2.033 CONTRACT DISTRIBUTION

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

2.034 PERMITS

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

2.035 WEBSITE INCORPORATION

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

2.036 FUTURE BIDDING PRECLUSION

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

2.037 FREEDOM OF INFORMATION

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

2.038 DISASTER RECOVERY



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

2.040 Financial Provisions

2.041 FIXED PRICES FOR SERVICES/DELIVERABLES

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

2.042 ADJUSTMENTS FOR REDUCTIONS IN SCOPE OF SERVICES/DELIVERABLES

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

2.043 SERVICES/DELIVERABLES COVERED

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

2.044 INVOICING AND PAYMENT – IN GENERAL

- (a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.
- (b) Each Contractor invoice shall show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis shall show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.600**.
- (c) Correct invoices shall be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.
- (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.

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.

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 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.

2.104 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.

2.105 NO IMPLIED RIGHTS



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

2.106 SECURITY BREACH NOTIFICATION

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State shall cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 72 hours of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.107 RESPECTIVE OBLIGATIONS

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

2.110 Records and Inspections

2.111 INSPECTION OF WORK PERFORMED

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

2.112 RETENTION OF RECORDS

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

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

2.113 EXAMINATION OF RECORDS

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

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

2.114 AUDIT RESOLUTION

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

2.115 ERRORS



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

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

2.120 Warranties

2.121 WARRANTIES AND REPRESENTATIONS

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under neither this Contract, nor their use by the State shall infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.
- (i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
- (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other Bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other Bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other



information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.

- (l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
- (m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.
- (n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Technology, Management and Budget, Procurement.

2.122 WARRANTY OF MERCHANTABILITY

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

2.123 WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE

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

2.124 WARRANTY OF TITLE

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

2.125 EQUIPMENT WARRANTY

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

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

Within 30 business days of notification from the State, the Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

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

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

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

2.126 EQUIPMENT TO BE NEW

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are



like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

2.127 PROHIBITED PRODUCTS

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

2.128 CONSEQUENCES FOR BREACH

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

2.130 Insurance

2.131 LIABILITY INSURANCE

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

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

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

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

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

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

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

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

(h) The Contractor must provide, within fifteen (15) business days, written notice to the Director of DTMB-Procurement if any policy required under this section is cancelled. The notice must include the applicable Contract or Purchase Order number.

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

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

(k) If the Contractor fails to pay any premium for a required insurance policy, or if any insurer cancels or significantly reduces any required insurance without the State's approval, the State may, after giving the Contractor at least 30 days' notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or require the Contractor to pay that cost upon demand.

(l) In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Michigan Attorney General.

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



(i) **Commercial General Liability**

Minimal Limits:

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

Additional Requirements:

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

The Products/Completed Operations sublimit requirement may be satisfied by evidence of the manufacturer's Commercial General Liability Insurance. The manufacturer must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the Commercial General Liability certificate and must provide evidence that the policy contains a waiver of subrogation by the insurance company.

(ii) **Umbrella or Excess Liability**

Minimal Limits:

\$10,000,000.00 General Aggregate

Additional Requirements:

Umbrella or Excess Liability limits must at least apply to the insurance required in (i), General Commercial Liability. The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

(iii) **Motor Vehicle**

Minimal Limits:

If a motor vehicle is used in relation to the Contractor's performance, the Contractor must have vehicle liability insurance on the motor vehicle for bodily injury and property damage as required by law.

(iv) **Hired and Non-Owned Motor Vehicle Coverage**

Minimal Limits:

\$1,000,000 Per Incident

Additional Requirements:

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

(v) **Workers' Compensation**

Minimal Limits:

The Contractor must provide Workers' Compensation coverage according to applicable laws governing work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, the Contractor must provide proof of an approved self-insured authority by the jurisdiction of domicile.

For employees working outside of the state of the Contractor's domicile, the Contractor must provide certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Additional Requirements:



The Contractor must provide the applicable certificates of insurance and a list of states where the coverage is applicable. Contractor must provide proof that the Workers' Compensation insurance policies contain a waiver of subrogation by the insurance company, except where such a provision is prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

(vi) Employers Liability

Minimal Limits:

- \$100,000 Each Incident;
- \$100,000 Each Employee by Disease
- \$500,000 Aggregate Disease

(vii) Employee Fidelity (Crime)

Minimal Limits:

- \$1,000,000 Employee Theft Per Loss

Deductible Maximum:

- \$50,000 Per Loss

Additional Requirements:

Insurance must cover Forgery and Alteration, Theft of Money and Securities, Robbery and Safe Burglary, Computer Fraud, Funds Transfer Fraud, Money Order and Counterfeit Currency.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as Loss Payees on the certificate.

(viii) Professional Liability (Errors and Omissions)

Minimal Limits:

- \$3,000,000 Each Occurrence
- \$3,000,000 Annual Aggregate

Deductible Maximum:

- \$50,000 Per Loss

(x) Property Insurance

Property Insurance covering any loss or damage to the State-owned office space used by Contractor for any reason under this Contract, and the State-owned equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The State must be endorsed on the policy as a loss payee as its interests appear.

2.132 SUBCONTRACTOR INSURANCE COVERAGE

Except where the State has approved a subcontract with other insurance provisions, the Contractor must require any Subcontractor to purchase and maintain the insurance coverage required in Section 2.13.1, Liability Insurance. Alternatively, the Contractor may include a Subcontractor under the Contractor's insurance on the coverage required in that Section. The failure of a Subcontractor to comply with insurance requirements does not limit the Contractor's liability or responsibility.

2.133 CERTIFICATES OF INSURANCE

Before the Contract is signed, and not more than 15 days after the insurance expiration date every year thereafter, the Contractor must provide evidence that the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents are listed as additional insureds as required. The Contractor must provide DTMB-Procurement with all applicable certificates of insurance verifying insurance coverage or providing, if approved, satisfactory evidence of self-insurance as required in Section 2.13.1,



Liability Insurance. Each certificate must be on the standard "Accord" form or equivalent and MUST IDENTIFY THE APPLICABLE CONTRACT OR PURCHASE ORDER NUMBER.

2.140 Indemnification

2.141 GENERAL INDEMNIFICATION

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

2.142 CODE INDEMNIFICATION

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

2.143 EMPLOYEE INDEMNIFICATION

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

2.144 PATENT/COPYRIGHT INFRINGEMENT INDEMNIFICATION

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

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

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

2.145 CONTINUATION OF INDEMNIFICATION OBLIGATIONS

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



2.146 INDEMNIFICATION PROCEDURES

The procedures set forth below must apply to all indemnity obligations under this Contract.

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

2.150 Termination/Cancellation

2.151 NOTICE AND RIGHT TO CURE

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

2.152 TERMINATION FOR CAUSE

- (a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State
- (b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise



included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.

- (c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract shall be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.
- (d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

2.153 TERMINATION FOR CONVENIENCE

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any SOW 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. If the State chooses to terminate this Contract for convenience, in whole or in part, prior to Contractor recouping its costs and expenditures in providing the affected Services, the State will pay for all actual and verified costs that have not been recouped by Contractor at time of termination. If the parties cannot verify such costs, the parties will enter dispute resolution under Section 2.190 to determine the actual costs owed to Contractor. 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 365 days. These efforts must include, but are not limited to, those listed in **Section 2.150**.

2.172 CONTRACTOR PERSONNEL TRANSITION

The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

2.173 CONTRACTOR INFORMATION TRANSITION

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

2.174 CONTRACTOR SOFTWARE TRANSITION

The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This must include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses must, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

2.175 TRANSITION PAYMENTS

If the transition results from a termination for any reason, the termination provisions of this Contract must govern reimbursement. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates agreed upon by the State. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.176 STATE TRANSITION RESPONSIBILITIES

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to reconcile all accounts between the State and the Contractor, complete any pending post-project reviews and perform any others obligations upon which the State and the Contractor agree.

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

2.180 Stop Work

2.181 STOP WORK ORDERS

The State may, at any time, by written Stop Work Order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the Stop Work Order is



delivered to Contractor, and for any further period to which the parties may agree. The Stop Work Order must be identified as a Stop Work Order and must indicate that it is issued under this **Section**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the Stop Work Order as provided in **Section 2.180**.

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

A claim between the State and the Contractor is not subject to the provisions of Section 2.192, Informal Dispute Resolution, where a party makes a good faith determination that a breach of the Contract by the other party will result in damages so immediate, so large or severe, and so incapable of adequate redress that a temporary restraining order or other injunctive relief is the only adequate remedy.

2.194 CONTINUED PERFORMANCE

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

2.200 Federal and State Contract Requirements

2.201 NONDISCRIMINATION

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, and marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 UNFAIR LABOR PRACTICES

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

2.203 WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT

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

2.204 PREVAILING WAGE

Wages rates and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this Contract in privity of contract with the Contractor shall not be less than the wage rates and fringe benefits established by the Michigan Department of Licensing and Regulatory Affairs, Wage and Hour Division, schedule of occupational classification and wage rates and fringe benefits for the locality where the work is to be performed. The term



Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors and all persons involved with the performance of this contract in privity of contract with the Contractor shall keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the Contract. Contractor shall also post, in a conspicuous place, the address and telephone number of the Michigan Department of Licensing and Regulatory Affairs, the agency responsible for enforcement of the wage rates and fringe benefits. Contractor shall keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with this contract. This record shall be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted shall also be paid not less than the wage rate and fringe benefits prevailing in the locality where the work is to be performed.

2.210 Governing Law

2.211 GOVERNING LAW

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

2.212 COMPLIANCE WITH LAWS

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

2.213 JURISDICTION

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

2.220 Limitation of Liability

2.221 LIMITATION OF LIABILITY

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages.

The Contractor's liability for damages to the State is limited to two times the value of the Contract or \$500,000, whichever is higher. The foregoing limitation of liability does not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorneys' 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 \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

Unauthorized Removal of any Key Personnel

It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and



the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.152**, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount is \$25,000.00 per individual if the Contractor identifies a replacement approved by the State under **Section 2.060** and assigns the replacement to the Project to shadow the Key Personnel who is leaving for a period of at least 30 days before the Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 days, in addition to the \$25,000.00 liquidated damages for an Unauthorized Removal, Contractor must pay the amount of \$833.33 per day for each day of the 30 day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide 30 days of shadowing must not exceed \$50,000.00 per individual.

