



# 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 11

to

Contract Number MA071B8200298C

CONTRACTOR	GOVERNMENTJOBS.COM, INC.
	222 N. Sepulveda Blvd. STE. 2000
	El Segundo CA 90245
	Paul Raspudic
	praspudic@neogov.net
	CV0015034

STATE	Program Manager	Various	Various
	Contract Administrator	Sarah Platte	DTMB
		517-219-2406	
		plattes3@michigan.gov	

CONTRACT SUMMARY				
E-Recruiting (NEOGOV)				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
September 15, 2008	September 11, 2011	100 - 12 Months	September 14, 2024	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	36 Months	<input type="checkbox"/>		September 14, 2027
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$6,847,168.00	\$2,994,707.00	\$9,841,875.00		
DESCRIPTION				
Effective 9/10/2024, three of the option years available on this Contract is hereby exercised and an increase of funding for the amount of \$2,994,707.00 is being added to support the additional time. The new Contract expiration date is 09/14/2027.				
All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement Services approval, and State Administrative Board approval on 9/10/2024.				

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

AGENCY	NAME	PHONE	EMAIL
MCSC	Susan Wilmore		WilmoreS@michigan.gov
DTMB	Kemal Tekinel		TekinelK@michigan.gov

## NEOGOV RENEWAL QUOTE FORM

NEOGOV:  Governmentjobs.com, Inc. (dba "NEOGOV") 2120 Park Pl, Suite 100 El Segundo, CA 90245 billing@neogov.com		Customer Name & Address:  State of Michigan Lansing, MI 48913 USA	
Quote Creation Date:	7/24/2024	Contact Name:	Susan Wilmore
Quote Expiration Date:	60 days from Quote Creation	Contact Email:	wilmores@michigan.gov
Payment Terms	Annual. Net 30 from NEOGOV invoice.		

## RENEWAL PRODUCTS

Service Description	9/15/24 - 9/14/25	9/15/25 - 9/14/26	9/15/26 - 9/14/27
Insight Enterprise (IN) Subscription	\$267,500	\$286,225	\$306,261
Onboard (ON) Subscription	\$92,000	\$105,800	\$121,670
Perform (PE) Subscription	\$218,500	\$251,275	\$288,966
eForms (EF) Subscription	\$308,684	\$308,684	\$308,684
Attract (AT) Subscription*	\$43,486	\$43,486	\$43,486
<b>Sub-Totals:</b>	<b>\$930,170</b>	<b>\$995,470</b>	<b>\$1,069,067</b>
<b>Grand Total:</b>			<b>\$2,994,707</b>

\*Attract (AT) Subscription is for use by State of Michigan – Department of Transportation.



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

**CONTRACT CHANGE NOTICE**

Change Notice Number **10**  
to  
Contract Number **071B8200298**

<b>CONTRACTOR</b>	GOVERNMENTJOBS.COM, INC.	<b>STATE</b>	Program Manager	Various	MCSC
	2120 Park Place, Ste 100				
	El Segundo, CA 90245		Contract Administrator	Shannon Romein	DTMB
	Paul Raspudic			(517) 898-8102	
	(714) 916-3924			romeins@michigan.gov	
	praspudic@neogov.net				
	CV0015034				

CONTRACT SUMMARY				
E-RECRUITING				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE
September 15, 2008	September 11, 2011	100 - 1 Year		September 14, 2024
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 type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE		ESTIMATED AGGREGATE CONTRACT VALUE	
\$6,347,241.00	\$499,927.00		\$6,847,168.00	
DESCRIPTION				
Effective 10/5/2023, this Contract is hereby increased by \$499,927.00 and the following amendent incorporated into the Contract to:				
- Provide the NEOGOV Attract module for Michigan Civil Service Commission for a period of 9/15/2022 to 9/14/2023 totaling \$162,059.00.				
- Provide the the NEOGOV Attract module for Michigan Civil Service Commission for a period of 9/15/2023 to 9/14/2024 totaling \$324,118.00.				
- Provide intital setup for NEOGOV Attract module for Michigan Civil Service Commission totaling \$13,750.00.				
Please note, the State's Contract Administrator has been changed to Shannon Romein and the Contract's Contract Administrator to Paul Raspudic.				
All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency, DTMB procurement and State Administrative Board approval on 9/28/2023.				

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

AGENCY	NAME	PHONE	EMAIL
MCSC	Susan Wilmore	517-284-0111	WilmoreS@michigan.gov
DTMB	Kemal Tekinel	517-284-4512	TekinelK@michigan.gov



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

<b>Project Title:</b> NEOGOV	<b>Period of Coverage:</b> 09/15/2022 – 9/14/2023
<b>Requesting Department:</b> Civil Service Commission	<b>Date:</b> 09/14/2022
<b>Agency Project Manager:</b> Susan Wilmore	<b>Phone:</b> 517-643-2247
<b>DTMB Contract Administrator:</b> Kemal Tekinel	<b>Phone:</b>

**Brief Description of Services to be provided:**

This Statement of Work (SOW) is to add funds to Contract No. 071B8200298 between the State of Michigan (SOM) and NEOGOV (Contractor) for the purchase of the Attract module.

**BACKGROUND:**

The State of Michigan currently uses four NEOGOV modules – Insight/OHC, Perform (PE), Onboard (ON) and eForms. These modules are in use statewide for the purpose of recruitment and selection, performance management, onboarding, and forms processing.

Attract is a new module offering by NEOGOV. It is a candidate relationship management tool that allows recruiters and HR offices to proactively interact with candidates for state positions. With Attract, the state can do the following:

- **Strengthen our brand** as an employer of choice
- **Manage all leads** in one central location
- **Automatically re-engage** past candidates for new job opportunities
- **Measure the impact** of recruitment initiatives

The Civil Service Commission participated in a beta pilot on the Attract tool and found the functionality useful in assisting agencies with their recruitment efforts including capturing information from recruitment fair attendees for future contact, targeted outreach for hard to fill positions, and the ability to create agency-specific marketing pages tied to recruitment campaigns.

The Attract tool will be implemented with Civil Service Commission central office resources working with outstate agency recruitment and HR offices.

NEOGOV has offered a discount on the first subscription year as well as on the setup. This SOW is for the addition of \$499,927.00 in funding to the contract to cover the purchase of the Attract module through September 2024. Please see below.

## Order Summary

### Year 1

Service Description	Start Date	End Date	Term Price
Attract Subscription	9/15/2022	9/14/2023	\$162,059.00
Year 1 TOTAL:			\$162,059.00

### Year 2

Service Description	Start Date	End Date	Term Price
Attract Subscription	9/15/2023	9/14/2024	\$324,118.00
Year 2 TOTAL:			\$324,118.00

### Year 1

Service Description	Start Date	End Date	Term Price
Attract Setup			\$13,750.00
Year 1 TOTAL:			\$13,750.00

**ORDER TOTAL:** **\$499,927.00**

## PROJECT OBJECTIVE:

Purchase and implementation of the NEOGOV Attract module in order to aide recruiters at recruitment fairs in the collection of applicant information, have a tool to use in candidate relationship management, have the ability to reach out to candidates for hard to fill positions who have previously qualified for or demonstrated an interest in similar positions, utilize direct marketing for recruitment efforts.

This project ties into the Civil Service Commission's mission, vision, and goals including attracting and retaining exceptional employees. Further, the Commission's Strategic Plan to, *Increase qualified applications for agency-identified positions by 5% by 12/31/23.*

## SCOPE OF WORK:

The project is limited to the implementation of the Attract module for use by agency recruitment and HR office staff for state classified position vacancies.

## TASKS:

Specific tasks will be identified as part of the project management process once initial participating agencies are on board.

**DELIVERABLES:**

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

Contractor must meet all requirements set forth in Contract 071B8200298.

**ACCEPTANCE CRITERIA:**

Per original contract.

**PROJECT CONTROL AND REPORTS:**

Per original contract.

**SPECIFIC DEPARTMENT STANDARDS:**

Agency standards, if any, in addition to DTMB standards.

**PAYMENT SCHEDULE:**

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

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

**EXPENSES:**

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

**PROJECT CONTACTS:**

The designated Agency Project Manager is:

Susan Wilmore  
Civil Service Commission  
Bureau of Data and Applications Support  
Capitol Commons Center, 3<sup>rd</sup> Floor  
400 S. Pine Street  
Lansing, MI 48909  
517-643-2247



wilmores@michigan.gov

The designated DTMB Project Manager is:

Kemal Tekinel  
Department of Technology, Management and Budget  
Agency Services for DTMB and Civil Service  
Mason Building  
530 W. Allegan Street  
Lansing, MI 48933  
517-284-4512  
gablerd@michigan.gov

The DTMB Contract Administrator for this project is:

**AGENCY RESPONSIBILITIES:**

Allocate sufficient resources to review and/or test deliverables.

**LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

Capitol Commons Center in Lansing, Michigan.

**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

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

No overtime will be permitted.



**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 **9**  
to  
Contract Number **071B8200298**

<b>CONTRACTOR</b>	GOVERNMENTJOBS.COM, INC.
	222 N. Sepulveda Blvd. STE. 2000
	El Segundo, CA 90245
	Daniel
	(310) 426-6304 x 103
	lmcdaniel@neogov.net
	CV0015034

<b>STATE</b>	<b>Program Manager</b>	Susan Wilmore	MCSC
		517-373-6539	
		wilmores@michigan.gov	
	<b>Contract Administrator</b>	KeriAnn Trumble	DTMB
		(517) 241-7000	
		trumblek1@michigan.gov	

CONTRACT SUMMARY				
E-RECRUITING				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS		EXPIRATION DATE BEFORE
September 15, 2008	September 11, 2011	100 - 1 Year		September 14, 2021
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"/>	3 Years	<input type="checkbox"/>		September 14, 2024
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$4,124,300.00	\$2,222,941.00	\$6,347,241.00		
DESCRIPTION				
Effective 7/28/2021, the State is exercising 3 option years available on this Contract. The revised Contract expiration date is 9/14/2024. Additionally, this Contract is hereby increased by \$2,222,941.00 for the Michigan Civil Service Commission’s ongoing maintenance and support for NEOGOV modules.				
All other terms, conditions, specifications, and pricing remain the same. Per contractor, agency, DTMB procurement and State Administrative Board approval on 7/27/2021.				



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

<b>Project Title:</b> NEOGOV	<b>Period of Coverage:</b> 09/15/2021 – 9/14/2024
<b>Requesting Department:</b> Civil Service Commission	<b>Date:</b> 06/15/2021
<b>Agency Project Manager:</b> Susan Wilmore	<b>Phone:</b> 517-643-2247
<b>DTMB Contract Administrator:</b> Kemal Tekinel	<b>Phone:</b>

**Brief Description of Services to be provided:**

This Statement of Work (SOW) is to add funds to Contract No. 071B8200298 between the State of Michigan (SOM) and NEOGOV (Contractor).

**BACKGROUND:**

The State of Michigan currently leverages NEOGOV's hosted solution to provide technology for several processes across the employee life cycle including recruitment and selection via Insight/OHC, performance management via Perform (PE), and onboarding via Onboard (ON). These modules comprise the current enterprise suite of tools available statewide. Funds are being added to the contract in order to cover maintenance costs for these modules through September 2024. In addition, two upgrades are included to further enhance the employee life cycle – eForms (EF) and Candidate Text Messaging (CTM).

eForms provides the functionality to easily build seamless routing workflows in minutes and create online forms to handle everything from complex life events to simple parking forms. It makes organization easy by managing all employee documents electronically and storing all completed forms in an employee personnel file.

Candidate Text Messaging provides a medium to reach candidates in a format that they prefer and check frequently. By adding text messaging to our recruiting strategy, we can get applicants' attention quicker than email and present the State of Michigan as an organization that is up-to-date with the latest methods of communication.

**RENEWAL PRODUCTS**

<b>Service Description</b>		<b>9/15/21 - 9/14/22</b>	<b>9/15/22 - 9/14/23</b>	<b>9/15/23 - 9/14/24</b>
Insight Enterprise Subscription (IN)		\$250,000.00	\$250,000.00	\$250,000.00
Onboard (ON)		\$80,000.00	\$80,000.00	\$80,000.00
Perform (PE)		\$190,000.00	\$190,000.00	\$190,000.00
<b>Total:</b>		<b>\$520,000.00</b>	<b>\$520,000.00</b>	<b>\$520,000.00</b>

**ADDITIONAL PRODUCTS**

<b>Service Description</b>	<b>7/1/21 – 9/14/21</b>	<b>9/15/21 - 9/14/22</b>	<b>9/15/22 - 9/14/23</b>	<b>9/15/23 - 9/14/24</b>
eForms (EF) Subscription	WAIVED	\$101,866.00	\$206,818.00	\$308,684.00
<b>Total:</b>	<b>\$0.00</b>	<b>\$101,866.00</b>	<b>\$206,818.00</b>	<b>\$308,684.00</b>

<b>Service Description</b>		<b>9/15/21 - 9/14/22</b>	<b>9/15/22 - 9/14/23</b>	<b>9/15/23 - 9/14/24</b>
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Candidate Text Messaging (CTM)		\$15,191.00	\$15,191.00	\$15,191.00
<b>Total:</b>		<b>\$15,191.00</b>	<b>\$15,191.00</b>	<b>\$15,191.00</b>

**Total**

Service Description	7/1/21 – 9/14/21	9/15/21 - 9/14/22	9/15/22 - 9/14/23	9/15/23 - 9/14/24
Insight Enterprise Subscription (IN)	N/A	\$250,000.00	\$250,000.00	\$250,000.00
Onboard (ON)	N/A	\$80,000.00	\$80,000.00	\$80,000.00
Perform (PE)	N/A	\$190,000.00	\$190,000.00	\$190,000.00
eForms (EF) Subscription	WAIVED	\$101,866.00	\$206,818.00	\$308,684.00
Candidate Text Messaging (CTM)	N/A	\$15,191.00	\$15,191.00	\$15,191.00
<b>Total:</b>	<b>\$0.00</b>	<b>\$637,057.00</b>	<b>\$742,009.00</b>	<b>\$843,875.00</b>

**PROJECT OBJECTIVE:**

The objective of the project is to take eForms and Candidate Text Messaging live in FY 2021 and beyond.