2.244 EXCUSABLE FAILURE

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaroud 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, workaroud plans or other means.

2.250 Approval of Deliverables

2.251 RESERVED



2.252 RESERVED

2.253 RESERVED

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 RESERVED

2.256 RESERVED

2.260 Ownership

2.261 OWNERSHIP OF WORK PRODUCT BY STATE

The State owns all Deliverables, as they are work made for hire by the Contractor for the State. The State owns all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables.

2.262 VESTING OF RIGHTS

With the sole exception of any preexisting licensed works identified in the SOW, the Contractor assigns, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any the Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon the State's request, the Contractor must confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

2.263 RIGHTS IN DATA

The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.



The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

2.264 OWNERSHIP OF MATERIALS

The State and the Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State.

2.270 State Standards

2.271 EXISTING TECHNOLOGY STANDARDS

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

2.272 ACCEPTABLE USE POLICY

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

2.273 SYSTEMS CHANGES

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

2.274 ELECTRONIC RECEIPT PROCESSING STANDARD

All electronic commerce applications that allow for electronic receipt of credit/debit card and electronic check (ACH) transactions must be processed via the Centralized Electronic Payment Authorization System (CEPAS).

2.280 Extended Purchasing Program

2.281 EXTENDED PURCHASING PROGRAM

The Contract will be extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at www.michigan.gov/mideal. Upon mutual written agreement between the State of Michigan and the Contractor, this Contract may be extended to (a) State of Michigan employees, or (b) other states (including governmental subdivisions and authorized entities).

If extended, the Contractor must supply all goods and services at the established Agreement prices and terms. The State reserves the right to negotiate additional discounts based on any increased volume generated by such extensions.

The Contractor must submit invoices to, and receive payment from, extended purchasing program members on a direct and individual basis



2.290 Environmental Provision

2.291 ENVIRONMENTAL PROVISION

Energy Efficiency Purchasing Policy: The State seeks wherever possible to purchase energy efficient products. This includes giving preference to U.S. Environmental Protection Agency (EPA) certified 'Energy Star' products for any category of products for which EPA has established Energy Star certification. For other purchases, the State may include energy efficiency as one of the priority factors to consider when choosing among comparable products.

Environmental Purchasing Policy: The State of Michigan is committed to encouraging the use of products and services that impact the environment less than competing products. The State is accomplishing this by including environmental considerations in purchasing decisions, while remaining fiscally responsible, to promote practices that improve worker health, conserve natural resources, and prevent pollution. Environmental components that are to be considered include: recycled content and recyclables; energy efficiency; and the presence of undesirable materials in the products, especially those toxic chemicals which are persistent and bioaccumulative. The Contractor should be able to supply products containing recycled and environmentally preferable materials that meet performance requirements and is encouraged to offer such products throughout the duration of this Contract. Information on any relevant third party certification (such as Green Seal, Energy Star, etc.) should also be provided.

Hazardous Materials: For the purposes of this Section, "Hazardous Materials" is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state or local laws governing the protection of the public health, natural resources or the environment. This includes, but is not limited to, materials the as batteries and circuit packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act.

- (a) The Contractor shall use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State shall provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State shall advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor shall immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.
- (b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State shall order a suspension of Work in writing. The State shall proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State shall terminate the affected Work for the State's convenience.
- (c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor shall resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in a time as mutually agreed by the parties.
- (d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor shall bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).



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

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 RESERVED

2.302 RESERVED

2.310 Software Warranties

2.311 RESERVED

2.312 RESERVED

2.313 RESERVED

2.314 RESERVED

2.315 RESERVED

2.320 Software Licensing

2.321 RESERVED

2.322 RESERVED

2.323 RESERVED

2.324 RESERVED

2.325 RESERVED

2.330 Source Code Escrow

2.331 RESERVED

2.332 RESERVED

2.333 RESERVED

2.334 RESERVED

2.335 RESERVED



2.336 RESERVED

2.337 RESERVED

2.338 RESERVED

2.339 RESERVED

Attachment 8 WAN Pricing Tables

Glossary

24x7x365	24 hours per day, seven days per week, and 365 days per year (including the 366th day in a leap year).
Additional Service	Any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added must result in the need to provide the Contractor with additional consideration.
Affiliate	"Affiliate" of a party means any entity that controls, is controlled by or is under common control with such party
Audit Period	See Section 2.112
Blanket Purchase Order	An alternate term for Contract as used in the State's computer system.
Business Critical	Any function identified in any Statement of Work as Business Critical.
Contract Change Management	Means the written procedures to effect any changes to the Contract, including, but not limited to, adding any Additional Services, New Work or pricing as set forth in Section 2.004 of Article 2.
Chronic Failure	Defined in Section 2.242(b)
Days	Calendar days unless otherwise specified.
Deleted – Not Applicable	Section is not applicable or included in this contract. This is used as a placeholder to maintain consistent numbering.
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work.
DTMB	Michigan Department of Technology, Management & 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.
Equipment or CPE	Means any third party edge devices (and the associated software required to operate such edge devices) used by Contractor to provide the Services to the SOM.
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.
ISP Services	Companies that provide Internet services, including personal and business access to the Internet. For a monthly fee, the service provider usually provides a software package, username, password and access phone number. For broadband access you typically receive the broadband modem hardware or pay a monthly fee for this equipment that is added to your ISP account billing. In addition to serving individuals and small businesses, ISPs also serve large companies and governments, providing a direct connection from the company's networks to the Internet. ISPs themselves are connected to one another through <i>Network Access Points (NAPs)</i> . ISPs may also be called <i>IAPs (Internet Access Providers)</i> .
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential Contractors
Key Personnel	Any Personnel designated in Article 1 as Key Personnel.
Managed Third Party	Means a third party provider under contract to the SOM that, subject to a Letter of Agency, Contractor will manage as part of the Services.
New Work	Any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added must result in the need to provide the Contractor with additional consideration.
RFP	Request for Proposal designed to solicit proposals for services.

Attachment 8 WAN Pricing Tables

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	Service Integrator's removal of Key Personnel without the prior written consent of the State.
Work in Progress	A Deliverable that has been partially prepared, but has not been presented to the State for Approval.

WAN PROJECT GLOSSARY AND DEFINITIONS

Alarm	A real-time indication or a signal that indicates an error condition or predefined threshold has been exceeded. Usually includes a Priority or Severity Code.
Alert	A sound or message that indicates a predefined threshold is about to be exceeded or a selected operation is about to be performed. The terms "alert" and "alarm" are sometimes used synonymously; however, an alert is more of a warning in advance, whereas an alarm signals that the event or error has occurred.
Amendment	Means a written change to this Contract.
American National Standards Institute (ANSI)	Entity that coordinates the development and use of voluntary consensus standards in the United States and represents the needs and views of U.S. stakeholders in standardization forums around the globe.
Appendices	An appendix is attached to supplement the document, usually for reference.
Attachments	A separate document that is attached, as a standalone form added to a document.
Authorized Requestors	A designated State of Michigan contact with whom the Service Integrator must communicate as defined in the Operations Plan.
Border Gateway Protocol (BGP)	Protocol used to make core routing decisions on the Internet; it involves a table of IP networks or "prefixes" which designate network reachability among Autonomous Systems (AS).
Bridge	A packet-forwarding device used in local area networks that floods the LAN with messages until locating the destination address of an unknown device: It then examines the source addresses in the headers of received messages and stores the right address in a table for future use.
Building Industry Consulting Services, International (BICSI)	The organization responsible for publishing standards and guidelines for use in the design, installation and integration of information transportation systems (ITS). These standards address pathways, spaces, fiber- and copper-based distribution systems, wireless-based systems and the infrastructure that supports the transportation of information and signaling between communications and information gathering devices.
Group Based Weighted Fair Queuing	A network router queuing method that allows traffic to share bandwidth equally, after being grouped by groups. The groups can be based upon a variety of parameters, such as priority, interface, or originating program.
Group of Service (CoS)	A way of managing traffic in a network by grouping similar types of traffic (for example, e-mail, streaming video, voice, large document file transfer) together and treating each type as a Group with its own level of service priority. Group of Service does not guarantee a level of service in terms of bandwidth and delivery time.
Competitive Local Exchange Carrier (CLEC)	A telecommunications provider company (United States) (sometimes called a "carrier" or "Carrier") competing with other, already established carriers (generally the incumbent local exchange carrier (ILEC)).