- Support eForms by working with agencies to develop electronic forms and processes to replace current manual processes
  - Beginning with the Remote Work Agreement
- Standardize Executive Branch agency processes through the use of eForms for state-defined forms
- Enhance remote work processes by removing the need for manual form completion and signatures
- Implement integration to move completed HR forms into employee folders in Content Manager
- Capture data to provide metrics
- Increase internal communication
- Implement Candidate Text Messaging in recruitment

**SCOPE OF WORK:**

This SOW is for the addition of \$2,222,941.00 to the contract to cover maintenance fees on subscriptions to Insight/OHC (IN), Onboard (ON), Perform (PE), eForms (EF) and Candidate Text Messaging (CTM) to further enhance the employee life cycle management through September 2024.

Out of scope items include modules not listed here.

**TASKS:**

1. Assign roles and responsibilities for the development, implementation, roll-out, and measurement of the overall eForms program structure, methodology, processes, and measurement/reporting.
2. Identify existing capacity of team members
3. Determine if further resources are needed
4. Develop a project schedule that includes development, implementation, roll-out, and measurement phases.
5. Identify deliverables and activities needed to complete deliverables.
6. Develop an implementation plan for the project that will include key dates and actions to roll-out system functionality, training, and all processes, procedures, and requirements throughout MCSC.
7. Design evaluation tools for participants and create a method for collecting, assessing, and acting on feedback from new hires, HR offices, agency support staff, and the project team.
8. Develop a communication plan that will encompass the initial effort, as well as, deployment throughout the state.
9. Develop a training plan, including all materials, schedule, locations, etc.

**DELIVERABLES:**

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them. Deliverables for this project include: access to eForms in UAT and Production; access to Candidate Text Messaging in Production. Access to training and support materials.

Contractor must meet all requirements set forth in Contract 071B8200298.

**ACCEPTANCE CRITERIA:**

Per original contract.

**PROJECT CONTROL AND REPORTS:**

Per original contract.

**SPECIFIC DEPARTMENT STANDARDS:**

Agency standards, if any, in addition to DTMB standards.

**PAYMENT SCHEDULE:**

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

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

**EXPENSES:**

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

**PROJECT CONTACTS:**

The designated Agency Project Manager is:

Susan Wilmore  
Civil Service Commission  
Office of Business Applications Support  
Capitol Commons Center, 3<sup>rd</sup> Floor  
400 S. Pine Street  
Lansing, MI 48909  
517-643-2247  
wilmores@michigan.gov

The designated DTMB Project Manager is:

Kemal Tekinel  
Department of Technology, Management and Budget  
Agency Services for DTMB and Civil Service  
Mason Building

530 W. Allegan Street  
Lansing, MI 48933  
517-284-4512  
gablerd@michigan.gov

The DTMB Contract Administrator for this project is:

**AGENCY RESPONSIBILITIES:**

Allocate sufficient resources to review and/or test deliverables.

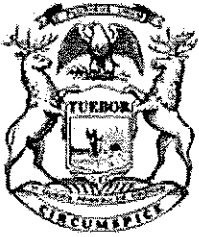
**LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

Capitol Commons Center in Lansing, Michigan.

**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

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

No overtime will be permitted.



# STATE OF MICHIGAN ENTERPRISE PROCUREMENT

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

## CONTRACT CHANGE NOTICE

Change Notice Number 8

to

Contract Number 071B8200298

<b>CONTRACTOR</b>	NEOGOV/Governmentjobs.com, Inc.
	222 N. Sepulveda Blvd. STE. 2000
	El Segundo, CA 90245
	Daniel
	(310) 426-6304 x 103
	lmcdaniel@neogov.net
	CV0015034

<b>STATE</b>	Susan Wilmore	MCSC
	517-373-6539	
	wilmores@michigan.gov	
	Mike Breen	DTMB
	(517) 249-0428	
	breenm@michigan.gov	

### CONTRACT SUMMARY

#### E-RECRUITING

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
September 15, 2008	September 11, 2011	100 - 1 Year	September 14, 2018
PAYMENT TERMS		DELIVERY TIMEFRAME	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

#### MINIMUM DELIVERY REQUIREMENTS

### DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	36 months	<input type="checkbox"/>		September 14, 2021
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$2,708,300.00	\$1,416,000.00	\$4,124,300.00		

### DESCRIPTION

Effective with State Administrative Board approval (9/11/18) and mutual signature the contract is amended to exercise three one year options (evergreen clause) to 9/14/2021 and add three years of additional funding for maintenance and support of \$1,416,000.00 All other terms and conditions remain the same.

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

AGENCY	NAME	PHONE	EMAIL
MCSC	Susan Wilmore	517-373-6539	wilmores@michigan.gov





# 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 7  
to  
Contract Number 071B8200298

<b>CONTRACTOR</b>	NEOGOV/Governmentjobs.com, Inc.
	222 N. Sepulveda Blvd. STE. 2000
	El Segundo, CA 90245
	Scott Letourneau
	(310) 426-6304 x 103
	scott@neogov.com
	*****8748

<b>STATE</b>	Program Manager	Wilmore Susan	MCSC
		517-373-6539	
		wilmores@michigan.gov	
	Contract Administrator	Jarrod Barron	DTMB
		(517) 284-7045	
		BarronJ1@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: E-Recruiting				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
September 15, 2008	September 11, 2011	2 - 1 Year options; Evergreen	September 14, 2018	
PAYMENT TERMS		DELIVERY TIMEFRAME		
NA		NA		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			X Yes                      No	
MINIMUM DELIVERY REQUIREMENTS				
NA				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$2,625,300.00		\$ 83,000.00	\$2,708,300.00	

**DESCRIPTION:** Effective September 8, 2016, the parties add \$83,000.00 for the attached statement of work to add and configure the NEOGOV Onboarding module. All other terms, conditions, specifications and pricing remain the same. Per contractor, agency, and DTMB Procurement agreement.

**DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> SOM Online Employee Lifecycle Management Initiative	<b>Period of Coverage:</b> 08/01/2016-09/30/2017
<b>Requesting Department:</b> Civil Service Commission	<b>Date:</b> 08/03/2016
<b>Agency Project Manager:</b> Susan Wilmore	373-6539
<b>DIT Contract Liaison:</b> Dave Gabler	335-4097

**BACKGROUND:**

The State of Michigan currently leverages NEOGOV's hosted solution to provide technology for several processes across the employee life cycle including recruitment, selection, and performance management. In accordance with the Governor's Priority to Reinvent Michigan by Reinventing Government it is the goal of this program to further expand the use of technology to include standardization of onboarding and the use of social media in recruitment.

On September 14, 2009, the Michigan Civil Service Commission (MCSC) implemented NEOGOV Insight as its online recruitment and selection tool for all Executive Branch agencies. On February 11, 2013, the MCSC began rolling out NEOGOV PE as the performance management tool for Executive Branch agencies. Additional MCSC projects in 2014 include the use of NEOGOV Facebook Integration for State of Michigan (government) Job Opportunities.

Currently there is no single onboarding tool available to Executive Branch agencies. Some agencies have websites specific to bringing on new employees; some agencies have orientation programs; no agencies have the ability to automatically notify the candidate upon hire with information and electronic forms for completion and provide notification to other interested parties (nameplate, computer, phone, etc.) in order to have everything ready for the employee on their first day. This project will standardize onboarding within Executive Branch agencies and implement the NEOGOV Onboard module as the new statewide tool. The vendor, NEOGOV, will provide the hosted software and technical and business process expertise to assist the MCSC in implementing Onboard as a statewide system, just as was done for Insight and PE.

Onboard functionality will further align the MCSC with the Governor's priority to Keep Our Youth – our future – here. The implementation of the Onboard module will provide new employees with a more modern and relevant experience with the State of Michigan right from the start of their employment. The use of technology and social media will support the Governor's goal to have the State of Michigan recognized as understanding the growing importance that social technology plays in we live, work, and play.

This project will increase the efficiency of the State of Michigan's Human Resources operations. Today, managers and employees are being asked to work as efficiently and effectively as possible to provide services to the citizens of the State of Michigan with the resources available so their time is valuable. Implementing new technology allows them to concentrate their time and effort on duties related to their department's strategic goals.

**PROJECT OBJECTIVES:**

- Support MCSC Onboarding project
- Standardize Executive Branch agency onboarding processes
- Begin onboarding new employees as of their date of hire including employee first day information, required forms completion, and State of Michigan processes for office, phone, security, etc.
- Streamline processes through the use of standard/state-defined forms and templates
- Capture data to provide metrics

- Increase internal communication

### **SCOPE, TASKS AND DELIVERABLES:**

Contractor shall perform the following tasks:

- Attend Kickoff meeting
- Map pre-existing configuration requirements from existing Infor Enwisen system to the NEOGOV Onboarding module
- Implement Onboarding software module, including providing configuration, unit testing, and go-live support
- Develop and implement API to the State's Human Resource Management Network (HRMN) for new hires.
- Assist State Project Manager with developing schedule and identifying milestones
- Assist State Project Manager with business process re-engineering, where applicable
- Assist State Project Manager with keeping project team on track with identified goals
- Provide technical assistance creating data files for export from Onboarding module into HRMN

### **ACCEPTANCE CRITERIA:**

Deliverables will not be considered complete until the MCSC and DTMB Project Managers have formally accepted them. The following high-level acceptance criteria apply:

#### **Document Deliverables**

- Documents are dated and in electronic format, compatible with State of Michigan software.
- Any changes to requirements once they are approved will be captured in the change control document and the revised Work Requests.
- Draft documents are not accepted as final deliverables.
- The documents will be reviewed and accepted in accordance with the requirements of the Contract and Appendices.
- 

#### **Software Deliverables - General**

Software includes, but is not limited to, software product, development tools, support tools, data migration software, integration software, and installation software.

- Beta software is not accepted as final deliverable.
- The software will be reviewed and accepted in accordance with the requirements of the contract.
- DTMB will review software within a mutually agreed upon timeframe for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery, and operation.
  - Approvals will be written and signed by both the DTMB Project Manager and Agency Project Manager.
  - Unacceptable issues will be documented and submitted to the Contractor.
  - After issues are resolved or waived, the Contractor will resubmit software for approval within 30 days of receipt.
- Software is installed and configured, with assistance from DTMB, in an appropriate environment (e.g. development, conversion, QA testing, UAT testing, production, and training).
- Contingency plans, de-installation procedures, and software are provided by the Contractor and approved by both the DTMB Project Manager and Agency Project Manager.
- Final acceptance of the software will depend on the successful completion of User Acceptance Testing (UAT).
- Testing will demonstrate the system's compliance with the requirements of the Contract. At a minimum, the testing will confirm the following:
  - Functional - the capabilities of the system with respect to the functions and features described in the Contract.

- Performance - the ability of the system to perform the workload throughput requirements. All problems should be completed satisfactorily within the allotted time frame.
- DTMB will review test software, data, and results within a mutually agreed upon timeframe. In the absence of an agreed timeframe, existing contract terms will control.
  - Approvals will be written and signed by both the DTMB Project Manager and Agency Project Manager.
  - Unacceptable issues will be documented and submitted to the Contractor.
  - After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval within 30 days of receipt.
- Software source code, where applicable, is reviewed by DTMB within a mutually agreed upon timeframe for readability, structure, and configuration management.
  - Approvals will be written and signed by both the DTMB Project Manager and Agency Project Manager.
  - Unacceptable issues will be documented and submitted to the Contractor.
  - After issues are resolved or waived, the Contractor will resubmit source code for approval.
- Deliverable approval process outlined in the contract terms has been followed and met.

### **Project-Specific Acceptance Criteria / Requirements**

The following acceptance criteria apply to this project's Scope Items:

- Onboarding module is installed in test environment
- Onboarding module is configured per the pre-existing requirements
- Onboarding module is integrated with HRMN system
- Data has been migrated from the NEOGOV Insight module to the NEOGOV Onboarding module
- Onboarding module has been moved into production environment
- Documentation has been provided identifying the fulfillment of each software requirement

### **PROJECT CONTROL AND REPORTS:**

As defined in contract 071B8200298

### **PROJECT SCHEDULE:**

The preliminary project schedule is shown below. The parties may revise this plan during project kickoff.

Task	Accountable Party	Target Completion Date	Actual Completion Date	Delay	Reason for delay	Updated timeline
1 Task						
2 Creation of Onboarding Forms	Customer	10/7/16				
3 Review of detailed security permissions on Forms	Both	10/21/16				
4 Creation of Onboarding Checklists	Customer	11/18/16				
5 Creation of Onboarding Portals	Customer	12/2/16				
6 Creation of Form workflows post submission if not handled in Checklists	Both	12/9/16				
7 Testing with sample employee	Customer	12/30/16				
8 Production Review	Both	1/2/17				
9 Go Live	Customer	1/2/17				
10						
11 API						

### **PAYMENT SCHEDULE:**

This is a firm fixed, deliverables based agreement. Payment will be made in one lump sum after the State formally accepts all deliverables listed in this statement of work. The cost and effort breakdown are as follows:

Item	Cost (\$)
Onboard Software License (9/15/16 – 9/14/17)	80,000
Onboard Software Setup	0
Onboard Software Training	0
API to HRMN – New Hire Integration Setup	3,000

<b>Total</b>	<b>\$83,000</b>
--------------	-----------------

**PROJECT CONTACTS:**

The designated Agency Project Manager is:

Susan Wilmore  
Michigan Civil Service Commission  
400 South Pine Street  
Lansing, MI 48909  
wilmore@s@michigan.gov  
517.373.6539

The designated DTMB Project Manager is:

Dave Gabler  
Department of Technology, Management and Budget  
530 West Allegan Street  
Lansing, MI 48909  
gablerd@michigan.gov  
517. 284.4512

The designated Contractor Project Manager is:

Mitch Boland  
Onboard Implementation Team  
NEOGOV  
222 North Sepulveda Boulevard, Suite 2000  
El Segundo, CA 90245  
310.658.5750

**LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

Contractor will perform all work remotely.

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

**CHANGE NOTICE NO. 6**  
 to  
**CONTRACT NO. 071B8200298**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
NEOGOV/Governmentjobs.com, Inc. 222 North Sepulveda Blvd, Suite 2000 El Segundo, CA 90245	Scott Letourneau	scott@neogov.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(310) 426-6304 x103	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	MCSC	Susan Wilmore	517-373-6539	wilmores@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	David Hatch	517-284-7044	hatchd@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: E-RECRUITING			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 12, 2008	September 11, 2011	2, 1 Year Options; Evergreen	September 14, 2015
PAYMENT TERMS		DELIVERY TIMEFRAME	
N/A		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	3 Years	<input type="checkbox"/>		September 14, 2018
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$1,755,300.00		\$870,000.00	\$2,625,300.00	

**DESCRIPTION:** Effective September 13, 2015 this contract is extended for three years; and is increased by \$870,000.00 with annual maintenance and support payments of \$290,000.00 each year per attached vendor letter and price quote. The revised contract expiration date is September 14, 2018. All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on September 10, 2015.

**Insight Enterprise (IN)**  
**Performance Evaluation (PE)**

<b><u>Account Detail:</u></b>		<b><u>NEOGOV Contact:</u></b>	
State of Michigan Susan Wilmore 517-373-6539 wilmore@s@michigan.gov		Sara Clancy <a href="#">NEOGOV</a> Regional Account Manager Email: <a href="mailto:sclancy@neogov.com">sclancy@neogov.com</a> Direct line: 310-658-5709 Fax line: 310-426-6305	
<b><u>Quote Date:</u></b>	9/14/2016		
<b><u>Valid To:</u></b>	9/30/2015		
<b><u>Requested Service Date:</u></b>	TBD	<b><u>Initial Term:</u></b>	36 Months

**Order Summary:**

Item	Annual Recurring Price	One-time Price
<b>1.0 Insight Enterprise</b>		
1.1 License Subscription	\$100,000.00	
1.2 Provisioning		\$0.00
1.3 On-line User Training		\$0.00
<b>2.0 Performance Evaluation</b>		
2.1 License Subscription	\$190,000.00	
2.2 Provisioning		\$0.00
2.3 On-line User Training		\$0.00
<b>Total:</b>	<b>\$290,000.00</b>	

This agreement is effective upon execution and is extended for an initial term of 12 months.

**1.0 Insight Enterprise Edition**

**1.1 License Subscription**

The Customer's subscription to the Insight Hiring Management Software includes the following functionality:

**Recruitment**

- Customized online job application
- Accept job applications online
- Online applications integration with current agency website
- Online job announcements and descriptions
- Automatic online job interest cards
- Proactively search your applicant database
- Real-time database of all applicant information
- Recruitment and examination planning

**Selection**

- Create, store, and reuse supplemental questions in the Insight item bank
- Screen applicants automatically as they apply
- Define unique scoring plans per recruitment, or copy existing scoring plans
- Test Item bank (optional in TMS)
- Conduct item analysis
- Test processing (automatically input Scantron test data sheets)\*
- Test analysis and pass-point setting
- Score, rank, and refer applicants

**Applicant Tracking**

- Email and hardcopy notifications
- EEO Data collection and reports
- Track applicants by step/hurdle
- Schedule written, oral, and other exams
- Detailed applicant history record
- Skills tracking and matching

## **Reporting and Analysis**

- Collect and report on EEO data
- Analyze and report on adverse impact and applicant flow
- Track and analyze data such as time-to-hire, recruitment costs, staff workload, applicant quality, etc.
- Over 80 standard system reports
- Ad Hoc reporting tool

## **HR Automation**

- Create and route job requisitions
- Refer and certify applicants electronically
- Scan paper application materials

\* Cost of the scanner is not included unless listed on Exhibit A – ORDER FORM

\* Requires a Scantron or similar Optical Mark Reader (OMR) scanner, special forms, form set-up, and scanner software, which are not included unless listed on Exhibit A – ORDER FORM

Additionally, during the term of the subscription, the Customer will be provided:

### **Unlimited Customer Support (6:00 AM – 6:00 PM PT)**

Customer Support shall be provided to the Customer both on-line and by telephone Monday – Friday, 6:00 AM – 6:00 PM PT (excluding NEOGOV holidays).

### **Product Upgrades to Licensed Software**

Customer shall receive all product upgrades to purchased package. Product upgrades are automatic and available upon the next login following a product upgrade rollout. Product upgrade rollouts are generally released every three months.

## **1.2 Provisioning**

The following activities are conducted as part of the Insight Enterprise implementation

- Conduct a project kick off meeting to review the project timeline, deliverables, and establish project expectations
- NEOGOV will establish an Agency-specific training environment that will be used during training and post-training to allow the Agency to learn the system and begin defining new roles, responsibilities, and activities within the HR staff
- NEOGOV will provide all required user exercises and user guides to the Agency.
- Once the core user community is comfortable with the system (typically within 10 hours of hands-on use) they will train the remaining HR staff to complete their tasks using Insight.
- Between the training and go-live, NEOGOV will complete the following activities:
  - Creating an agency-specific training environment which is used by your agency during training and afterwards to train in prior to moving into production
  - Configure printable job bulletin
  - Integrate your new production job opportunities, promotional opportunities, and class specifications web pages into your existing agency website
  - Establish the Agency's Insight Enterprise production environment

## **1.3 Training**

NEOGOVS will deliver training to Agency recruiters. We will provide all required user exercises and user guides to the Agency.

Following the training, your agency will have full access to the training environment. Additionally, your agency has full access to our Customer Support Help Desk during the training to help new users fully utilize Insight. Our existing customers find that this unique implementation approach enables their users to become familiar with Insight in a safe environment, promoting system use and leading to a more successful rollout.

## **2.0 NEOGOV Performance Evaluation (PE)**

### **2.1 PE Subscription License**

The annual license for the NEOGOV Performance Evaluations Software includes the following:



- Configurable Performance Evaluations
- Team Grouping
- Goal Library
- Shareable Competency Content
- Goal Copying
- Ability to Re-use Goals
- Org Charts
- Archiving Forms
- Uploading Content
- Development Goals
- Configurable Workflow
- Ability to Design Custom Forms
- Form Templates
- Configurable Rating Scales
- Batch Form Creation
- Goal Alignment
- Goal Hierarchy
- Writing Assistant –Shared Content

Additionally, during the term of the subscription, the Customer will be provided:

### **PE Provisioning**

The following activities are conducted as part of the NEOGOV PE implementation

- Assign a NEOGOV project implementation specialist
- Conduct project kick off conference call to provide an overview of the system, review implementation plan, and discuss deliverables timeline, project roles and assignments
- Establish your agency's performance evaluation environment

Provide import of existing employee data into the system (**PE Online Training**)

Training is a one-time cost and includes the following:

- Unlimited online training with on-demand, self-running tutorials
- Access to monthly conference calls with PE users
- Access to the online NEOGOV Community, a discussion forum to network with other users and provide answers to your PE questions
- Customer Support shall be provided to the Customer both on-line and by telephone Monday – Friday, 6:00 AM – 6:00 PM PT (excluding NEOGOV holidays).

June 24, 2015

Ms. Susan Wilmore  
State of Michigan  
425 W. Ottawa St  
Lansing, MI 48913

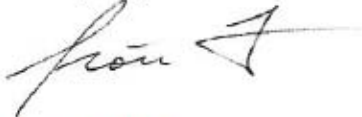
RE: Contract Extension

Dear Ms. Wilmore,

We are please to inform you that NEOGOV has agreed to offer a 3-year contract term with 2 additional 1-year options that may be used at the State's discretion. Please note that all terms and conditions set forth in the original agreement remain in effect for the entirety of this offer.

We look forward to our continued relationship with the State of Michigan.

Best Regards,

A handwritten signature in black ink, appearing to read "Scott", followed by a stylized flourish or arrow pointing to the right.

Scott Letourneau

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

**CHANGE NOTICE NO. 5**  
 to  
**CONTRACT NO. 071B8200298**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
NEOGOV/Governmentjobs.com, Inc. 222 North Sepulveda Blvd, Suite 2000 El Segundo, CA 90245	Scott Letourneau	<a href="mailto:scott@neogov.com">scott@neogov.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(310) 426-6304 x103	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	MCSC	Susan Wilmore	517-373-6539	<a href="mailto:wilmores@michigan.gov">wilmores@michigan.gov</a>
BUYER	DTMB	David Hatch	517-284-7044	<a href="mailto:hatchd@michigan.gov">hatchd@michigan.gov</a>

CONTRACT SUMMARY:			
DESCRIPTION: E-RECRUITING			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 12, 2008	September 11, 2011	2, 1 Year Options	September 14, 2014
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	1 Year	September 14, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$290,000.00		\$1,755,300.00		

Effective September 11, 2014, this contract is extended for one year; and is increased by \$ 290,000.00. The revised contract expiration date is September 14, 2015.

Please note the buyer has been changed to David Hatch.

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on September 11, 2014.

23 July 2014

Ms. Susan Wilmore  
State of Michigan  
425 W. Ottawa St  
Lansing, MI 48913  
RE: Contract Extension

Dear Ms. Wilmore,

We are please to inform you that NEOGOV has agreed to extend your contract for one (1) additional year. Please note that all terms and conditions set forth in the original agreement remain in effect for the entirety of this extension.

We look forward to our continued relationship with the State of Michigan.

Best Regards,



Scott Letourneau  
President

**Order Form****NEOGOV™****EXHIBIT A – ORDER FORM**

<b>Customer:</b> State of Michigan		<b>Bill To:</b> State of Michigan	
<b>Quote Date:</b> 7/29/2014	<b>Revision:</b> 1		
<b>Valid From:</b> 7/29/2014	<b>Order Number:</b>		
<b>Valid To:</b>	<b>Initial Term:</b> 12 Months		
<b>Requested Service Date:</b> TBD			

**Order Summary NOTE:** The following discounts are available if the contract is pre-paid for the specified number of years: 2 year = 4% discount, 3 year = 6% discount, 4 years = 8% discount, 5 years = 10% off your ongoing annual license

Line	Description <sup>1</sup>	Annual Recurring Cost	Non-Recurring Cost
1.0	<u>Insight Enterprise Edition</u>		
1.1	<u>Subscription License</u>	\$100,000.00	\$ .00
2.0	<u>Performance Evaluation</u>		
2.1	<u>Subscription License</u>	\$190,000.00	\$ .00
Order Total:		\$290,000.00	
Included with License			
Unlimited Customer Support M – F, 6:00 AM – 6:00 PM PT		Included	
Product Upgrades to Licensed Software		Included	

**NOTES:**

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

September 13, 2013

**CHANGE NOTICE NO. 4**  
to  
**CONTRACT NO. 071B8200298**  
between  
**THE STATE OF MICHIGAN**  
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
NEOGOV/Governmentjobs.com, Inc. 222 North Sepulveda Blvd, Suite 2000 El Segundo, CA 90245	Scott Letourneau	<a href="mailto:scott@neogov.com">scott@neogov.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(310) 426-6304 x103	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	MCSC	Susan Wilmore	517-373-6539	<a href="mailto:wilmores@michigan.gov">wilmores@michigan.gov</a>
BUYER	DTMB	Joe Kelly	517-373-3993	<a href="mailto:Kellyj11@michigan.gov">Kellyj11@michigan.gov</a>

CONTRACT SUMMARY:			
DESCRIPTION: E-RECRUITING			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 12, 2008	September 11, 2011	2, 1 Year Options	September 14, 2013
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 Year	September 14, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$515,000.00		\$1,465,300.00		

Effective immediately, this Contract is hereby EXTENDED to September 14, 2014 and is INCREASED by \$515,000.00.

All other terms, conditions, specifications, and pricing remain the same.