Attachment 8 WAN Pricing Tables

Contiguous IP Address Allocation	To mitigate duplication or inconsistencies in the allocation of IP addresses, an independent organization takes the allocation of IP addresses. Each registry allocates addresses for a different area and makes sure it is contiguous.
Contract	Means CONTRACT NO. 071B5500011 and any Amendments or Attachments to this contract.
CPU utilization	The workload of a given physical processor for real machines or virtual processors for virtual machines. CPU utilization that passes acceptable thresholds should trigger alerts so that an administrator can solve the problem before an outage happens. CPU utilization tools automatically track CPU data and store the data in a central location.
SOM Edge/Premise Edge device	Routers, routing switches, Integrated Access Devices (IADs), multiplexers, and a variety of Metropolitan Area Network (MAN) and WAN access devices that provide entry points into the core networks of enterprise or service providers.
Cyclic redundancy Checking (CRC)	A method of checking for errors in data that has been transmitted on a communications link: CRC checking involves making a calculation based on data contents and including the answer to that calculation with the data. The receiving end makes the same calculation. If the two calculations agree, the data was received successfully. If not, the receiver notifies the sender to resend that data.
Dedicated Internet connections	High-speed connectivity and reliable Internet access that supports business-critical Internet applications with dedicated internet connections that allow a business to send and receive large amounts of data, conduct video conferences, run web-based applications, stream video, etc. Dedicated Internet connections are not shared with others so there is no competition for bandwidth when it's needed.
Demarcation Point	A demarc (an abbreviation for demarcation point) is the point where communications facilities owned by one organization interface with that of another organization. This is the interface between the Equipment and Network Service Provider Infrastructure.
Differentiated Services	Referred to as DiffServ. Offerings that can be Groupified by type, or quality, of service. For example, a differentiated services network could prioritize real-time traffic for a higher fee.
Distributed Denial of Service (DDoS)	An attempt to make a machine or network resource unavailable to its intended users. It generally consists of the efforts of one or more people to temporarily or indefinitely interrupt or suspend services of a host connected to the Internet.
Distribution Layer	This layer includes LAN-based routers and layer 3 switches, and ensures that packets are properly routed between subnets and VLANs in an enterprise. This layer is also called the Workgroup layer.
DNS spoofing	DNS spoofing is a computer hacking attack, whereby data is introduced into a Domain Name System (DNS) name server's cache database, rerouting a request for a web page, causing the name server to return an incorrect IP address, diverting traffic to another computer (often the attacker's).
Dropped Packets	Dropped packets or packet loss occurs when one or more packets of data travelling across a computer network fail to reach their destination. Packet loss is distinguished as one of the three main error types encountered in digital communications; the other two being bit error and spurious packets caused due to noise.
Dynamic Routing Protocols	Dynamic routing performs the same function as static routing except it is more robust. Static routing allows routing tables in specific routers to be set up in a static manner so network routes for packets are set. Dynamic routing allows routing tables in routers to change as the possible routes change. Dynamic routing protocols do not change how routing is done.

Attachment 8 WAN Pricing Tables

Edge Router Latency	When data packets arrive with large and variable delays between packets, which causes degraded latency and overall throughput. Edge router latency is dominated by two factors. The length of the route that the packets have to take between sender and receiver and the interaction between the Transmission Control Protocol (TCP) reliability and congestion control protocols.
Electronic Industries Association (EIA)	The Electronic Industries Alliance (EIA, until 1997 Electronic Industries Association) was a standards and trade organization composed as an alliance of trade associations for electronics manufacturers in the United States. They developed standards to ensure the equipment of different manufacturers was compatible and interchangeable.
Encryption	Encryption is the process of transforming information (referred to as plaintext) using an algorithm (called a cipher) to make it unreadable to anyone except those possessing special knowledge, usually referred to as a key. The result of the process is encrypted information (in cryptography, referred to as ciphertext).
Enterprise Internet Service Provider (ISP)	The EISP provides centralized ISP services for State networks.
Ethernet	A physical and data link layer technology for Local Area Networks (LANs). The Ethernet standards comprise several wiring and signaling variants of the OSI physical layer in use with Ethernet. The original 10BASE5 Ethernet used coaxial cable as a shared medium. Later the coaxial cables were replaced by twisted pair and fiber optic links in conjunction with hubs or switches. Data rates were periodically increased from the original 10 megabits per second to 100 gigabits per second.
Fault Management Services	A component of network management concerned with detecting, isolating and resolving problems. Properly implemented, fault management services can keep a network running at an optimum level, provide a measure of fault tolerance and minimize downtime. A set of functions or applications designed specifically for this purpose is called a fault-management platform. Important functions of fault management include: definition of thresholds for potential failure conditions, constant monitoring of system status and usage levels, continuous scanning for threats such as viruses and Trojans, alarms that notify administrators and users of impending and actual malfunctions, automatic correction of potential problem-causing conditions, automatic resolution of actual malfunctions and detailed logging of system status and actions taken.
Fire wall	A combination of hardware and software that separates parts of a network for security purposes and requires an authentication method to gain access from one part of the network to another.
Gateway	A hardware or software set-up that translates between two dissimilar protocols.
Gigabits	Equivalent of one billion bits, or 1,000,000,000 (that is, 10^9) bits. It's commonly used for measuring the amount of data that is transferred in a second between two telecommunication points. For example, Gigabit Ethernet is a high-speed form of Ethernet (a local area network technology) that can provide data transfer rates of about 1 gigabit per second. Gigabits per second is usually shortened to Gbps.
Guidebooks	Documents containing the descriptions, pricing and other terms and conditions for a Service that were but no longer are filed with regulatory authorities.
IGA	Inter-Governmental Agreement - A formal contract for services between two jurisdictions under which one government agrees to provide a service to another government for an agreed price.
Hard MAC	Means a single hardware MAC performed at a SOM Remote Site by a single Contractor Employee to Equipment except where MNOC resources are used, in which case, a Hard MAC means a single hardware MAC performed at a SOM Remote Site by MNOC personnel to the Equipment.

Attachment 8 WAN Pricing Tables

Incident	An unplanned interruption to the Service or a reduction in the Quality of the. Failure of a Configuration Item that has not yet impacted Service is also an Incident. For example, failure of one disk from a mirror set.
Incident Management	Includes the following steps taken to address and Incident: Incident detection and recording; Incident classification and initial support; investigations and diagnosis; resolution and recovery; Incident closure and Incident ownership, monitoring, tracking and communication
Incumbent Local Exchange Carrier (ILEC)	A local telephone company in the United States that was in existence at the time of the breakup of AT&T into the Regional Bell Operating Companies. The ILEC is the former Bell System or Independent Telephone Company responsible for providing local telephone exchange services in a specified geographic area. GTE was the second largest ILEC after the Bells, but it has since been absorbed into Verizon, an RBOC. ILECs compete with competitive local exchange carriers (CLEC). When referring to the technical communities, ILEC is often used just to mean a telephone provider.
Interconnection Security Agreement (ISA)	An agreement between parties, usually arms of government, which defines, for data moving across a connection between the networks of the two parties, how security is addressed and how data is kept confidential, unchanged, and available.
Interface	A hardware device that handles an interface to a computer network and allows a network-capable device to access that network.
Inter-Local Access and Transport Authority (LATA) Private Line services	Provides a reliable point-to-point bandwidth solution that helps you deliver important, time-sensitive content reliably and securely. Connectivity is usually supported with 24x7 network monitoring.
Internet Control Message Protocol (ICMP)	One of the core protocols of the Internet Protocol suite. It is chiefly used by the operating systems of networked computers to send error messages - indicating, for instance, that a requested service is unavailable or that a host or router could not be reached.
Internet Protocol Flow Information Expert (IPFIX)	A standard of export for Internet Protocol flow information from routers, probes, and other devices.
Internet Service Provider (ISP)	A firm that offers subscribers access to the internet. This internet service provider maintains large runs of cabling and maintains network services in order to transfer and deliver web content to those paying the subscription fee. Typically, these internet service providers focus on DSL, Cable modem, wireless, and more recently, dedicated high-speed interconnects such as fiber optic service (typically abbreviated Fios). An Internet Service Provider is a complete package of services, which should be researched and considered before an Internet Service Provider is selected. Also known as IAP.
Internet2 Access	Internet2 is an advanced not-for-profit United States networking consortium led by members from the research and education communities, industry, and government. Internet2 operates the Internet2 Network, a next-generation Internet Protocol and optical network that delivers production network services to meet the high-performance demands of research and education, and provides a secure network testing and research environment.
Inventory Template	Means the document that SOM will send to each Managed Third Party for it to complete during Transition which will be used by Contractor to assist it in the management of such third parties. A copy of the Inventory Template will be included in the Transition Plan.

Attachment 8 WAN Pricing Tables

IPsec	Internet Protocol Security (IPSec) is a framework of open standards for helping to ensure private, secure communications over Internet Protocol (IP) networks through the use of cryptographic security services. IPSec supports network-level data integrity, data confidentiality, data origin authentication, and replay protection. Because IPSec is integrated at the Internet layer (layer 3), it provides security for almost all protocols in the TCP/IP suite, and because IPSec is applied transparently to applications, there is no need to configure separate security for each application that uses TCP/IP. IPSec helps provide defense-in-depth against Network-based attacks from untrusted computers, attacks that can result in the denial-of-service of applications, services, or the network, data corruption and data theft.
IPv4	Internet Protocol Version 4 (IPv4) is the fourth revision of the IP and a widely used protocol in data communication over different kinds of networks. IPv4 is a connectionless protocol used in packet-switched layer networks, such as Ethernet. It provides the logical connection between network devices by providing identification for each device. There are many ways to configure IPv4 with all kinds of devices - including manual and automatic configurations - depending on the network type.
IPv6	Internet Protocol version 6 (IPv6) is the latest revision of the Internet Protocol (IP), the communications protocol that provides an identification and location system for computers on networks and routes traffic across the Internet. IPv6 was developed by the Internet Engineering Task Force (IETF) to deal with the long-anticipated problem of IPv4 address exhaustion.
Issue	An identified event that if not addressed may affect schedule, scope, quality, or budget.
Lansing Metropolitan Area Network (LMAN)	A network that interconnects users with computer resources in the Lansing area and surrounding regions larger than that covered by even a large local area network (LAN) but smaller than the area covered by a wide area network (WAN). The term is applied to the interconnection of networks in a city into a single larger network (which may then also offer efficient connection to a wide area network). It is also used to mean the interconnection of several local area networks by bridging them with backbone lines. The latter usage is also sometimes referred to as a campus network.
Latency	The amount of time it takes for the host server to receive and process a request for a page object. The amount of latency depends largely on how far away the user is from the server.
Layer 3 device	A device in the Network layer of the commonly-referenced multilayered communication model, Open Systems Interconnection (OSI). The Network layer is concerned with knowing the address of the neighboring nodes in the network, selecting routes and quality of service, and recognizing and forwarding to the Transport layer incoming messages.
Local Area Network (LAN)	A computer network limited to the immediate area, usually the same building or floor of a building.
Local Exchange Carrier (LEC)	A regulatory term in telecommunications for the local telephone company.
Local Government Network (LGNet)	An Extranet VPN with a separate head-end in Lansing, secured from the intranet by its own set of firewalls and is used to manage unsecured connections to all units of local government accessing State applications.
Local Public Entity (LPE)	A publicly funded unit of government, including counties, cities, townships, schools and others, that partner with the State to establish shared networking solutions.