Per agency and vendor agreement, DTMB Procurement approval, and the approval from the State Administrative Board dated September 13, 2013.

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

March 9, 2012

CHANGE NOTICE NO. 3  
TO  
CONTRACT NO. 071B8200298  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF CONTRACTOR <b>NEOGOV/Governmentjobs.com, Inc.</b> <b>222 North Sepulveda Blvd, Suite 2000</b> <b>EISegundo, CA 90245</b>  <b>Email: <a href="mailto:scott@neogov.com">scott@neogov.com</a></b>		TELEPHONE Scott Letourneau <b>(310) 426-6304 x103</b>
		CONTRACTOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-3993 <b>Joe Kelly</b>
CONTRACT COMPLIANCE INSPECTOR: <b>E-RECRUITING</b>		
CONTRACT PERIOD: From: <b>September 12, 2008</b> To: <b>September 14, 2013</b>		
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>	
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>	
ALTERNATE PAYMENT OPTIONS: <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other		
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		

**NATURE OF CHANGE(S):**

Effective immediately, this contract is hereby **INCREASED** by \$285,000.00 and the attached Statement of Work is incorporated to accommodate necessary system changes.

**AUTHORITY/REASON(S):**

Per vendor (2/15/2012), agency and approval of the State Administrative Board on March 20, 2012.

**INCREASE: \$285,000.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$950,300.00**



Contract No. 071B8200298  
Change Notice No. 3  
Signature Block

FOR THE CONTRACTOR:

NEOGOV/Governmentjobs.com, Inc.

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Jeff Brownlee, Chief Procurement Officer

Name/Title

DTMB-Procurement

Division

Date

Item	Recurring Price	One-time Price	Extended Price
1.0 Performance Evaluation			
1.1 Annual License Subscription	\$190,000.00		\$190,000
1.2 Monthly License Subscription (March 14, 2013 thru September 14, 2013)	\$15,833.34		\$95,000
1.3 Provisioning		Waived <del>(\$25,000.00)</del> Included at no cost	\$0.00
1.4 On-line User Training		Waived <del>(\$15,000.00)</del> Included at no cost	\$0.00
<b>Total:</b>			<b>\$285,000</b>

## 1. NEOGOV Performance Evaluation (PE)

### 2.1 License Subscription to NEOGOV's Performance Evaluation Software (PE)

#### Unlimited Customer Support (6:00 AM – 6:00 PM PT)

Customer Support shall be provided to the Customer both on-line and by telephone Monday – Friday, 6:00 AM – 6:00 PM PT (excluding NEOGOV holidays).

#### Product Upgrades to Licensed Software

Customer shall receive all product upgrades to purchased package. Product upgrades are automatic and available upon the next login following a product upgrade rollout. Product upgrade rollouts are generally released every three months.

### 2.2 Provisioning

The following activities are conducted as part of the Performance Evaluation implementation.

- Conduct a project kick off meeting to review the project timeline, deliverables, and establish project expectations
- Provision the Customer's production environment and provide all required credentials and login information

### 2.3 Training

The Customer will have unlimited access to the NEOGOV Community and will have unlimited access to online training throughout the life of the contract. NEOGOV will provide all required user exercises and user guides to the Customer via the NEOGOV Community.

## 2. PROJECT OBJECTIVE:

- Support MCSC performance pilot
- Support DTMB's IP3 – individual performance pilot project
- Align employee work to specific and measurable outcomes that are aligned to priorities of the Departments and the Executive Office of the Governor
- Improve reporting capabilities
- Monitor individual performance relative to goals
- Streamline processes through the use of custom evaluation forms and templates

- Capture data to provide metrics
- Increase internal communication

### **3. SCOPE OF WORK:**

- 1) Create an overall structure and methodology for the deployment of an individual employee scorecard program that is linked to department and state goals, strategies, and metrics and can be used by all departments across the state.
- 2) Develop a clear set of instructions and a process for managers and supervisors to use in creating the alignment to department and state goals, through the use of competencies, objectives, and performance metrics for each employee.
- 3) Develop a clear set of instructions and a process for managers, supervisors, and employees to use to measure and report on progress made through key performance metrics.
- 4) Create a set of tools, including a comprehensive “How to do Individual Performance in Other Areas of State or Local Government” handout that can be utilized across state government.
- 5) Design, coordinate, and deliver a pilot training program that will include a detailed instructor guide, participant guide, and other handouts, tools, and/or templates for managers, supervisors, and employees regarding the new individual scorecard program and processes.
- 6) Develop an evaluation method to collect feedback from participants who attend the pilot training sessions to use for future program and/or training improvements.
- 7) Refine competency and objective alignment to department goals, with the expectation that all employees will have performance plans in place which include individual, measurable objectives, aligned with the department’s goals.

### **4. TASKS:**

- 1) Develop a project charter, scope, and framework.
- 2) Confirm executive sponsorship and support.
- 3) Assign roles and responsibilities for the development, implementation, roll-out, and measurement of the overall program structure, methodology, processes, measurement/reporting, and pilot.
- 4) Estimate resource requirements -
  - Identify existing capacity of team members
  - Determine if further resources are needed
- 5) Develop a project schedule that includes development, implementation, roll-out, and measurement phases.
- 6) Identify and determine impact of executive requirements and input -
  - State goals
  - Department goals/strategies/priorities/initiatives/metrics
  - MCSC strategic plan
  - DTMB strategic plan
  - ICT Assessment
  - Governor’s Employee Engagement Survey competencies
- 7) Identify deliverables and activities needed to complete deliverables.
- 8) Create shared competencies that will run horizontally through the program areas and employee objectives, which will run vertically through the department.

- 9) Develop an implementation plan for the pilot project that will include key dates and actions to roll-out the department's goals/strategies/metrics, system functionality, training, and all processes, procedures, and requirements throughout MCSC and DTMB to support the State's Performance Management Program.
- 10) Design evaluation tools for pilot participants and create a method for collecting, assessing, and acting on feedback from managers, supervisors, employees, instructors, and the project team.
- 11) Develop a communication plan that will encompass the initial effort, as well as, deployment throughout the state.
- 12) Develop a training plan, including all materials, schedule, locations, etc. for managers, supervisors, and employees regarding the new individual scorecard program and processes.

**5. PROJECT CONTROL AND REPORTS:**

As defined in contract 071B8200298

**6. PAYMENT SCHEDULE:**

As defined in contract 071B8200298

**7. PROJECT CONTACTS:**

The designated Agency Project Manager is:

Susan Wilmore  
Michigan Civil Service Commission  
400 South Pine Street  
Lansing, MI 48909  
[wilmores@michigan.gov](mailto:wilmores@michigan.gov)  
517.373.6539

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

August 30, 2011

CHANGE NOTICE NO. 2  
TO  
CONTRACT NO. 071B8200298  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF VENDOR <b>NEOGOV/Governmentjobs.com, Inc.</b> <b>222 North Sepulveda Blvd, Suite 2000</b> <b>El Segundo, CA 90245</b>		TELEPHONE Scott Letourneau <b>(310) 426-6304 x103</b>
		VENDOR NUMBER/MAIL CODE
Email: <a href="mailto:scott@neogov.com">scott@neogov.com</a>		BUYER/CA (517) 373-3993 <b>Joe Kelly</b>
Contract Compliance Inspector: Mark Lawrence		
<b>E-RECRUITING</b>		
CONTRACT PERIOD:	From: <b>September 12, 2008</b>	To: <b>September 14, 2013</b>
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>	
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		

**NATURE OF CHANGE(S):**

Effective immediately, this contract is hereby **EXTENDED** to September 14, 2013 and **INCREASED** by \$186,200.00. Please also note that the buyer has been **CHANGED** to Joe Kelly. All other terms, conditions, pricing and specifications remain the same.

**AUTHORITY/REASON(S):**

Per vendor, agency and approval of the State Administrative Board on September 15, 2011.

**INCREASE: \$186,200.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$665,300.00**

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

January 11, 2010

CHANGE NOTICE NO. 1  
TO  
CONTRACT NO. 071B8200298  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF VENDOR <b>NEOGOV/Governmentjobs.com, Inc.</b> <b>222 North Sepulveda Blvd, Suite 2000</b> <b>El Segundo, CA 90245</b>  Email: <a href="mailto:scott@neogov.com">scott@neogov.com</a>	TELEPHONE Scott Letourneau <b>(310) 426-6304 x103</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 335-4804 <b>Pam Platte</b>
Contract Compliance Inspector: Mark Lawrence	
<b>E-RECRUITING</b>	
CONTRACT PERIOD: From: <b>September 12, 2008</b> To: <b>September 11, 2011</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE(S):**

Per Executive Directive 2009-03, the vendor has offered the following price concessions to the State:

Effective immediately, the remaining balance is reduced by 5%. The new remaining balance is \$93,100.00 (\$98,000.00 - \$4,900.00 = \$93,100.00), for a total savings of \$4,900.00.

Please note that the buyer for this contract is changed to Pam Platte. In addition, the Contract Compliance Inspector has been changed to Mark Lawrence (517-241-1640).

**AUTHORITY/REASON(S):**

Per vendor, MDIT, MDCS and DMB agreement.

**DECREASE: \$4,900.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$479,100.00**

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

September 18, 2008

NOTICE  
OF  
CONTRACT NO. 071B8200298  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF CONTRACTOR <b>NEOGOV/Governmentjobs.com, Inc.</b> <b>222 North Sepulveda Blvd, Suite 2000</b> <b>El Segundo, CA 90245</b>  Email: <b>scott@neogov.com</b>	TELEPHONE <b>Scott Letourneau</b> <b>(310) 426-6304 x 103</b>
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 335-4804 <b>Douglas Collier</b>
Contract Compliance Inspector: Cindy Turben	
<b>E-RECRUITING</b>	
CONTRACT PERIOD: From: <b>September 12, 2008</b> To: <b>September 11, 2011</b>	
TERMS	SHIPMENT
<b>N/A</b>	<b>N/A</b>
F.O.B.	SHIPPED FROM
<b>N/A</b>	<b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	
MISCELLANEOUS INFORMATION:	

Estimated Contract Value: \$484,000.00

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

September 18, 2008

NOTICE  
OF  
CONTRACT NO. 071B8200298  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF CONTRACTOR <b>NEOGOV/Governmentjobs.com, Inc.</b> <b>222 North Sepulveda Blvd, Suite 2000</b> <b>El Segundo, CA 90245</b>		TELEPHONE <b>Scott Letourneau</b> <b>(310) 426-6304 x 103</b>
		CONTRACTOR NUMBER/MAIL CODE
Email: <u>scott@neogov.com</u>		BUYER/CA (517) 335-4804 <b>Douglas Collier</b>
Contract Compliance Inspector: Cindy Turben		
<b>E-RECRUITING</b>		
CONTRACT PERIOD: From: <b>September 12, 2008</b>		To: <b>September 11, 2011</b>
TERMS	SHIPMENT	
<b>N/A</b>	<b>N/A</b>	
F.O.B.	SHIPPED FROM	
<b>N/A</b>	<b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		
MISCELLANEOUS INFORMATION:		

Estimated Contract Value: **\$484,000.00**



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

**CONTRACT NO. 071B8200298**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

**NAME & ADDRESS OF CONTRACTOR**

NEOGOV/Governmentjobs.com, Inc.  
222 North Sepulveda Blvd, Suite 2000  
El Segundo, CA 90245

**TELEPHONE Scott Letourneau**

**(310) 426-6304x103**

**CONTRACTOR NUMBER/MAIL CODE**

(2) 33-0888748 (001)

**BUYER/CA (517)335-4804**

Email: scott@sineoaov.com

Douglas Collier

**Contract Compliance Inspector; Cindy Turben**

E-RECRUITING

**CONTRACT PERIOD:**

**From:** September 12, 2008

**To:** September 11, 2011

**TERMS**

**SHIPMENT**

N/A

•

N/A

**F.O.B.**

**SHIPPED FROM**

N/A

N/A

**MINIMUM DELIVERY REQUIREMENTS**

N/A

**MISCELLANEOUS INFORMATION:**

The terms and conditions of this Contract are those of REQ#084R8200208 and this Contract Agreement, in the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: \$484,000.00\_\_\_\_\_



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

CONTRACT NO. 071B8200298

between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF CONTRACTOR NEOGOV/Governmentjobs.com, Inc. 222 North Sepulveda Blvd, Suite 2000 El Segundo, CA 90245  Email: <u>scott@neogov.com</u>		TELEPHONE Scott Letourneau (310) 426-6304 x 103 CONTRACTOR NUMBER/MAIL CODE (2) 33-0888748 (001) BUYER/CA (517) 335-4804 Douglas Collier
Contract Compliance Inspector: Cindy Turben		
E-RECRUITING		
CONTRACT PERIOD: From: September 12, 2008		To: September 11, 2011
TERMS	SHIPMENT	
N/A	N/A	
F.O.B.	SHIPPED FROM	
N/A	N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		
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FOR THE CONTRACTOR:

NEOGOV

Firm Name

Authorized Agent Signature

Scott Letourneau, President

Authorized Agent (Print or Type)

9/11/08

Date

FOR THE STATE:

Signature

Douglas Collier, Buyer

Name/Title

IT Division

Division

9/12/08

Date

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
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and

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Email: <b>scott@neogov.com</b>		BUYER/CA (517) 335-4804 <b>Douglas Collier</b>
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<b>Estimated Contract Value: \$484,000.00</b>		

FOR THE CONTRACTOR:

NEOGOV

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Douglas Collier, Buyer

Name/Title

IT Division

Division

Date



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## **Article 1 – Statement of Work (SOW)**

### **1.000 Project Identification**

#### **1.001 Project Request**

The potential for a significant number of retirements by the Baby Boomer generation over the next five years will have an unprecedented impact on recruitment and hiring in the immediate future. In this age of technology, applicants expect to respond to job postings electronically. To be competitive, employers must provide this online service. The State of Michigan (State), through the Michigan Civil Service Commission (MCSC), with assistance of the Michigan Department of Information Technology (MDIT), has issued this Statement of Work (SOW) to obtain a fully integrated web-based solution that will meet public sector HR needs in the areas of recruiting, selection, testing, applicant tracking, certification and hiring.

The State seeks to have services begin upon execution of the contract, with full implementation of the system to be completed within 90 days, or as agreed to by both parties.

#### **1.002 Background**

The Civil Service Commission (Commission) is empowered by the Constitution of the State of Michigan (Article XI, Section 5), which states:

The Civil Service Commission shall classify all positions in the classified service according to their respective duties and responsibilities, fix rates of compensation for all classes of positions, approve or disapprove disbursements for all personal services, determine by competitive examination and performance exclusively on the basis of merit, efficiency, and fitness the qualifications of all candidates for positions in the classified service, make rules and regulations covering all personnel transactions, and regulate all conditions of employment in the classified service.

The Commission carries out this charge through the State Personnel Director, who promulgates rules and regulations and formulates policies to achieve the Commission's constitutionally required objectives. Through these mechanisms Civil Service can fulfill its mission of providing the best human resource services to attract and retain an effective state workforce.

Under the direction of the State Personnel Director, Civil Service staff strives to provide innovative, high-quality human resource services to state agencies. We are charged with creating and operating a state employment system of recruitment, placement, evaluation, compensation, and professional development, and we are committed to ensuring that the system is one that provides managers with effective employees.

As it stands today, the State has a primarily decentralized application and recruitment process. Recruitment and selection activities are handled by human resources staff assigned to each of eighteen principal departments and their agencies within the State. While a custom developed Vacancy Posting website allows agencies to publish available positions with the State for the purpose of public dissemination, each individual agency maintains its own recruitment staff, procedures, and processes. Along with paper-based manual processes, some agencies also have internal automation efforts related to recruitment. Applicants desiring to apply for state government positions in Michigan are presented with a myriad of differing agency requirements and applications procedures, as well as a potential for mandatory additional agency-specific forms.

With each posting, the hiring agency provides links to the required application documents for download into MS Word and Adobe Acrobat. While in some cases the documents can be completed interactively, more commonly the applicant is instructed to print the documents for manual completion. Generally, agencies do not accept applications through email. The technology capability exists, but most agencies require all applications to contain the applicant's signature. This practice requires applicants to mail, fax, or hand-deliver their applications and to submit an application for each vacancy. Review and screening of these applications is a manual, time-consuming process. It is not unusual to receive hundreds of applications for one vacancy posting.



The current website, which provides the public easy access to the majority of state vacancies and the ability to download and complete an application for employment, is only the small, first step toward a centralized efficient and effective recruitment and selection system. The goal and objective of this project is to provide an online recruitment system to standardize collection of applications for most state positions, negating the need for the many unique, paper-based applications currently used by each agency. Additionally, the project requires a toolset with functionality that will eliminate the labor intensive manual efforts associated with tasks such as applicant screening.

Information provided herein is intended solely to assist contractors in the preparation of proposals. To the best of the State's knowledge, the information provided is accurate. However, the State does not warrant such accuracy, and any variations subsequently determined will not be construed as a basis for invalidating the SOW.

### **1.100 Scope of Work and Deliverables**

#### **1.101 In Scope**

The purpose of this Contract is to establish a vendor hosted "Service", on-line, web based electronic recruitment system that will integrate all phases of the employment process, from the initial job requisition to the demographics of the applicant selected for employment.

To meet the expected challenges of recruiting and hiring its needed workforce of today and particularly tomorrow, Michigan state government needs to update its recruitment and selection processes significantly. To accomplish that update, the project needs must, at a minimum include the following scope:

- Implementation
  - Business Requirements Gathering
  - Setup
  - Installation
- Training
- Annual License
- Annual Maintenance & Support

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

#### **1.102 Out Of Scope**

- Hardware, Software
- Application Design
- Application Development
- Onsite Technical Support
- Knowledge Transfer/Transition

#### **1.103 Environment**

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

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and products provided as a result of this SOW must comply with all applicable State IT policies and standards in effect at the time the SOW is issued. The Contractor awarded the contract must request any exception to State IT policies and standards in accordance with MDIT processes. It will be the responsibility of the State to deny the exception request or to seek a policy or standards exception.

Contractor is required to review all applicable links provided below.



### **Enterprise IT Policies, Standards and Procedures:**

<http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html>

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

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

### **Enterprise IT Security Policy and Procedures:**

<http://www.michigan.gov/dit/0,1607,7-139-34305-108216--,00.html>

### **IT Strategic Plan:**

<http://www.michigan.gov/dit/0,1607,7-139-30637-135173--,00.html>

### **IT eMichigan Web Development Standard Tools:**

[http://www.michigan.gov/documents/Look\\_and\\_Feel\\_Standards\\_2006\\_v3\\_166408\\_7.pdf](http://www.michigan.gov/documents/Look_and_Feel_Standards_2006_v3_166408_7.pdf)

### **The State Unified Information Technology Environment (SUITE):**

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

### **CONTRACTOR'S ENVIRONMENT**

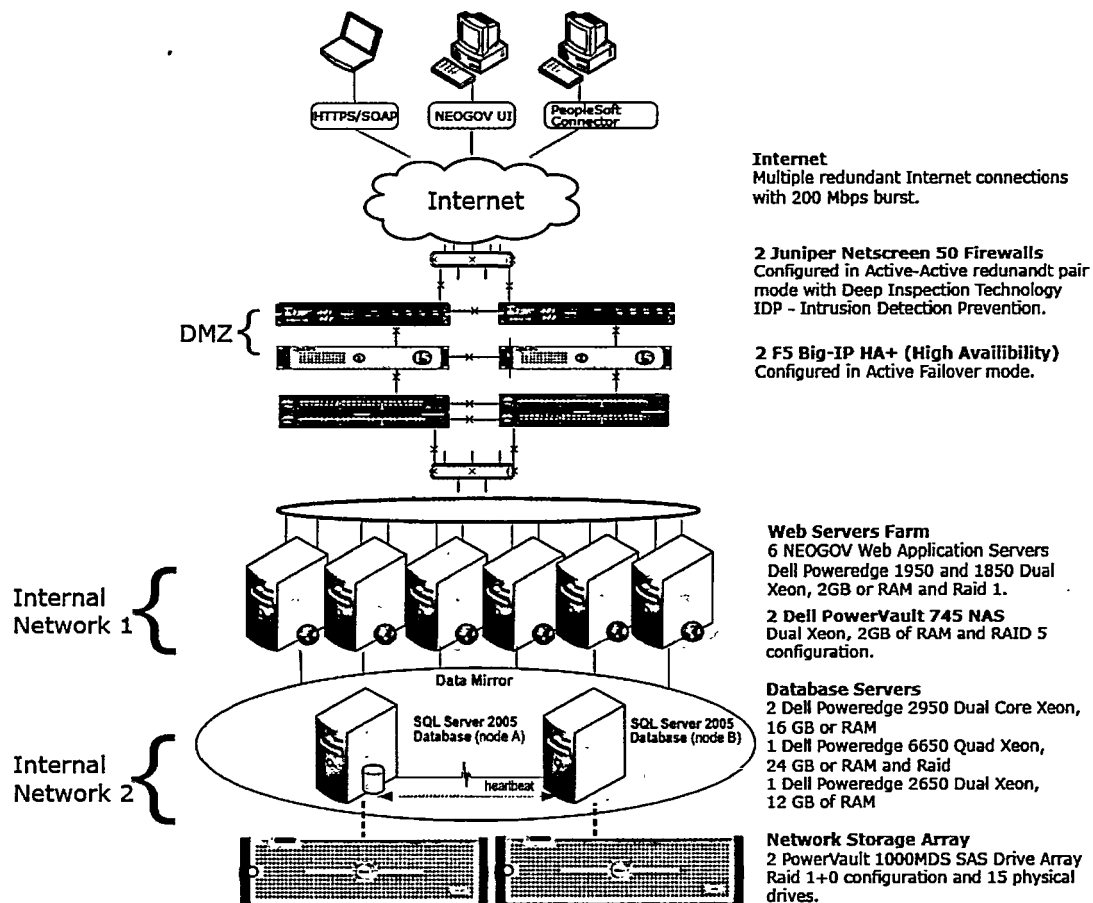
NEOGOV is a hosted solution, offered as a Software as a Service. Under this model, there are no infrastructure requirements for the State. In addition, NEOGOV currently works with nearly 300 public sector agencies nationwide and we meet, adhere to, and/or exceed, every agency's IT Policies, Standards or Procedures pertaining to data access, retention, security, and more. We have reviewed the State's requirements listed above and are happy to provide any information as evidence of our compliance.

For the State's consideration, NEOGOV operates both our primary and secondary (hot site) data centers for our customers. NEOGOV systems are hosted at the Tier 1 (ATT/SBC) Internet Data Center which is state-of-the-art Internet Data Center (135,000+ square foot; \$150 million+ facility) is built with extensive security and reliability. NEOGOV owns, operates and manages all its network and security equipment – including firewalls, switches, load balancers, SAN/NAS devices etc.

ATT/SBC Internet Data Center is a TIER 1 Internet Data Center with multiple redundant OC-192's and OC-48's SONET Ring circuits that connect to multiple ISP backbones and it is one of the largest facilities in the State providing significant amounts of the bandwidth and network needs for the Southern California. The ATT/SBC Internet Data Center runs on a completely redundant, end-to-end CISCO network. Enhanced Interior Gateway Routing Protocol and Hot Standby Routing Protocol are enabled, providing seamless connectivity in a fail-over situation. NEOGOV has failover connectivity to ATT/SBC switching equipment providing complete redundancy. NEOGOV is responsible for managing, configuring, and maintaining the computer and networking equipment and each piece of networking and server equipment is configured to be redundant with no single point of failure. NEOGOV is utilizing multiple Internet connections load balanced through firewalls and switches enabling NEOGOV to get up to 200 Mbps burst to provide for maximum bandwidth scalability. Our primary and secondary data centers are geographically separated and all data is replicated via encrypted VPN channel in real-time to allow for uninterrupted service, maximum availability, and data redundancy.



NEOGOV has implemented multi-layer security including physical, network and perimeter, application user authentication and data encryption (Insight Enterprise), internal systems security and authentication (Firewalls and Switches), Operating System Security and Authentication, Database Security and Authentication, including firewall segmentation of internal production networks (DMZ, web servers, database and storage) separated by Juniper Firewalls and Intrusion Detection Prevention. Database is stored on a primary database server cluster that is clustered for redundancy. All customer data can be stored on disk storage that is mirrored across different storage arrays and controllers. NEOGOV also has developed procedures for recommended server configuration with hardened security and a checklist to disable all unnecessary services based on performed industry standard host hardening techniques, such as hardening passwords, removing unnecessary system and user accounts, and configuring operating system specific functions to make the systems more secure. For additional information, please see the Sample Network Infrastructure Diagram below:



#### 1.104 Work And Deliverable

The Contractor shall provide a "Software for Services" solution to meet the State's objectives outlined in Section 1.002, Background and in accordance with the requirements as set forth in Appendix

#### I. Services (work) To Be Provided and Deliverables

##### A. Implementation - Business Requirements Gathering, Set Up, and Installation

During implementation the contractor will work closely with the State's implementation team to gather and understand existing recruitment, selection, and applicant tracking processes/workflow. This enables the contractor to understand the State's existing processes and how the State can facilitate its process by the software and it also allows the contractor the opportunity to work with the State to identify areas of workflow



improvements to get the most out of the project. The end result will enable the contractor to design each training session to teach the software functionality in a manner specifically tailored to the agency's recruitment and selection processes.

The contractor has created and validated a nationwide public sector industry benchmark and workflow that consists of 160 individual steps involved in public sector recruitment, selection, testing, applicant tracking, and certification. The contractor will provide a copy of this document to the State as part of the implementation and validate the workflow aligns with the State processes and workflow and then will train the State based upon the findings. This process has proven very successful and allows the contractor to provide even more relevant and applicable training to the State Staff.

The contractor and the State project team will discuss possible integration scope and requirements further to develop a detailed implementation plan for the analysis, design, build, and testing phases.