Attachment 8 WAN Pricing Tables

Management Information Base (MIB)	Assembles monitoring data into meaningful packages to simplify its analysis. An MIB is a database containing object identifier (OID) information. Depicted as a hierarchical structure, the MIB is the “tree” and each object is a “leaf,” identified by an OID. Levels within the MIB are assigned by different organizations. The top-level MIB OIDs belong to various standards organizations, while lower-level OIDs belong to various organizations such as network equipment manufacturers, who assign OIDs that extend the MIB with proprietary values.
Mbps	A measure of data transfer speed (a megabit is equal to one million bits). Network transmissions, for example, are generally measured in Mbps.
Medium alarm	One of a group of alarm conditions that are considered the third most severe of all reportable alarms. Medium alarms affect a single or small number of subscribers who connect to the reporting node.
Megabits	A million binary pulses, or 1,000,000 (that is, 10 ⁶) pulses (or “bits”). It’s commonly used for measuring the amount of data that is transferred in a second between two telecommunication points. For example, a U.S. phone company T-carrier system line is said to sustain a data rate of 1.544 megabits per second. Megabits per second is usually shortened to Mbps.
Memorandum of Understanding (MOU)	An agreement between parties that replaces a contract, in this case between the State of Michigan and another LPE with which the State wishes to integrate networks.
Michigan Occupational Safety and Health Administration (MIOSHA)	A state government agency that regulates workplace safety and health in the U.S. state of Michigan. Michigan OSHA is an agency within the Michigan Department of Licensing and Regulatory Affairs (LARA) and operates under a formal state-plan agreement with the Occupational Safety and Health Administration (OSHA).
Move, Add, Change (MAC)	A service that provides moves, adds and changes of network hardware and software: MACs include Hard MACs and Soft MACs.
Multicast services	Provide the ability to broadcast one or more media streams to multiple users simultaneously within a geographical region.
Multiprotocol Label Switching (MPLS)	Multiprotocol Label Switching is a network mechanism for directing and carrying data between network nodes. MPLS simplifies creation of virtual links between nodes. MPLS encapsulates packets of different network protocols. MPLS assigns labels to data packets to help control packet forwarding without having to examine packet contents. This lets end-to-end circuits cross any transport medium, using any protocol, and lets networks carry different types of data. MPLS operates between layer 2 (data link layer) and layer 3 (network layer) of the OSI model.
Near Real Time Monitoring	Near real time monitoring enables a company to record network traffic, check server availability, and monitor a network’s performance, customize alarms which can send out notifications of problems or a specified threshold is being crossed.
NetFlow	A network protocol developed by Cisco Systems to run on Cisco IOS-enabled equipment for collecting IP traffic information. It is proprietary but supported by platforms other than IOS, such as Juniper routers, Linux or FreeBSD, and OpenBSD.
Network Address Translation (NAT)	Network Address Translation is the process where a network device, usually a firewall, assigns a public address to a computer (or group of computers) inside a private network. The main use of NAT must limit the number of public IP addresses an organization or company must use, for both economy and security purposes.
Network Assessment	Typically, a thorough network assessment involves a combination of people performing SOM interviews, data collection, data analysis, report generation and recommendations.

Attachment 8 WAN Pricing Tables

Network Backbone	The network backbone is a part of computer network infrastructure that interconnects various pieces of network, providing a path for the exchange of information between different LANs or subnetworks. A backbone can tie together diverse networks in the same building, in different buildings in a campus environment, or over wide areas. Normally, the backbone's capacity is greater than the networks connected to it.
Network interface device (NID)	A device that serves as the demarcation point between the Carrier's local loop and the SOM's premises wiring.
Network Management System (NMS)	Network Management System is a combination of hardware and software used to monitor and administer a network.
Network Node	A physical network node is an active electronic device attached to a network that can send, receive, or forward information over a communications channel, such as a router, switch, workstation, or server.
Network Security Zones	The network security zones are defined to minimize network complexity, to ensure effective and efficient delivery of network services, to promote interoperability and to provide a consistent level of security for services provided within and across Zones. Zones boundaries are well-defined and respect assigned accountabilities for network security.
Network Service Provider Infrastructure	Means the Core, NOCs, NIDs, NMS's, Network Backbone and other Service Integrator, WAN Service Provider, and/or Enterprise Internet Service Provider common infrastructure used to provide the Services and any enhancements made to the same. SOM shall have no right, title or interest in the Network Service Provider Infrastructure.
Network Throughput	Network Throughput refers to the volume of data that can flow through a network. Network Throughput is constrained by factors such as the network protocols used, the capabilities of routers and switches, and the type of cabling, such as Ethernet and fiber optic, used to create a network. Network Throughput in wireless networks is constrained further by the capabilities of network adapters on client systems.
Network transport methods	Network transport methods are technologies that networks may choose to use to permit data streams to simultaneously carry different kinds of data in one stream, to raise efficiency. Different transport methods work on different layers of the OSI model.
Networking Operations Center (NOC)	Network operations center – An NOC typically oversees a network's operation, service quality, and correct data delivery.
Core	New core is the central part of a telecommunication network that provides various services to SOMs who are connected by the access network. Core/backbone network provides paths for the exchange of information between different sub-networks. For enterprise private networks serving one organization, the term backbone is more used, while for service providers, the term core network is more used.
Normal State Business Hours	Normal State working hours, depending on the State Remote Site, are 8:00 a.m. to 5:00 p.m. Daylight Saving Time, Monday through Friday.
Object Identifiers (OID)	Object identifiers uniquely identify managed objects in an MIB hierarchy.
Occupational Safety and Health Administration (OSHA)	Public Act allowing OSHA to issue workplace health and safety regulations. These regulations include limits on chemical exposure, employee access to information, requirements for the use of personal protective equipment, and requirements for safety procedures.
Outage	An occurrence within the Contractor Network, the Contractor-managed Equipment, and/or the Contractor provided access that results in the inability of the State to transmit or receive IP packets for more than one minute.

Attachment 8 WAN Pricing Tables

Physical LAN interface	A device that serves as a common interface for various other devices within a local area network (LAN), or as an interface to allow networked computers to connect to an outside network.
Point of Presence (POP)	An access point from one place to the rest of the Internet. A POP necessarily has a unique Internet Protocol (IP) address. The Internet service provider (ISP) or online service provider has a point-of-presence on the Internet and probably more than one. The number of POPs that an ISP or OSP has is sometimes used as a measure of its size or growth rate. A POP may actually reside in rented space owned by the telecommunications carrier (such as Sprint) to which the ISP is connected. A POP usually includes routers, digital/analog call aggregators, servers, and frequently frame relays or ATM switches.
Port	The physical location where information goes into or out of a computer, or both.
Portal	A Web site that is or is intended to be the first place people see when using the Web. Typically, a "portal site" has a catalog of web sites, a search engine, or both. Many portals let users enter and change content.
Problem	A cause of one or more Incidents. The cause is not usually known at the time a Problem Record is created, and the Problem Management Process is responsible for further investigation.
Problem Management Process	Means the process described in Section D.1.b of this SOW.
Problem Record	A record of the details and history of a Problem stored in the Contractors tools.
Purchased Equipment	Any equipment or other tangible products SOM purchases under this Agreement, including any replacements of Purchased Equipment provided to SOM. Purchased Equipment also includes any internal code required to operate such Equipment. Purchased Equipment does not include Software but does include any physical media provided to SOM on which Software is stored.
Quality	The ability of the Service to provide the intended value
Quality of Service (QoS)	Quality of Service is the idea that transmission rates, error rates, and other characteristics can be measured, improved, and, to some extent, guaranteed in advance. QoS is of particular concern for the continuous transmission of high-bandwidth video and multimedia information.
Remote Network Monitoring (RNM)	Provides standard information that a network administrator can use to monitor, analyze, and troubleshoot a group of distributed local area networks (LANs) and interconnecting lines from a central site. RMON specifically defines the information that any network monitoring system must be able to provide. It's specified as part of the Management Information Base (MIB).
Root Cause Analysis (RCA)	A method of problem solving that tries to identify the root causes of faults or problems that cause operating events. RCA practice tries to solve problems by attempting to identify and correct the root causes of events, as opposed to simply addressing their symptoms. By focusing correction on root causes, problem recurrence can be prevented. RCFA (Root Cause Failure Analysis) recognizes that complete prevention of recurrence by one corrective action is not always possible.
Router	A special-purpose computer (or software package) that handles the connection between two or more packet-switched networks: Routers spend all their time looking at the source and destination addresses of the packets passing through them and deciding which route to send them on.
Secure Shell (SSH)	A cryptographic network protocol for secure data communication, remote shell services or command execution and other secure network services between two networked computers that connects, via a secure channel over an insecure network, a server and a client (running SSH server and SSH client programs, respectively).
Services	Shall have the meaning given to it in Section 1.104 WORK DELIVERABLES – SERVICE INTEGRATOR.