In addition to the guidance provided by the contractor's in-house Implementation Specialist, the contractor will provide an online user guide, user exercises and implementation tracking tools to assist the State in the set-up of the system and management of the project. Implementation tools includes:

- **Online user guide** – The online user guide covers every capability, functionality, and link throughout the entire system. The user guide is approximately 200 pages and is available on any Insight Enterprise screen by clicking the 'Help' link. The online user guide functions much like Microsoft help guides wherein the help documentation is available online and interactive including text and topic searching, indexes throughout the document, and a glossary of terms.
- **User Exercises** – NEOGOV has documented thorough step-by-step user exercises that the State can use to learn, refresh, or train on Insight Enterprise. The exercises are very detailed and cover the majority of Insight functions that are used on a day-to-day basis. This document is over 70 pages.
- **Implementation Task Checklist and Issue Tracking Tools** – NEOGOV will provide the State with checklist of each of the tasks and set-up tables that need to be completed prior to implementation. The contractor's Implementation Specialist will be available to guide the State through the set-up process. Additionally, we provide a template for issues tracking to assist you in project management and coordination of question/issue resolution with NEOGOV. During the weekly phone calls, NEOGOV's Implementation Specialist will review the State's Issues List with State staff to respond to questions and issues that arise during the implementation process.

#### **Deliverables:**

- Project implementation specialist assigned
- Project kick off meeting conducted, implementation plan reviewed, deliverables timeline discussed, and set schedule for weekly implementation meetings
- Weekly implementation status meetings conducted between the implementation specialist and the DIT and CS Project Manager (and required staff)
- Gathered business rules, regulations, processes, workflow, and desired external system integrations
- Create and provide all required deliverables tracking metric tools with the State.
- Received final approval on all tracking metric tools.
- State-specific testing environment created which is used by the State during training and afterwards to train in prior to moving into production.
- Available integration options analyzed and scoped out
- Design, configure, and test required integration points and data migration mapping scope and effort.
- Configuration customization required during initial set up of the system performed
- Integration scope, business requirements, and timelines defined and validated – State and NEOGOV must define scope of external SAP integration. (If required for this contract)
- Training plan developed
- System capabilities and requirements configured



- Application form customized
- Printable job bulletins and printable class specifications configured
- Required external-facing State web sites configured
- Integrate new production job opportunities, promotional opportunities, transfer opportunities, and class specifications web pages into SOM existing agency website.
- State's enterprise production environment established
- Transition documentation created
- Transition activities conducted

### **Acceptance Criteria:**

High level acceptance criteria for Document and Services Deliverables are listed in Section 1.501. Additional criteria includes:

- MCSC and MDIT will review a Request for Approval of Services within a mutually agreed upon timeframe from completion or implementation.
- Approvals will be written and signed by MCSC and MDIT Project Managers.
- Unacceptable issues will be documented and submitted to the Contractor.
- After issues are resolved or waived, the Contractor will resubmit a Request for Approval of Services for approval within 7 days of receipt.
- The Contractor has the tools and connectivity installed, in compliance with MDIT standards, to properly support and monitor the application.

## **B. Training and Documentation**

### **Pre-Implementation Onsite Training :**

On site training will require a classroom environment with one PC with internet access per user is necessary to conduct the training. Additionally, a PC with internet access and a projector is necessary for the NEOGOV instructor.

- Two day session for HR Recruiter/HR Personnel (15-20 train-the trainer users)  
This training is very thorough and comprehensive and will cover all aspects of the Insight Enterprise solution beginning with creating and routing a requisition for approval all the way through hiring a candidate and completing the on boarding paperwork. This training is designed as a "train-the-trainer" approach and is the fundamental training for hands-on Recruiters to not only learn and use the HR portion of the system, but to also learn how to use the Hiring Manager portion of the system so that they can train the hiring managers at a later time. Additional time will be included to address any questions, identify the most effective "train-the-trainer" approach, discuss in detail some of the process improvements and workflow improvements that the State can take advantage of.
- Three, one-day sessions for non-train-the trainers (15-20 users per sessions) This training will review the system on a more "high level" than the core train-the-trainers and will provide a system overview as well as allow the participants to complete user exercises that will train them on their respective duties as they apply to Insight Enterprise.
- One day session for Recruitment Support/HR Assistants to learn how to answer user questions about the online application, search for applications, view applicant mater profiles (to answer, "what job did the applicant apply for", where are they in the process", etc.), print applications, view applicant dispositions, generate applicant notices, and other administrative functions. Alternatively, training can also be conducted as an online training, if desired.

**Pre-Implementation On Line Training:**

System Administrator training for staffing personnel designated by the State will be provided via online tutorial. This 50 minute comprehensive tutorial includes Insight System Administration Role, Set-up of tables in Training and Production Environment, and Instructions for setting up system Administration tables, and can be viewed as often as necessary.

Additionally, NEOGOV provides the following online trainings which can be scheduled and attended by any customer:

- Insight 101: Training Refresher
- Insight 102: System Administrator's Training
- Insight 203: Auto-Scoring and Minimum Qualification Screening
- Insight 204: Exam Processing
- Insight 205: Filtering
- Insight 206: Eligible List Management
- Insight 207: Reports

**Post-Implementation Online Training:**

Contractor will be available to support State staff as necessary after implementation.

Post –Implementation training and support is outlined in Section 1.104 Work and Deliverables 1. F. Maintenance and Support.

**Deliverables:**

- Pre-Implementation training and documentation delivered to staff
- Post-Implementation online training provided per Section 1.104 Work and Deliverables 1.f. Maintenance and Support.

**Acceptance Criteria:**

High level acceptance criteria for Document and Services Deliverables are listed in Section 1.501. All deliverables must be completed.

**C. Documentation**

In addition to the standard training documentation outlined in Section 1.104 Work and Deliverables, 1B Training above, the contractor will provide additional documentation, information and resources as part of the knowledge transfer process and extended Ongoing Learning Management. The contractor will prepare and provide all required user and maintenance documentation in both hardcopy and electronic format.

Documentation includes (as applicable):

- System Operations
- System Technical Documentation
- System End User's Documentation
- Help Desk Documentation
- System Technical Schematics and Data Dictionary
- As-Built Documentation of all Configuration, Modification, and/or Programming
- System Back-up and Recovery procedures
- System Maintenance Documentation

The contractor offers a comprehensive online documentation and training resource as part of 'Help and Support' which consists of documentation and guides, customer support, forums, and training. The



Customer Success Center is a resource which consists of documentation and guides (such as, implementation, user, administration, and scoring plan guides) to ensure success with the Insight system throughout all stages. This center also offers a document library to which customers' access and post guides individually created. The customer support resource consists of an online and phone contact system for customers to receive feedback on technical inquiries troubleshooting solutions. The forums resource provides an online community to enable customers to ask questions, view announcements, and share knowledge. Furthermore, the contractor offers a training resource in which customers can (at any time) access a variety of self-running tutorials and sign up for live online training.

All customers have immediate access to the contractor's comprehensive online user guide, which covers every capability, functionality, and link throughout the entire system. The user guide is approximately 200 pages and is available on any Insight Enterprise screen by clicking the 'Help' link. The online user guide functions much like Microsoft help guides wherein the help documentation is available online and interactive including text and topic searching, indexes throughout the document, and a glossary of terms.

### **Deliverables:**

1. User manuals
2. Technical manuals
  - a. The following documentation is available in electronic format will be provided:
    - i. User and Technical Manuals
    - ii. Operations Manual
    - iii. All updates of documentation during the term of the Contract, software license, and maintenance agreement
  - b. The documentation of components, features, and use of the hardware/software shall be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.
  - c. The Vendor must notify the State of any discrepancies or errors outlined in the system, operations, and user documentation.

### **Acceptance Criteria:**

Acceptance criteria for Document and Service Deliverables are listed in Section 1.501.

## **D. Annual License with Automatic Product Upgrades**

The annual license for the enterprise software includes all the following:

### **Recruitment**

- Accept job applications online
- Online applications integrations with current agency website
- Online job announcements and descriptions
- Attract "passive" applications with automatic job interest cards
- Proactively research applicant database
- Real-time database of all applicant information
- Recruitment and examination planning

### **Selection**

- Create, store, and reuse supplemental questions in the item bank
- Screen applicants automatically as they apply
- Define unique scoring plans per recruitment, or copy existing scoring plans
- Item bank and item analysis
- Test processing (automatically input test data sheets)





- Test analysis and passpoint setting
- Score, rank, and refer applicants

### **Applicant Tracking**

- Email and hardcopy notifications
- EEO Data Collection and reports
- Track applicants by step/hurdle
- Schedule written, oral, and other exams
- Detailed applicant history record
- Skills tracking and matching

### **Reporting and Analysis**

- Collect and report on EEO data
- Analyze and report on applicant flow
- Track/analyze data such as time-to-hire, recruitment costs, staff workload, etc.
- 80+ standard system reports
- Ad Hoc reporting tool

### **Product Upgrades to Licensed Software**

The State shall receive all product upgrades to purchased package. Product upgrades are released quarterly and are automatically available upon the next login following a product upgrade rollout. Product upgrades include all updated user documentation, guides, tutorials, and online demonstrations.

### **Deliverables**

- Annual license renewal
- Automatic upgrades

### **Acceptance Criteria:**

High Level Acceptance criteria for Service and Document Deliverables are listed Section 1.501.

### **F. Maintenance and Support**

Contractor will be available to support State staff as necessary after implementation. Standard support and training available to users includes:

#### **o Unlimited Customer Support (6:00 AM – 6:00 PM Pacific Time)**

NEOGOV Customer Support Help Desk shall be provided to the State by telephone Monday – Friday, 6:00 AM – 6:00 PM Pacific Time (excluding NEOGOV holidays).

#### **o Multiple online trainings per month – contractor conducts multiple online trainings per month that are delivered in two formats: Insight 101 for beginner users and Insight 200 level for more advanced users. Contractor has found this to be a great avenue for users to become more familiar with the software, learn best practices, and also learn advanced software capabilities that may not have been explored by the agencies before.**

#### **o Bi-Weekly Customer Conference Calls – contractor provides a free forum every other week for all customers to call into a conference call to speak directly with NEOGOV and each other on any topics, questions, and ideas. These conference calls are a great service to the customers due to the fact that the contractor is providing a free forum for agencies to discuss the “topics of the day” such as new HR public sector challenges, what other agencies are doing in the way of advancements, etc. The objective is to create and facilitate a strong network community of public sector agencies nationwide.**



- **Quarterly release trainings** – Contractor offers free online quarterly release training that reviews all of the enhancements and provides a demonstration of all of the new capabilities, as well. The online training guides are updated with these quarterly rollouts.
- **User Forum** – Contractor hosts an online user forum for all of our customers within Insight and the State will have free, unlimited access to that forum. There are many great ideas, topics, suggestions, thoughts, etc. in the user forum and it is a great tool for any public sector agency.
- **Online Training** – NEOGOV delivers a series of sex online training per month which include:
  - **Insight 101: Training Refresher Course (2 ½ hours)**  
This class is an overview of the basic Insight Enterprise functionality from requisition to hire.
  - **Insight 203: Auto Scoring & MQ Screening (45 minutes)**  
This session will teach how to set up a posting and exam plan to automatically screen applicants for minimum qualifications and score supplemental questions for desirable qualifications.
  - **Insight 204: Exam Processing (45 minutes)**  
This class will cover establishing exam schedules, scheduling applicants, oral exam self-scheduling, and uploading written tests from Scantron tests.
  - **Insight 205: Filtering (30 minutes)**  
This class will teach how to create filters within an evaluation step or on an eligible list to select a group of applicants who meet certain criteria.
  - **Insight 206: Eligible List Management (30 minutes)**  
This class covers the various features managing eligible lists including, adding promotional/veterans points, inactivating, reactivating applicants on the list, extending eligibility, sorting, and merging eligible lists.
  - **Insight 207: Reports (30 minutes)**  
In this class we will demonstrate a number of standard and ad hoc Insight reports and provide tips on how to find reports to meet the State's needs.
- **Online Tutorials** – NEOGOV offers a number of online tutorials that function much like an online movie in which users (HR, Hiring Managers, etc.) can view specific online tutorials which demonstrate functionality such as creating requisitions online, reviewing, and approving requisitions online, creating job postings and build supplemental questionnaires, reviewing applications online, scheduling tests and exams sending applicant notices, establishing eligible lists (rosters), electronically referring certified lists, viewing certified lists online (by the Hiring Manager, etc. Following is a list of the tutorials available in Insight.
  - **For Insight Administrators:**
    - **Insight 102: Insight System Administration (50 minutes)** This tutorial includes Insight System Administration role, set-up of tables in training and production environment and instructions for setting up system administration tables.
  - **For Hiring Managers:**
    - **Insight 110: OHC Dashboard Overview (5 minutes)** This tutorial includes OHC Overview, User Roles/Definitions in the OHC, and an Overview of Features (Dashboard Screen).