Attachment 8 WAN Pricing Tables

Service Activation Date	The date the Service Component or Feature is made available for use by the SOM.
Service Group Availability (SGA)	Used to measure service performance.
Service Group Down Time (SGD)	The total number of out-of-service hours for a given Service Group divided by the total number of site service hours, within service Group x 100.
Service Integrator	The Service Integrator is a single vendor responsible for the smooth provisioning and operation of a multi-sourced provider environment. The Service Integrator facilitates, coordinates, and operates a multi-sourced network on behalf of the State. The State provides governance of the operation and management of the network and the Service Integrator provides best-in-class practices, tools, and design/operation consultation.
Service Level Agreements (SLA)	Contract between a network service provider and a SOM that specifies, usually in measurable terms, what services the network service provider must furnish. Many Internet service providers (ISP)s provide their SOMs with an SLA. More recently, IS departments in major enterprises have adopted the idea of writing a service level agreement so that services for their SOMs (users in other departments within the enterprise) can be measured, justified, and perhaps compared with those of outsourcing network providers.
Service Level Objective (SLO)	Service level objective – one specific area to be measured as an indicator of performance to agreement commitments, often this is one of many in a service level agreement. SLOs do not have any financial penalties if they are not achieved.
Simple Network Management Protocol (SNMP v3)	The protocol developed to manage nodes (servers, workstations, routers, switches and hubs etc.) SNMP Version 3 (SNMPv3) adds security and remote configuration capabilities to the previous versions. The SNMPv3 architecture introduces the User-based Security Model (USM) for message security and the View-based Access Control Model (VACM) for access control. The architecture supports the concurrent use of different security, access control, and message processing models. More specifically: authentication and privacy authorization and access control administrative framework and naming of entities.
Simple Network Management Protocol (SNMP)	Simple Network Management Protocol is a UDP-based network protocol. It is used mostly in network management systems to monitor network-attached devices for conditions that warrant administrative attention.
Soft MAC	Means a single software MAC performed remotely by Contractor to Equipment.
SOM	State of Michigan
State Remote Sites	Means those State owned or occupied physical locations at which Contractor provides WAN Services in accordance with the SOW.
Sub-Interface	Logical interface that uses the "parent" physical interface for actually moving the data.
Switch	Network bridge that processes and routes data at the data link layer (layer 2) of the OSI model. Switches that additionally process data at the network layer (layer 3 and above) are often referred to as Layer 3 switches or multilayer switches. A switch is a bridge with multiple ports.
Switch Uplink Utilization	Bandwidth used between switches within a Local Area Network (LAN).
Synchronous Optical Networking (SONET)	A standard multiplexing protocol based on the ITU-T standard that enables transfer of digital data streams over optical fiber using lasers or light-emitting diodes. SONET lets the network transport many circuits of different origin together in one frame protocol. SONET operates on the physical OSI layer. It is a transport protocol, not a telecommunications protocol.
Syslog	A protocol for logging, monitoring, and security messages from network devices □ as part of network management□ that allows the software generating the messages and the system storing them to remain independent.

Attachment 8 WAN Pricing Tables

Telecommunications Industry Association (TIA)	Accredited by the American National Standards Institute (ANSI) to develop voluntary, consensus-based industry standards for a wide variety of Information and Communication Technologies (ICT) products, and currently represents nearly 400 companies.
The Latency Compliancy Rate (LCR)	Total number of edge router service hours (8,760 per year) where, on a per-site basis, average latency exceeded threshold, divided by the total number of edge router service hours.
Third Party Service	A service provided directly to SOM by a third party under a separate agreement between SOM and the third party.
Time to Repair (TTR)	Measurable time a trouble ticket is established at the Service Integrator's Network Operations Center (NOC) through any means until the Service Integrator's trouble ticket is changed to resolved status after site validation.
Transport Device	Transport devices, usually bridge, gateway, are components used in Transport Layer of a network.
Transport Mechanism	A network device that operates at the Transport Layer of TCP/IP and can be thought of as a vehicle with the responsibility to make sure that its transmitted contents reach their destination safely and soundly.
Transport Services	Means separately contracted for telecommunications interconnection services.
Underwriters Laboratories (UL)	A safety consulting and certification company. UL provides safety-related certification, validation, testing, inspection, auditing, advising and training services to a wide range of clients, including manufacturers, retailers, policymakers, regulators, service companies, and consumers.
Uninterruptible Power Supply (UPS)	An uninterruptible power supply, also uninterruptible power source, UPS or battery/flywheel backup is an electrical apparatus that provides emergency power to a load when the input power source, typically mains power, fails. A UPS differs from an auxiliary or emergency power system or standby generator in that it must provide near-instantaneous protection from input power interruptions, by supplying energy stored in batteries or a flywheel.
Urban Cooperation Act of 1967	A State of Michigan legislative act that provides for inter-local public agency agreements; to provide standards for those agreements and for the filing and status of those agreements; to permit the allocation of certain taxes or money received from tax increment financing plans as revenues; to permit tax sharing; to provide for the imposition of certain surcharges; to provide for additional approval for those agreements; and to prescribe penalties and provide remedies.
Urgent alarm	Alarm condition that may affect most or all subscribers connecting to the reporting node.
User Datagram Protocol (UDP)	One of the core members of the Internet Protocol suite, the set of network protocols used for the Internet. With UDP, computer applications can send messages to other hosts on an Internet Protocol (IP) network without requiring prior communications to set up special transmission channels or data paths.
Virtual interface	Virtual interfaces resemble tunnels for granting and restricting access into a network. They separate the data sent over shared optical and IP networks into different destinations and control access to those destinations. Examples include virtual private networks (VPNs) and virtual LANs (VLANs).
Virtual Local Area Network (VLAN)	A network of computers that behave as if they are connected to the same wire though physically located on different LAN segments. VLANs are configured through software rather than hardware, which make them very flexible.
Virtual Private Network (VPN)	A network in which some of the parts of the network, often a remote user, are connected using the public Internet, but the data sent across the Internet is encrypted, so making the entire network "virtually" private.
Virtual Routing and Forwarding (VRF)	A technology that allows multiple instances of a routing table to co-exist within the same router at the same time. Because the routing instances are independent, the same or overlapping IP addresses can be used without conflicting with each other.

Attachment 8 WAN Pricing Tables

WAN Jitter	A measure of the variability over time of the packet latency across a network. Packet jitter is expressed as an average of the deviation from the network mean latency. Another term is packet delay variation.
WAN Design	Means Exhibit F – Contractor Technical Solutions Document to this SOW
WAN packet loss	Packet loss occurs when one or more packets of data traveling across a computer network fail to reach their destination. Packet loss is distinguished as one of the three main error types encountered in digital communications, the other two being bit error and spurious packets caused due to noise.
Wavelength Division Multiplexing (WDM)	Wavelength-division multiplexing is a technology that multiplexes (combines several into one, for efficiency) multiple optical carrier signals on a single optical fiber by using different colors of laser light to carry different signals. This allows multiplication in capacity and enables bidirectional communications over one fiber strand.
Web caching	Web cache is a mechanism for the temporary storage (caching) of web documents, such as HTML pages and images, to reduce bandwidth usage, server load, and perceived lag. A web cache stores copies of documents passing through it; subsequent requests may be satisfied from the cache if certain conditions are met.
Wide Area Network (WAN)	Means the SOM wide area network that interconnects an area larger than a single building or campus (e.g., between State Remote Sites).
Work Product	Means data compilations, reports and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of and in furtherance of performing the Services required by the contract that the (i) State has charged Contractor monies to develop, excluding standard license fees or standard support fees for the Service or (ii) created in accordance with specifications not provided by Contractor. Work Product shall exclude any intellectual property, including software, tools, methods, and utilities processes, specifications, designs, schematics, operating instructions, and documentation that Contractor developed prior to the Effective Date of this Agreement or independently developed outside the scope of this Agreement without the use of Confidential Information of the State.

Attachment 8 WAN Pricing Tables

ATTACHMENT 7 WAN SERVICE PROVIDER COVERAGE AREAS

Bidders proposing services check the appropriate boxes for the Michigan Counties in which services are provided. A map of Michigan counties is available on page 2.

Lower Peninsula

- | | | |
|--|--|---|
| <input type="checkbox"/> All | <input checked="" type="checkbox"/> Gratiot | <input checked="" type="checkbox"/> Montcalm |
| <input checked="" type="checkbox"/> Alcona | <input checked="" type="checkbox"/> Hillsdale | <input checked="" type="checkbox"/> Montmorency |
| <input checked="" type="checkbox"/> Allegan | <input checked="" type="checkbox"/> Huron | <input checked="" type="checkbox"/> Muskegon |
| <input checked="" type="checkbox"/> Alpena | <input checked="" type="checkbox"/> Ingham | <input checked="" type="checkbox"/> Newaygo |
| <input checked="" type="checkbox"/> Antrim | <input checked="" type="checkbox"/> Ionia | <input checked="" type="checkbox"/> Oakland |
| <input checked="" type="checkbox"/> Arenac | <input type="checkbox"/> Iosco | <input checked="" type="checkbox"/> Oceana |
| <input checked="" type="checkbox"/> Barry | <input checked="" type="checkbox"/> Isabella | <input checked="" type="checkbox"/> Ogemaw |
| <input type="checkbox"/> Bay | <input checked="" type="checkbox"/> Jackson | <input type="checkbox"/> Osceola |
| <input type="checkbox"/> Benzie | <input checked="" type="checkbox"/> Kalamazoo | <input checked="" type="checkbox"/> Oscoda |
| <input checked="" type="checkbox"/> Berrien | <input type="checkbox"/> Kalkaska | <input checked="" type="checkbox"/> Otsego |
| <input checked="" type="checkbox"/> Branch | <input type="checkbox"/> Kent | <input checked="" type="checkbox"/> Ottawa |
| <input checked="" type="checkbox"/> Calhoun | <input type="checkbox"/> Lake | <input checked="" type="checkbox"/> Roscommon |
| <input checked="" type="checkbox"/> Cass | <input checked="" type="checkbox"/> Lapeer | <input checked="" type="checkbox"/> Saginaw |
| <input checked="" type="checkbox"/> Charlevoix | <input type="checkbox"/> Leelanau | <input checked="" type="checkbox"/> Sanilac |
| <input checked="" type="checkbox"/> Cheboygan | <input checked="" type="checkbox"/> Lenawee | <input checked="" type="checkbox"/> Shiawassee |
| <input type="checkbox"/> Clare | <input checked="" type="checkbox"/> Livingston | <input checked="" type="checkbox"/> St. Clair |
| <input checked="" type="checkbox"/> Clinton | <input checked="" type="checkbox"/> Macomb | <input checked="" type="checkbox"/> St. Joseph |
| <input checked="" type="checkbox"/> Crawford | <input type="checkbox"/> Manistee | <input checked="" type="checkbox"/> Tuscola |
| <input checked="" type="checkbox"/> Eaton | <input checked="" type="checkbox"/> Mason | <input checked="" type="checkbox"/> Van Buren |
| <input type="checkbox"/> Emmet | <input checked="" type="checkbox"/> Mecosta | <input checked="" type="checkbox"/> Washtenaw |
| <input checked="" type="checkbox"/> Genesee | <input checked="" type="checkbox"/> Midland | <input type="checkbox"/> Wayne |
| <input type="checkbox"/> Gladwin | <input type="checkbox"/> Missaukee | <input type="checkbox"/> Wexford |
| <input type="checkbox"/> Grand Traverse | <input checked="" type="checkbox"/> Monroe | |