- **Insight 111: Create a Requisition/Route for approvals (6 minutes)** This tutorial includes Requisition Overview, Creating a New Requisition, Route Requisitions for Approvals and Demonstration of Creating and Routing a Requisition.
- **Insight 112: Approve a Requisition (3 minutes)** This tutorial includes Requisition Overview, Creating a New Requisition, Route Requisitions for Approvals and a Demonstration of Creating and Routing a Requisition
- **Insight 113: Subject Matter Expert (SME) Review (3 minutes)** This tutorial includes Subject Matter Expert (SME) Role/Overview, Processing Applications as an SME and a demonstration of an SME Review.
- **Insight 114: Referred List (Interview, offer, hire, reject) (6 minutes)** This tutorial includes reviewing the referred list of candidates electronically as a Hiring Manager, how to take an "action" on the applications, and routing "Hires" electronically for approvals using Personnel Action Form.
- **Insight 115: Approve Hire (3 minutes)** This tutorial includes Hire Personnel Action Approval Overview, actions that an Approver can take on a hire request, automatic e-mail notifications, tracking the progress of a hire request, and a demonstration on Approving a Hire.
- **For Human Resources/Recruiting Staff:**
  - **Insight 125 – Insight Dashboard Overview (3 minutes).** This tutorial includes an overview of the "My HR" dashboard page in Insight. The purpose of the dashboard is described and information about each section is provided including helpful tips on using the dashboard links to quickly access relevant recruiting data for postings and requisitions assigned to each recruiter.
  - **Insight 126 – Authorize (open) Requisition (3 minutes)** This tutorial includes Authorize a Requisition and requisition status options.
  - **Insight 127 – Exam Plan Overview (2 minutes)** This tutorial includes Exam Plan Overview and section Definitions of the Exam Plan.
  - **Insight 128 – Create Exam Plan (2 minutes)** This tutorial includes two ways to create an Exam Plan.
  - **Insight 129 – Create Job Posting and Supplemental Questions (8 minutes)** This tutorial includes Definitions of Exam Plan, Job Posting, Supplemental Questions, Item Bank, Job Posting Overview.
  - **Insight 130 – Create Evaluation Steps (5 minutes)** This tutorial includes an explanation of the various types of evaluation steps that can be used in Insight and a demonstration of how evaluation steps are created.
- **For Applicants:**
  - **Online Employment Application Guide Tutorial (3 minutes)** This tutorial includes an overview of the online application process for applicants to view by clicking on a link from the applicant login page. The application process is designed to be intuitive, without the need for instructions. The online documentation and tutorials are designed to provide step-by-step instructions for those applicants requiring additional assistance with the online process.

**Encounter – NEOGOV's annual user conference** - Participate at our annual user conference where customers come together and meet each other to discuss how they utilize Insight most effectively and learn about the newest developments from NEOGOV.

**Deliverables:**

1. Customer Support Help Desk
2. Automatic Online System Updates

**Acceptance Criteria**

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

**II. Requirements**

A. Functional and Technical Requirements – Requirements for the system and services are listed in the table of Appendix A.

**1.200 Roles and Responsibilities****1.201 Contractor Staff, Roles, And Responsibilities****A. Contractor Staff**

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

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

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

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

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

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

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

**The Contractor will provide a Project Manager** to work closely with the designated personnel from the State to insure a smooth transition to the new system. The project manager/technical lead will coordinate all of the



activities of the Contractor personnel assigned to the project and create all reports required by State. The Contractor's project manager/technical lead responsibilities include, at a minimum:

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

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

## **B. On Site Work Requirements**

### **1. Location of Work**

The work is to be performed, completed, and managed at the following locations:

Civil Service Commission  
Capitol Commons Center  
400 South Pine Street  
Lansing, MI 48909

### **2. Hours of Operation:**

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

### **3. Travel:**

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

### **4. Additional Security and Background Check Requirements:**

Contractor must present certifications evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project.

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

Contractor will be required and is responsible for any costs associated with ensuring their staff meets all requirements.



### 1.202 State Staff, Roles, and Responsibilities

The State will provide the following resources for the Contractor's use on this project:

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

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

#### Executive Subject Matter Experts

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

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

Name	Agency/Division	Title
Janet McClelland	Michigan Civil Service Commission	Acting State Personnel Director

#### State Project Manager- (MDIT and Agency)

MCSC and MDIT will provide a Project Manager. MCSC and MDIT will be responsible for the State's infrastructure and work together with the Contractor in determining the system configuration.

The State's Project Managers will provide the following services:

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

Name	Agency/Division	Title
Suzanne Olivier	Michigan Civil Service Commission	Project Manager



Anne Brys

Michigan Department of Information Technology

Project Manager

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

<b>Name</b>	<b>Agency/Division</b>	<b>Title</b>
Cindy Turben	MDIT/Bureau of Strategic Policy	Contract Administrator

### **1.300 Project Plan**

#### **1.301 Project Plan Management**

##### **Preliminary Project Plan**

Contractor has provided a Preliminary Project Plan with the proposal for evaluation purposes, including necessary time frames and deliverables for the various stages of the project and the responsibilities and obligations of both the Contractor and the State.

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

Note: A Final Project Plan will be required as stated in Article 1, Section 1.301 (C) Project Control.

##### **A. Orientation Meeting**

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

##### **B. Performance Review Meetings**

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

##### **C. Project Control**

1. The Contractor will carry out this project under the direction and control of MDIT and the Civil Service Commission.



2. Within thirty working days of the execution of the Contract, the Contractor will submit to the State project manager(s) for final approval of the project plan.
  - a. This project plan must be in agreement with Article 1, Section 1.104 Work and Deliverables, and must include the following:
    - i. The Contractor's project organizational structure.
    - ii. The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
    - iii. The project work breakdown structure (WBS) showing sub-projects, activities and tasks, and resources required and allocated to each.
    - iv. The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the WBS.
3. The Contractor will manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>
  - a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:
    - ii. Staffing tables with names of personnel assigned to Contract tasks.
    - iii. Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next 30 calendar days, updated semi-monthly).
    - iv. Updates must include actual time spent on each task and a revised estimate to complete.
    - v. Graphs showing critical events, dependencies and decision points during the course of the Contract.
  - b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

### **1.302 Reports**

Reporting formats must be submitted to the State's Project Manager for approval. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the contract.

Reports to be furnished by the Contractor:

- Weekly Project status
- Updated project plan
- Summary of activity during the report period
- Accomplishments during the report period
- Deliverable status
- Schedule status
- Action Item status
- Issues
- Change Control
- Repair status

### **1.400 Project Management**

#### **1.401 Issue Management**

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





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

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

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

- Level 1 – Business leads
- Level 2 – Project Managers
- Level 3 – Executive Subject Matter Experts (SME's)

#### **1.402 Risk Management**

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

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

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

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

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

#### **1.403 Change Management**

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

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



**prior to the issuance of a Contract Change Notice by the DMB Office of Purchasing Operations, risk non-payment for the out-of-scope/pricing products and/or services.**

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

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

**1.500 Acceptance**

**1.501 Criteria**

**Document Deliverables**

1. Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Article 1.302.
2. Requirements documents are reviewed and updated throughout the development process to assure requirements are delivered in the final product.
3. Draft documents are not accepted as final deliverables.
4. The documents will be reviewed and accepted in accordance with the requirements of the Contract and Appendices.
5. MCSC and MDIT will review documents within a mutually agreed upon timeframe.
  - a. Approvals will be written and signed by MCSC and MDIT Project Manager.
  - b. Issues will be documented and submitted to the Contractor.
  - c. After issues are resolved or waived, the Contractor will resubmit documents for approval within 7 days of receipt.

**Services Deliverables**

Services include, but are not limited to, software product, development tools, support tools.

1. Beta software is not accepted as final deliverable.
2. The software will be reviewed and accepted in accordance with the requirements of the contract.
3. MCSC and MDIT will review software and services within a mutually agreed upon timeframe for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery, and operation.
  - a. Approvals will be written and signed by MCSC and MDIT Project Manager.
  - b. Unacceptable issues will be documented and submitted to the Contractor.
  - c. After issues are resolved or waived, the Contractor will resubmit software for approval within 7 days of receipt.
4. Final acceptance of the service will depend on the successful completion of User Acceptance Testing (UAT).
5. Testing will demonstrate the system's compliance with the requirements of the SOW. At a minimum, the testing will confirm the following:
  - a. Functional - the capabilities of the system with respect to the functions and features described in the SOW.
  - b. Performance - the ability of the system to perform the workload throughput requirements. All problems should be completed satisfactorily within the allotted time frame.
8. MCSC and MDIT will review test software, data, and results within a mutually agreed upon timeframe.
  - a. Approvals will be written and signed by MCSC Project Manager.
  - b. Unacceptable issues will be documented and submitted to the Contractor.
  - c. After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval within 7 days of receipt.



9. MCSC and MDIT will review software license agreements within a mutually agreed upon timeframe.
  - a. Approvals will be written and signed by MCSC and MDIT Project Manager.
  - b. Unacceptable issues will be documented and submitted to the Contractor.
  - c. After issues are resolved or waived, the Contractor will resubmit the license agreement for approval and final signature by the authorized State signatory within 7 days of receipt

### **Services Deliverables**

Services include, but are not limited to, software product, development tools, support tools.

4. Beta software is not accepted as final deliverable.
5. The software will be reviewed and accepted in accordance with the requirements of the contract.
6. MCSC and MDIT will review software and services within a mutually agreed upon timeframe for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery, and operation.
  - d. Approvals will be written and signed by MCSC and MDIT Project Manager.
  - e. Unacceptable issues will be documented and submitted to the Contractor.
  - f. After issues are resolved or waived, the Contractor will resubmit software for approval within 7 days of receipt.
4. Final acceptance of the service will depend on the successful completion of User Acceptance Testing (UAT).
5. Testing will demonstrate the system's compliance with the requirements of the SOW. At a minimum, the testing will confirm the following:
  - c. Functional - the capabilities of the system with respect to the functions and features described in the SOW.
  - d. Performance - the ability of the system to perform the workload throughput requirements. All problems should be completed satisfactorily within the allotted time frame.
8. MCSC and MDIT will review test software, data, and results within a mutually agreed upon timeframe.
  - d. Approvals will be written and signed by MCSC Project Manager.
  - e. Unacceptable issues will be documented and submitted to the Contractor.
  - f. After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval within 7 days of receipt.
9. MCSC and MDIT will review software license agreements within a mutually agreed upon timeframe.
  - a. Approvals will be written and signed by MCSC and MDIT Project Manager.
  - b. Unacceptable issues will be documented and submitted to the Contractor.
  - c. After issues are resolved or waived, the Contractor will resubmit the license agreement for approval and final signature by the authorized State signatory within 7 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**

#### **Method of Payment**

The project will be paid by firm, fixed price for Implementation Services, and an annual license/maintenance fee for the hosted system.

**Travel**

The State will not pay for any travel expenses, including hotel, mileage, meals, parking, etc. Travel time will not be reimbursed by the State unless the State has agreed in advance and in writing to reimburse Contractor for such an expense at the State's current travel reimbursement rates.

***Out-of-Pocket Expenses***

Contractor out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for such an expense at the State's current travel reimbursement rates.

In the event travel is required, all travel reimbursement will be paid according to the State of Michigan's Standardized Travel Rates and Regulations. This information may be found at:  
[http://www.michigan.gov/dmb/0,1607,7-150-9141\\_13132---,00.html](http://www.michigan.gov/dmb/0,1607,7-150-9141_13132---,00.html)

All air, car and hotel reservations must be made through the State Contract with Passageways Travel at (517) 333-5880 or (800) 915-8729. All original receipts must be included with your travel voucher and invoices which must include the purchase order number. Failure to follow this policy will result in reduced reimbursement.

If Contractor reduces its prices for any of the software or services during the term of this Contract, the State shall have the immediate benefit of such lower prices for new purchases. Contractor shall send notice to the State's MDIT Contract Administrator with the reduced prices within fifteen (15) Business Days [or other appropriate time period] of the reduction taking effect. – OR – Contractor shall send updated prices to the State semi-annually.

Contractor agrees all the prices, terms, warranties, and benefits provided in this Contract are comparable to or better than the terms presently being offered by Contractor to any other governmental entity purchasing the same quantity under similar terms. If, during the term of this Contract, Contractor shall enter into contracts with any other governmental entity providing greater benefits or more favorable terms than those provided by this Contract, Contractor shall be obligated to provide the same to the State for subsequent purchases.

**Statements of Work and Issuance of Purchase Orders**

- Unless otherwise agreed by the parties, each Statement of Work will include:
  1. Background
  2. Project Objective
  3. Scope of Work
  4. Deliverables
  5. Acceptance Criteria
  6. Project Control and Reports
  7. Specific Department Standards
  8. Payment Schedule
  9. Travel and Expenses
  10. Project Contacts
  11. Agency Responsibilities and Assumptions
  12. Location of Where the Work is to be Performed
  13. Expected Contractor Work Hours and Conditions
- The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Statements of Work or Purchase Orders (PO) executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this Contract. Contractor shall perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.

**Invoicing**



Contractor will submit properly itemized invoices to "Bill To" Address on Purchase Order.

Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Total invoice price for implementation services and annual maintenance; and
- Payment terms, including any available prompt payment discounts.

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

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

#### **1.602 TAXES**

##### **Sales Tax:**

For purchases made directly by the State, the State is exempt from State and Local Sales Tax and such taxes must not be included in the Contractors pricing. Exemption Certificates for State Sales Tax will be furnished upon request.

##### **Federal Excise Tax:**

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



## **Article 2, Terms and Conditions**

### **2.000 Contract Structure and Term**

#### **2.001 Contract Term**

This Contract is for a period of 3 years beginning September 12, 2008 through September 30, 2011. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.130**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

#### **2.002 Options to Renew**

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to 2 additional 1 year periods. Additional extensions to provide continued maintenance of the product while in use by the State may be requested.

#### **2.003 Legal Effect**

Contractor shall show acceptance of this Contract by signing two copies of the Contract and returning them to the Contract Administrator. 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 assumes no liability 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), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

#### **2.004 Attachments & Exhibits**

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

#### **2.005 Ordering**

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, 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 also 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 will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract, which may be modified or amended only by a formal Contract amendment.