Upper Peninsula

- | | | |
|------------------------------------|------------------------------------|---------------------------------------|
| <input type="checkbox"/> All | <input type="checkbox"/> Houghton | <input type="checkbox"/> Ontonagon |
| <input type="checkbox"/> Alger | <input type="checkbox"/> Iron | <input type="checkbox"/> Presque Isle |
| <input type="checkbox"/> Baraga | <input type="checkbox"/> Keweenaw | <input type="checkbox"/> Schoolcraft |
| <input type="checkbox"/> Chippewa | <input type="checkbox"/> Luce | |
| <input type="checkbox"/> Delta | <input type="checkbox"/> Mackinac | |
| <input type="checkbox"/> Dickinson | <input type="checkbox"/> Marquette | |
| <input type="checkbox"/> Gogebic | <input type="checkbox"/> Menominee | |

Attachment 8 WAN Pricing Tables

ATTACHMENT 7 WAN SERVICE PROVIDER COVERAGE AREAS



Attachment 8

WAN Pricing Tables

Instructions for Bidder to complete the Pricing Table template:

Bidder must complete the Summary of the Service Costs and all associated tables identified. Identify all information related, directly or indirectly, to the Bidder's proposed charges for services and deliverables including, but not limited to, costs, fees, prices, rates, bonuses, discounts, rebates, or the identification of free services, labor or materials.

Identify any assumptions Bidder has made developing its Price Proposal in the **Pricing Additional Information** section provided at the end of the pricing table.

All sections in the pricing tables refer back to the categories listed in Article 1 - **Section 1.104 Work and Deliverables**.

Attachment 8 WAN Pricing Tables

Table 1: Summary of Contract Costs

Bidder please transfer category totals Table 2 and 3.

No.	Project Cost(s)	Cost (\$)	Comments
A.	Procurement of Services	<i>Reserved</i>	
B.	Contract Plan and Administration	<i>Reserved</i>	
C.	Professional Services	\$ N/A	
D.	Service Integrator	\$ N/A	
E.	Internet Service Providers	\$ N/A	
F.	Service Level Agreements	\$ N/A	
G.	Change Management	\$ N/A	
H.	Reports	\$ N/A	
I.	Business Continuity	\$ N/A	
J.	Optional Services	\$ N/A	
K.	WAN Service Provider(s)	\$ N/A	
Pricing Proposal Supplemental Work Labor Rates		\$	
Total Contract Costs		\$	

Attachment 8 WAN Pricing Tables

Table 2: WAN Service Costs

No.	Category	Resources Required	Total # of hours (Bidder to identify # of hours per resource)	Total cost Per Site (\$) (Bidder must transfer category totals to Table 1)	Comments (Bidder must explain how they arrived at the costs identified)
A. Procurement of Services					
	Pre-Sales Consulting			<i>Reserved</i>	Included as part of Frontiers customer service
	Design Services			<i>Reserved</i>	Included as part of Frontiers customer service
Total				Reserved	
B. Contract Plan and Administration					
	Transaction Plan			<i>Reserved</i>	Included as part of Frontiers customer service
	Operations Plan			<i>Reserved</i>	Included as part of Frontiers customer service
	Escalation Plan Procedures			<i>Reserved</i>	Included as part of Frontiers customer service
				\$	
C. Professional Services					
	Support Service Desk			\$	Included as part of Frontiers customer service
	CPE Management and NOC Services			\$	Included as part of Frontiers customer service
	Problem and Incident Management			\$	Included as part of Frontiers customer service
	Service Desk - Request and Change Management			\$	Included as part of Frontiers customer service
	Management and Monitoring			\$	Monitoring available for site's with Ethernet services only
	Network Assessments			\$	Included as part of Frontiers customer service
				\$	
D. Service Integrator Services					
	Bidder is to provide a full list of all WAN and WAN related services they offer. Bidder is to add rows as necessary				Frontier can provide: CPE, Backup and Recovery, Web Hosting and Development, Wi-Fi, VOIP Services, Managed Routers, Managed IT Services, Conferencing Solutions, Ethernet Private Lines
	Example: Installation Charges (construction, outside/inside cable plant)				Cost for these is associated with MRC of services obtained from Frontier

Attachment 8 WAN Pricing Tables

No.	Category	Resources Required	Total # of hours (Bidder to identify # of hours per resource)	Total cost Per Site (\$) (Bidder must transfer category totals to Table 1)	Comments (Bidder must explain how they arrived at the costs identified)
	Total			\$	
E.	Internet Service Providers				
	Installation Charges (construction, outside/inside cable plant)				Individual case basis
	Bidders is to provide a full list of all ISP Services			\$	Frontier can provide: CPE, Backup and Recovery, Web Hosting and Development, Wi-Fi, VOIP Services, Managed Routers, Managed IT Services, Ethernet Private Lines, DaaS (Desktop as a Service), BCaaS (Business Continuity as a Service), SaaS (Software as a Service), IaaS (Infrastructure as a Service)
				\$	
				\$	
F.	Service Level Agreements				
				<i>Reserved</i>	
				Reserved	
				Reserved	
G.	Change Management				
				<i>Reserved</i>	N/A
				Reserved	
H.	Reports				

Attachment 8 WAN Pricing Tables

No.	Category	Resources Required	Total # of hours (Bidder to identify # of hours per resource)	Total cost Per Site (\$) (Bidder must transfer category totals to Table 1)	Comments (Bidder must explain how they arrived at the costs identified)
	Special Reporting Per Request for reports not included in normal scope Bidder is to add rows as necessary			\$	Monitoring and reporting available for site's with Ethernet services only
				\$	
I.	Business Continuity				
				<i>Reserved</i>	N/A
				Reserved	
J.	Optional Services				
	Examples listed: Additional Project Management outside of normal scope			\$	N/A
	Work outside of normal scope mentioned in contract			\$	N/A
	Hardware Lease Bidder is to add rows as necessary			\$	N/A
	Total			\$	
K.	WAN Services to be Provided				
	Managed Services			*\$ 97,910.00	This total MRC represents a sample design based on a solution of 5MB EVPL with Platinum EVC for Ethernet sites and 6MB solution for T1 sites. Total MRC is subject to change depending on services ordered by the State. For individual break down see summary below.

Attachment 8 WAN Pricing Tables

No.	Category	Resources Required	Total # of hours (Bidder to identify # of hours per resource)	Total cost Per Site (\$) (Bidder must transfer category totals to Table 1)	Comments (Bidder must explain how they arrived at the costs identified)
	Installation Charges (construction, outside/inside cable plant)			* 817,070.00	Aggregate summary of all sites see summary below for break down. NRC is Priced on and individual basis assuming Ethernet Sites will be order one at a time and All T1 Sites ordered as a Bundle
	Bidders to provide a complete list of all services being offered			*\$ 425.00	Per Site Pricing for 5MB EVPL with Platinum EVC. Pricing for other bandwidth speeds are detailed below
	Total			*\$TBD	Total MRC and NRC are subject to change depending on services ordered by the State.
	*Reference Chart on page 8 of 17 for detailed pricing				

Attachment 8 WAN Pricing Tables

Table 3: Pricing Proposal Supplemental Work Labor Rates

Staffing Category	Firm Fixed Hourly Rate	Comments
WAN Project Manager	\$	
List any other positions:		
Total		

Notes:

1. Hourly rates quoted are firm, fixed rates for the duration of the contract. Travel and other expenses will not be reimbursed. The State will utilize the fully loaded hourly rates detailed above for each staff that will be used as fixed rates for responses to separate statements of work.

2. Actual funding for enhancements will occur on a yearly basis, and there is no guarantee as to the level of funding, if any, available to the project.

3. Unless otherwise agreed by the parties, each Statement of Work will include:
 - a. Background
 - b. Service or Project Objective
 - c. Scope of Work
 - d. Deliverables
 - e. Acceptance Criteria
 - f. Project Control and Reports
 - g. Specific Department Standards
 - h. Payment Schedule
 - i. Travel and Expenses
 - j. Project Contacts
 - k. Agency Responsibilities and Assumptions
 - l. Location of Where the Work is to be Performed
 - m. Expected Bidder Work Hours and Conditions

Attachment 8 WAN Pricing Tables

4. The parties agree that the Services/Deliverables to be rendered by Bidder using the PSA Pricing Proposal Labor Rates on this Contract will be defined and described in detail in separate Statements of Work. Bidder shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a purchase order issued against this Contract.

Pricing Additional Information

Bidders are to provide any additional details below needed to fully understand the proposed pricing contained in the cost tables. Bidders must describe any assumptions or any relevant information needed in understanding the pricing approach being proposed.

Bidders are to provide any additional details in this response box. Bidders must describe any assumptions and define State and Contractor roles as it pertains to this Contract.

Frontier's Response:

Frontier is a communications solutions provider and can offer a full spectrum of services to businesses and entities. Our goal is to consult with our customers and design a solution built around our customer needs. There is no charge for supporting the services that we commit to the State of Michigan. The cost associated to additional services will be on an individual case basis. We can offer monitoring and reporting to those sites where Frontier delivers services over Ethernet. For those sites, we also have three levels of network SLA's – Silver (included with all Ethernet solutions), Gold and Platinum.

Frontier reserves the right to modify and /or discontinue, without notice, any ISP services listed above. When applicable, Frontier will substitute any modified and/or discontinued service with like services. If the State has purchased any ISP service that is modified and/or discontinued, Frontier will support that service through the initial contracted term.

It is the goal of Frontier Communications to establish multiple redundant routes into the States data center. However, in order to satisfy this RFP, we will initially establish a mutually agreed upon meet point at St. Joe Highway and Canal St. utilizing the States existing infrastructure to deliver EVPL services to the data center. Frontier will further negotiate with the State regarding a diverse path.

Frontier has provided pricing for all bandwidth levels where Ethernet services can be offered at a standard MRC and NRC. This pricing assumes that the existing network has the capabilities to provide this bandwidth. An ICB will be used where the network needs an augment to provide requested bandwidth or the request is >1GB.

Standard Pricing					
EvPL Single Site Access		Internet	Logical Circuits		
BW	5-year	Internet Port & Silver EVC	Silver EVC	Gold EVC	Platinum EVC
1	\$250	\$59	\$42	\$55	\$68
2	\$289	\$81	\$49	\$64	\$79

Attachment 8 WAN Pricing Tables

3	\$319	\$101	\$53	\$69	\$86
4	\$335	\$119	\$56	\$73	\$89
5	\$348	\$137	\$59	\$77	\$95
6	\$363	\$153	\$61	\$79	\$98
7	\$389	\$169	\$63	\$82	\$100
8	\$400	\$186	\$64	\$84	\$103
9	\$419	\$201	\$66	\$86	\$106
10	\$435	\$217	\$68	\$88	\$109
15	\$445	\$299	\$78	\$101	\$125
20	\$467	\$360	\$88	\$115	\$141
30	\$551	\$459	\$104	\$135	\$167
40	\$635	\$516	\$120	\$156	\$192
50	\$720	\$548	\$131	\$171	\$210
60	\$790	\$623	\$138	\$179	\$220
70	\$820	\$692	\$144	\$187	\$230
80	\$905	\$754	\$148	\$193	\$238
90	\$990	\$811	\$153	\$199	\$244
100	\$1,075	\$875	\$159	\$207	\$255
200	\$1,285	\$1,455	\$178	\$231	\$285
300	\$1,404	\$2,039	\$185	\$240	\$295
400	\$1,523	\$2,581	\$192	\$249	\$307
500	\$1,642	\$2,955	\$199	\$259	\$319
600	\$1,761	\$3,510	\$204	\$265	\$326
700	\$1,880	\$4,065	\$208	\$270	\$332
800	\$1,999	\$4,620	\$212	\$275	\$339
900	\$2,118	\$5,175	\$216	\$280	\$345
1000	\$2,237	\$5,730	\$220	\$286	\$352

As part of Frontier’s commitment to provide consulting and design services at no additional cost, we have provided two examples below. The first sheet satisfies the RFP requirement of pricing for each location. The second sheet demonstrates the positive effects on NRC when we bundle common build costs across different sites.

				Per Site	Pricing 5MB EVPL
	ADDRESS	CITY	ZIP	NRC	5 YR MRC
1	1040 S. WINTER ST.	ADRIAN	49221	\$250	\$425
2	1040 S. WINTER ST.	ADRIAN	49221	\$250	\$425
3	1040 S. WINTER ST.	ADRIAN	49221	\$250	\$425
4	126 E. CHURCH	ADRIAN	49221	\$29,800	\$425
5	2451 N. ADRIAN HWY.	ADRIAN	49221	\$33,950	\$425
6	2727 E. BEECHER	ADRIAN	49221	\$33,950	\$425
7	301 N. MAIN ST.	ADRIAN	49221	\$29,800	\$425

Attachment 8 WAN Pricing Tables

8	425 N. MAIN ST.	ADRIAN	49221	\$29,800	\$425
9	113 CHESTNUT ST.	ALLEGAN	49010	\$250	\$425
10	113 CHESTNUT ST.	ALLEGAN	49010	\$250	\$425
11	3283 122ND ST.	ALLEGAN	49010	\$10,075	\$425
12	430 WESTERN AVE.	ALLEGAN	49010	\$250	\$425
13	160 E. FLETCHER ST.	ALPENA	49707	\$250	\$425
14	2666 US-23 SOUTH	ALPENA	49707	\$250	\$425
15	3283 W. WASHINGTON AVE.	ALPENA	49707	\$250	\$425
16	703 W. CHISHOLM AVE.	ALPENA	49707	\$250	\$425
17	711 W. CHISHOLM ST.	ALPENA	49707	\$250	\$425
18	720 W. CHISHOLM ST.	ALPENA	49707	\$250	\$425
19	141 FIRST ST.	COLDWATER	49036	\$5,950	\$425
20	186 E. STATE ST.	COLDWATER	49036	\$5,950	\$425
21	31 DIVISION ST.	COLDWATER	49036	\$5,950	\$425
22	34 N. MICHIGAN AVE.	COLDWATER	49306	\$5,950	\$425
23	388 KEITH WILHELM DR.	COLDWATER	49036	\$10,300	\$425
24	7 VAN AVE.	COLDWATER	49036	\$5,950	\$425
25	601-C N. FRONT ST.	DOWAGIAC	49047	\$250	\$425
26	1088 E. M-32 ST.	GAYLORD	49735	\$2,500	\$425
27	1165 ELKVIEW	GAYLORD	49734	\$2,500	\$425
28	123 N. FAIRVIEW ST.	GAYLORD	49735	\$2,500	\$425
29	1732 W. M-32 HWY.	GAYLORD	49735	\$2,500	\$425
30	1964 O'ROURKE	GAYLORD	49734	\$2,500	\$425
33	400 W. MAIN ST.	GAYLORD	49735	\$2,500	\$425
34	580 S. OTSEGO RD.	GAYLORD	49735	\$2,500	\$425
35	800 LIVINGSTON BLVD.	GAYLORD	49058	\$2,500	\$425
36	931 S. OTSEGO RD.	GAYLORD	49735	\$2,500	\$425
176	1999 WALDEN	GAYLORD	49058	\$2,500	\$425
177	209 W. FIRST ST.	GAYLORD	49735	\$2,500	\$425
178	829 W. MAIN ST.	GAYLORD	49735	\$2,500	\$425
113	7136 S. OLD US-27	GAYLORD	49734	\$37,050	\$425
31	2100 W. M-32	GAYLORD	49735	\$13,200	\$425
32	225 W. MAIN ST.	GAYLORD	49735	\$250	\$425
37	103 JAMES ST.	GRAYLING	49738	\$250	\$425
38	200 W. MICHIGAN AVE.	GRAYLING	49738	\$250	\$425
39	200 W. MICHIGAN AVE.	GRAYLING	49738	\$250	\$425
40	230 HURON	GRAYLING	49738	\$250	\$425
41	100 STATE ST.	HART	49420	\$11,850	\$425
42	216 E. LINCOLN	HART	49420	\$11,850	\$425
43	314 S. STATE ST.	HART	49420	\$11,850	\$425
44	3740 W. POLK RD.	HART	49420	\$11,850	\$425

Attachment 8 WAN Pricing Tables

45	3793 W. POLK RD.	HART	49420	\$11,850	\$425
46	4081 W. POLK RD.	HART	49420	\$11,850	\$425
47	302 N. DELIA ST.	LUDINGTON	49431	\$250	\$425
48	302 N. DELIA ST.	LUDINGTON	49431	\$250	\$425
49	5902 W. LUDINGTON AVE.	LUDINGTON	49431	\$250	\$425
50	9024 W. PARK RD.	LUDINGTON	49431	\$31,650	\$425
51	915 DIANA	LUDINGTON	49431	\$250	\$425
52	1105 N. HARRIS	MT. PLEASANT	RESTRICTED	\$250	\$425
53	1212 CORPORATE DR.	MT. PLEASANT	48858	\$250	\$425
54	1245 N. MISSION RD.	MT. PLEASANT	48858	\$250	\$425
55	1919 PARKLAND DR.	MT. PLEASANT	48858	\$250	\$425
56	207 COURT ST.	MT. PLEASANT	48858	\$250	\$425
57	2258 ENTERPRISE DR.	MT. PLEASANT	48858	\$1,750	\$425
58	300 N. MAIN ST.	MT. PLEASANT	48858	\$250	\$425
59	3580 S. ISABELLA RD.	MT. PLEASANT	48858	\$1,750	\$425
60	500 N. MISSION RD.	MT. PLEASANT	48858	\$1,750	\$425
61	1485 E. APPLE AVE.	MUSKEGON	49442	\$250	\$425
62	1990 APPLE AVE.	MUSKEGON	49442	\$250	\$425
64	316 MORRIS AVE.	MUSKEGON	49442	\$250	\$425
66	990 TERRACE	MUSKEGON	49442	\$250	\$425
63	2225 OLTHOFF DR.	MUSKEGON	49444	\$7,900	\$425
65	985 E. BARNEY ST.	MUSKEGON	49444	\$7,900	\$425
180	2500 S. SHERIDAN RD.	MUSKEGON	49444	\$4,050	\$425
67	2700 BAKER ST.	MUSKEGON HTS.	49444	\$250	\$425
68	1003 E. MICHIGAN AVE.	PAW PAW	49079	\$250	\$425
69	1037 E. MICHIGAN AVE.	PAW PAW	49079	\$250	\$425
70	108 W. MICHIGAN AVE.	PAW PAW	49079	\$250	\$425
71	205 S. KALAMAZOO	PAW PAW	49079	\$250	\$425
72	212 PAW PAW ST.	PAW PAW	49079	\$250	\$425
73	43255 60TH ST.	PAW PAW	49079	\$22,400	\$425
74	111 W. UNION	ROSCOMMON	48653	\$250	\$425
75	500 LAKE ST.	ROSCOMMON	48653	\$250	\$425
76	8717 N. ROSCOMMON RD.	ROSCOMMON	48653	\$3,450	\$425
77	8303 PLATT RD.	SALINE	48176	\$59,450	\$425
78	720 LAGRANGE ST.	SOUTH HAVEN	49090	\$250	\$425
79	100 E. STATE ST.	ST. JOHNS	49735	\$250	\$425
80	100 E. STATE ST.	ST. JOHNS	48879	\$250	\$425
81	1041 US-27	ST. JOHNS	48879	\$17,300	\$425
82	105 TOLLES RD.	ST. JOHNS	48879	\$250	\$425
83	931 S. CENTERVILLE RD.	STURGIS	49091	\$250	\$425
84	265 N. US-131	THREE RIVERS	49093	\$250	\$425

Attachment 8 WAN Pricing Tables

85	101 N. US-131	WHITE PIGEON	49099	\$250	\$425
86	221 N. STATE ST.	ALMA	48801	\$250	\$425
87	1540 AIRPORT RD.	ALPENA	49707	\$18,300	\$425
110	300 N. MAIN STREET	DAVISON	48423	\$250	\$425
111	9495 E. POTTER RD.	DAVISON	48423	\$250	\$425
117	2384 I-75	GRAYLING	48738	\$250	\$425
120	5690 M-72	GRAYLING	49738	\$250	\$425
116	1955 N. HARTWICK PINES	GRAYLING	49738	\$14,200	\$425
118	4216 RANGER RD.	GRAYLING	49738	\$27,500	\$425
119	4616 RANGER RD.	GRAYLING	49738	\$24,520	\$425
126	114 S. MAIN	ITHACA	48847	\$250	\$425
127	1876 N. STATE HWY.	ITHACA	48847	\$250	\$425
128	201 COMMERCE DR.	ITHACA	48847	\$250	\$425
129	214 E. CENTER	ITHACA	48847	\$250	\$425
133	1581 HALBERG RD.	LEWISTON	49756	\$31,650	\$425
134	2940 KNEELAND	LEWISTON	49756	\$250	\$425
144	1525 W KING ST.	OWOSSO	48237	\$10,875	\$425
145	1720 E. MAIN ST.	OWOSSO	48867	\$10,875	\$425
154	36725 DIVISION RD.	RICHMOND	48062	\$1,750	\$425
164	9235 BLUE STAR MEMORIAL HWY.	SOUTH HAVEN	49090	\$250	\$425
170	4290 MORRISH RD.	SWARTZ CREEK	48473	\$6,450	\$425
173	3737 E. GRAND RIVER ST.	WILLIAMSTON	48895	\$10,075	\$425
174	940 VENTURE LN.	WILLIAMSTON	48895	\$250	\$425

Example of effects on NRC when we bundle common build costs across different sites

	ADDRESS	CITY	ZIP	NRC	5 YR MRC	NRC if Bundled	MRC if Bundle
4	126 E. CHURCH	ADRIAN	49221	\$29,800	\$425	\$26,800	\$2,125
5	2451 N. ADRIAN HWY.	ADRIAN	49221	\$33,950	\$425		
6	2727 E. BEECHER	ADRIAN	49221	\$33,950	\$425		
7	301 N. MAIN ST.	ADRIAN	49221	\$29,800	\$425		
8	425 N. MAIN ST.	ADRIAN	49221	\$29,800	\$425		
19	141 FIRST ST.	COLDWATER	49036	\$5,950	\$425	\$0	\$2,550
20	186 E. STATE ST.	COLDWATER	49036	\$5,950	\$425		
21	31 DIVISION ST.	COLDWATER	49036	\$5,950	\$425		
22	34 N. MICHIGAN AVE.	COLDWATER	49306	\$5,950	\$425		
23	388 KEITH WILHELM DR.	COLDWATER	49036	\$10,300	\$425		
24	7 VAN AVE.	COLDWATER	49036	\$5,950	\$425		

Attachment 8 WAN Pricing Tables

26	1088 E. M-32 ST.	GAYLORD	49735	\$2,500	\$425	\$0	\$5,100
27	1165 ELKVIEW	GAYLORD	49734	\$2,500	\$425		
28	123 N. FAIRVIEW ST.	GAYLORD	49735	\$2,500	\$425		
29	1732 W. M-32 HWY.	GAYLORD	49735	\$2,500	\$425		
30	1964 O'ROURKE	GAYLORD	49734	\$2,500	\$425		
33	400 W. MAIN ST.	GAYLORD	49735	\$2,500	\$425		
34	580 S. OTSEGO RD.	GAYLORD	49735	\$2,500	\$425		
35	800 LIVINGSTON BLVD.	GAYLORD	49058	\$2,500	\$425		
36	931 S. OTSEGO RD.	GAYLORD	49735	\$2,500	\$425		
176	1999 WALDEN	GAYLORD	49058	\$2,500	\$425		
177	209 W. FIRST ST.	GAYLORD	49735	\$2,500	\$425		
178	829 W. MAIN ST.	GAYLORD	49735	\$2,500	\$425		

Frontier has also provided pricing for T1 connectivity to those sites that currently have no access to our EVPL platform. Due to the cost of delivery of these legacy circuits, Frontier is not able to provide T1 pricing on a site by site basis so they must be considered as a bundle only.

	ADDRESS	CITY	ZIP	COUNTY	NRC	5 YR MRC
88	ELKLAND CENTER	ATLANTA	49709	MONTMOREN CY	\$125,000	\$49,280 (\$880 ea)
89	11636 W. M-32	ATLANTA	49709	MONTMOREN CY		
90	12265 W. M-32	ATLANTA	49709	MONTMOREN CY		
91	13490 M-32/M-33	ATLANTA	49709	MONTMOREN CY		
92	13501 M-33	ATLANTA	49709	MONTMOREN CY		
93	16860 W. M-32	ATLANTA	49709	MONTMOREN CY		
94	8562 E. STOLL RD.	BATH	48823	CLINTON		
95	110 GROVE ST.	BELLAIRE	49615	ANTRIM		
96	205 E. CAYUGA	BELLAIRE	49615	ANTRIM		
97	207 CAYUGA	BELLAIRE	49615	ANTRIM		
98	4607 M-88 SOUTH	BELLAIRE	49615	ANTRIM		
101	110 N. BROADWAY	CASSOPOLIS	49031	CASS		
102	325 N. M-62	CASSOPOLIS	49031	CASS		
103	115 DEAN ST.	CENTERVILLE	49032	ST. JOSEPH		
104	125 W. MAIN ST.	CENTERVILLE	49032	ST. JOSEPH		
105	620 E. MAIN ST.	CENTERVILLE	49032	ST. JOSEPH		

Attachment 8 WAN Pricing Tables

106	692 E. MAIN ST.	CENTERVILLE	49032	ST. JOSEPH
107	I-69 NB AT 6 MILE MARKER	COLDWATER	49036	BRANCH
108	1042 SHIAWASSEE	CORUNNA	48817	SHIAWASSEE
109	201 N. SHIAWASSEE	CORUNNA	48817	SHIAWASSEE
112	5252 E. M-89	FENNVILLE	49408	ALLEGAN
114	12501 E. I-94	GRASS LAKE	49240	JACKSON
115	10 N. HOWES LAKE RD.	GRAYLING	49738	CRAWFORD
122	106 FIFTH ST.	HARRISVILLE	48740	ALCONA
123	205 STATE ST.	HARRISVILLE	48740	ALCONA
124	141 N. STATE	HILLMAN	49746	MONTMORENCY
125	9011 W. LAKE CITY RD.	HOUGHTON LAKE	49629	ROSCOMMON
130	61535 M-40	JONES	49061	CASS
132	RTE 1 HOWARD CITY EDMORE RD.	LAKEVIEW	48850	MONTCALM
135	11550 N. I-75	LUNA PIER	48157	MONROE
136	9679 W. STATE PARK RD.	MEARS	49436	OCEANA
137	105 S. COURT ST.	MIO	48647	OSCODA
138	1161 W. M-72	MIO	48647	OSCODA
139	191 S. WT. TOM RD.	MIO	48647	OSCODA
140	200 W. FIFTH ST.	MIO	48647	OSCODA
141	302 N. MORENCI AVE.	MIO	48647	OSCODA
142	311 MORENCI AVE.	MIO	48647	OSCODA
143	1220 WAMPLER'S LAKE RD.	ONSTED	49265	LENAWEE
146	400 W. LOWELL ST.	PENTWATER	49449	OCEANA
147	8001 COVERT	PETERSBURG	49270	MONROE
148	2565 S. GLADWIN RD.	PRUDENVILLE	48651	ROSCOMMON
155	1242 THIRD ST.	ROGERS CITY	49779	PRESQUE ISLE
156	151 E. HURON AVE.	ROGERS CITY	49779	PRESQUE ISLE
157	246 N. BRADLEY HWY.	ROGERS CITY	49779	PRESQUE ISLE
158	5001 N. US-23	ROGERS CITY	49779	PRESQUE ISLE
159	104 CONSERVATION DR.	ROSCOMMON	48653	ROSCOMMON

Attachment 8 WAN Pricing Tables

9						
16 0	106 STATE PARK DR.	ROSCOMMON	48653	ROSCOMMON		
16 1	5900 WATER RD.	ROTHBURY	49452	OCEANA		
16 2	12032 RED ARROW HWY.	SAWYER	49125	BERRIEN		
16 3	5948 SAWYER RD.	SAWYER	49125	BERRIEN		
16 6	609 N. STATE ST.	STANTON	48888	MONTCALM		
16 7	617 N. STATE ST.	STANTON	48888	MONTCALM		
16 8	657 N. STATE ST.	STANTON	48888	MONTCALM		
17 1	7200 LEWIS AVE.	TEMPERANCE	48182	MONROE		
17 2	9966 TWIN LAKES RD.	VANDERBILT	49795	OTSEGO		
17 5	10522 BOYER RD.	CARSON CITY	48811	MONTCALM		

To provide for a head end, Frontier will place approximately 700ft of 24 fiber optic cable and fiber cross connect panel at St. Joe Hwy and Canal St. The State will provide transport from the meet point to the data center. It is further assumed the State will provide Rack or Back board space in their data and supply either +24VDC, -48VDC or 115VAC. This connection will provide for both Ethernet and/or TDM services where applicable. The EVPL services associated with the head end will be 200MB at \$1,570 MRC and \$3,000 NRC.

In the last 3 years, Frontier has invested \$198 million in our Michigan infrastructure. Our commitment to bring advanced services to the market is paramount to the success of our business. Frontier will continue to invest in Michigan and our infrastructure and as our network grows and our capabilities change to allow for EVPL services, where currently not available, we will notify the State.