**2.007 Headings**

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

**2.008 Form, Function & Utility**

If the Contract is for use of more than one 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 Management and Budget, Purchasing Operations and Michigan Civil Service Commission (MCSC), with assistance of the Michigan Department of Information Technology (MDIT) (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The Purchasing Operations Contract Administrator for this Contract is:

Buyer Douglas Collier  
Purchasing Operations  
Department of Management and Budget  
Mason Bldg, 2nd Floor  
PO Box 30026  
Lansing, MI 48909  
Email collierd1@michigan.gov  
Phone (517) 335-4804



## 2.022 Contract Compliance Inspector

The Director of Purchasing Operations 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. Purchasing Operations 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:

Name	Agency/Division	Title
Cindy Turben	MDIT/Bureau of Strategic Policy	Contract Administrator
Email turbenc@michigan.gov		
Phone 517/ 335-6069		

## 2.023 Project Manager

The following individual will oversee the project:

Suzanne Olivier	Michigan Civil Service Commission	Project Manager
Anne Brys	Michigan Department of Information Technology	Project Manager

## 2.024 Change Requests

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

If the 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, and before commencing performance of the requested activities, that it believes the requested activities 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, 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 should require 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 it be of the opinion that this 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 will 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 must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under 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 must be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Purchasing Operations.
- (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  
Purchasing Operations  
Attention: Douglas Collier  
PO Box 30026  
530 West Allegan  
Lansing, Michigan 48909



Contractor:

Name:

Name:	Scott Letourneau	Title:	President	Phone:	310-426-6305, x103
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Address:

Name:	Governmentjobs.com, Inc., (d/b/a NEOGOV)			Web Page:	www.neogov.com	
Address:	222 N. Sepulveda Blvd, Ste 2000	City:	El Segundo	State:	CA	Zip: 90245

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

#### **2.026 Binding Commitments**

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

#### **2.027 Relationship of the Parties**

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors must be or must be deemed to be an employee, agent or servant of the State for any reason. Contractor will 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 must act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

#### **2.029 Assignments**

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

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

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



## **2.030 General Provisions**

### **2.031 Media Releases**

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

### **2.032 Contract Distribution**

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

### **2.033 Permits**

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

### **2.034 Website Incorporation**

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

### **2.035 Future Bidding Preclusion**

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

### **2.036 Freedom of Information**

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

### **2.037 Disaster Recovery**

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will 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 must show verification of measurable progress at the time of requesting progress payments.

**2.042 Adjustments for Reductions in Scope of Services/Deliverables**

If the scope of the Services/Deliverables under any Statement of Work issued under 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**

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in 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 will 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 will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.
- (c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 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 will 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 Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) will 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 any 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 will 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 will be made by electronic fund transfer (EFT).

### **2.050 Taxes**

#### **2.051 Employment Taxes**

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

#### **2.052 Sales and Use Taxes**

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining "two 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 will 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 will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.



- (d) Contractor must not remove any Key Personnel from their assigned roles or 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 will not be counted for a time as agreed to by the parties.

#### **2.064 Contractor Personnel Location**

All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, 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 will 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 will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and 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 will 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 will provide the Services/Deliverables directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will 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 must return to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

### **2.070 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 will 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 Management and Budget, Purchasing Operations 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 will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

#### **2.073 Subcontractor bound to Contract**

In any subcontracts entered into by Contractor for the performance of the Services, Contractor 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 will 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 will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under 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 will provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

#### **2.082 Facilities**

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

### **2.090 Security**

#### **2.091 Background Checks**

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

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

#### **2.092 Security Breach Notification**

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





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

### **2.093 PCI DATA Security Requirements**

Contractors with access to credit/debit card cardholder data must adhere to the Payment Card Industry (PCI) Data Security requirements. Contractor agrees that they are responsible for security of cardholder data in their possession. Contractor agrees that data can ONLY be used for assisting the State in completing a transaction, supporting a loyalty program, supporting the State, providing fraud control services, or for other uses specifically required by law.

Contractor agrees to provide business continuity in the event of a major disruption, disaster or failure.

The Contractor will contact the Department of Management and Budget, Financial Services immediately to advise them of any breaches in security where card data has been compromised. In the event of a security intrusion, the Contractor agrees the Payment Card Industry representative, or a Payment Card Industry approved third party, will be provided with full cooperation and access to conduct a thorough security review. The review will validate compliance with the Payment Card Industry Data Security Standard for protecting cardholder data.

Contractor agrees to properly dispose sensitive cardholder data when no longer needed. The Contractor will continue to treat cardholder data as confidential upon contract termination.

The Contractor will provide the Department of Management and Budget, Financial Services documentation showing PCI Data Security certification has been achieved. The Contractor will advise the Department of Management and Budget, Financial Services of all failures to comply with the PCI Data Security Requirements. Failures include, but are not limited to system scans and self-assessment questionnaires. The Contractor will provide a time line for corrective action.

## **2.100 Confidentiality**

### **2.101 Confidentiality**

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below), which is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under 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 will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by 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 will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be



required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

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

#### **2.103 Exclusions**

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

#### **2.104 No Implied Rights**

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

#### **2.105 Respective Obligations**

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

### **2.110 Records and Inspections**

#### **2.111 Inspection of Work Performed**

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

#### **2.112 Examination of Records**

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



### **2.113 Retention of Records**

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

### **2.114 Audit Resolution**

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

### **2.115 Errors**

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

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

## **2.120 Warranties**

### **2.121 Warranties and Representations**

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under 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 will 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 Management and Budget, Purchasing Operations.

#### **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 or 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 will maintain the equipment/system(s) in good operating condition and will 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 5 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 will 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 Purchasing Operations has approved a change order pursuant to **Section 2.024**.

#### **2.128 Consequences for Breach**

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

### **2.130 Insurance**

#### **2.131 Liability Insurance**

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



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

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

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

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

See [www.michigan.gov/dleg](http://www.michigan.gov/dleg).

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

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

- ☒ 1. Commercial General Liability with the following minimum coverage:  
 \$2,000,000 General Aggregate Limit other than Products/Completed Operations  
 \$2,000,000 Products/Completed Operations Aggregate Limit  
 \$1,000,000 Personal & Advertising Injury Limit  
 \$1,000,000 Each Occurrence Limit

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

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

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

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

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

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



- ☒ 4. Employers liability insurance with the following minimum limits:  
 \$100,000 each accident  
 \$100,000 each employee by disease  
 \$500,000 aggregate disease
- ☐ 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars (\$1,000,000.00) with a maximum deductible of fifty thousand dollars (\$50,000.00).
- ☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.
- ☐ 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.
- ☐ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

#### **2.132 Subcontractor Insurance Coverage**

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

#### **2.133 Certificates of Insurance and Other Requirements**

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

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

## **2.140 Indemnification**

### **2.141 General Indemnification**

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

### **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 will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under 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 will 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 will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.
- (d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

### **2.153 Termination for Convenience**

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause 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 the 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 will 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 will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

#### **2.155 Termination for Criminal Conviction**

The State may terminate 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 will 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 agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If 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 60 days. These efforts must include, but are not limited to, those listed in **Sections 2.141, 2.142, 2.143, 2.144, and 2.145**.

**2.172 Contractor Personnel Transition**

The Contractor must work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by 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 agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under 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 must 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 2.150**. 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 2.130**.

#### **2.182 Cancellation or Expiration of Stop Work Order**

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment 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 must be deemed to be a termination for convenience under **Section 2.153**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this Section.



## **2.190 Dispute Resolution**

### **2.191 In General**

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

### **2.192 Informal Dispute Resolution**

(a) All disputes between the parties must be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting 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 in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(2) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will 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 will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(4) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

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

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

### **2.193 Injunctive Relief**

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

### **2.194 Continued Performance**

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



## **2.200 Federal and State Contract Requirements**

### **2.201 Nondiscrimination**

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, 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 must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

### **2.203 Workplace Safety and Discriminatory Harassment**

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

## **2.210 Governing Law**

### **2.211 Governing Law**

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

### **2.212 Compliance with Laws**

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

## **2.220 Limitation of Liability**

### **2.221 Limitation of Liability**

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific



provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The Contractor's liability for damages to the State is limited to two times the value of the Contract or \$500,000 which ever 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 attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor is limited to the value of the Contract.

### **2.230 Disclosure Responsibilities**

#### **2.231 Disclosure of Litigation**

Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements 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 will 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 must make the following notifications in writing:
  - (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DMB Purchasing Operations.
  - (2) Contractor must also notify DMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
  - (3) Contractor must also notify DMB Purchase Operations 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 must 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 must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

### **2.240 Performance**

#### **2.241 Time of Performance**

- (a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of **Section 2.241**, Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

#### **2.242 Service Level 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 2.141**, 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 2.141**, the State may assess liquidated damages against Contractor as specified below.

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

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

### 2.244 Excusable Failure

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



If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

## **2.250 Approval of Deliverables**

### **2.251 Delivery of Deliverables**

A list of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable") or a Custom Software Deliverable is attached, if applicable. All Deliverables shall be completed and delivered for State review and written approval and, where applicable, installed in accordance with the State-approved delivery schedule and any other applicable terms and conditions of this Contract.

Prior to delivering any Deliverable to the State, Contractor will first perform all required quality assurance activities, and, in the case of Custom Software Deliverables, System Testing to verify that the Deliverable is complete and in conformance with its specifications. Before delivering a Deliverable to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and testing, (4) the Deliverable is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

In discharging its obligations under this Section, Contractor shall be at all times (except where the parties agree otherwise in writing) in compliance with Level 3 of the Software Engineering Institute's Capability Maturity Model for Software ("CMM Level 3") or its equivalent.

### **2.252 Contractor System Testing**

Contractor will be responsible for System Testing each Custom Software Deliverable in Contractor's development environment prior to turning over the Custom Software Deliverable to the State for User Acceptance Testing and approval. Contractor's System Testing shall include the following, at a minimum, plus any other testing required by CMM Level 3 or Contractor's system development methodology:

Contractor will be responsible for performing Unit Testing and incremental Integration Testing of the components of each Custom Software Deliverable.

Contractor's System Testing will also include Integration Testing of each Custom Software Deliverable to ensure proper inter-operation with all prior software Deliverables, interfaces and other components that are intended to inter-operate with such Custom Software Deliverable, and will include Regression Testing, volume and stress testing to ensure that the Custom Software Deliverables are able to meet the State's projected growth in the number and size of transactions to be processed by the Application and number of users, as such projections are set forth in the applicable Statement of Work.

Contractor's System Testing will also include Business Function Testing and Technical Testing of each Application in a simulated production environment. Business Function Testing will include testing of full work streams that flow through the Application as the Application will be incorporated within the State's computing environment. The State shall participate in and provide support for the Business Function Testing to the extent reasonably requested by Contractor. Within ten (10) days before the commencement of Business Function Testing pursuant to this Section, Contractor shall provide the State for State review and written approval Contractor's test plan for Business Function Testing.

Within five (5) Business Days following the completion of System Testing pursuant to this **Section**, Contractor shall provide to the State a testing matrix establishing that testing for each condition identified in the System Testing plans has been conducted and successfully concluded. To the extent that testing occurs on State premises, the State shall be entitled to observe or otherwise participate in testing under this Section as the State may elect.

#### **2.253 Approval of Deliverables, In General**

All Deliverables (Written Deliverables and Custom Software Deliverables) require formal written approval by the State, in accordance with the following procedures. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications, which, in the case of Custom Software Deliverables, will include the successful completion of State User Acceptance Testing, to be led by the State with the support and assistance of Contractor. The parties acknowledge that the approval process set forth herein will be facilitated by ongoing consultation between the parties, visibility of interim and intermediate Deliverables and collaboration on key decisions.

The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables being reviewed. If Contractor fails to provide a Deliverable to the State in a timely manner, the State will nevertheless use commercially reasonable efforts to complete its review or testing within the applicable State Review Period.

Before commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable (e.g., software, associated documentation, and other materials) have been delivered. If the State determines that the Deliverable is incomplete, the State may refuse delivery of the Deliverable without performing any further inspection or testing of the Deliverable. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable and the applicable certification by Contractor in accordance with this Section.

The State will approve in writing a Deliverable upon confirming that it conforms to and, in the case of a Custom Software Deliverable, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable that remain outstanding at the time of State approval.

If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing State approval of a Deliverable, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep this



Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the contract price for such Deliverable and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses without the need to furnish proof in substantiation of such general expenses; or (iii) terminate this Contract for default, either in whole or in part by notice to Contractor (and without the need to afford Contractor any further opportunity to cure). Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

The State, at any time and in its own discretion, may halt the UAT or approval process if such process reveals deficiencies in or problems with a Deliverable in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the review or UAT process and, in that event, Contractor will correct the deficiencies in such Deliverable in accordance with the Contract, as the case may be.

Approval in writing of a Deliverable by the State shall be provisional; that is, such approval shall not preclude the State from later identifying deficiencies in, and declining to accept, a subsequent Deliverable based on or which incorporates or inter-operates with an approved Deliverable, to the extent that the results of subsequent review or testing indicate the existence of deficiencies in the subsequent Deliverable, or if the Application of which the subsequent Deliverable is a component otherwise fails to be accepted pursuant to **Section 2.080**.

#### **2.254 Process for Approval of Written Deliverables**

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Written Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Written Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.

#### **2.255 Process for Approval of Custom Software Deliverables**

The State will conduct UAT of each Custom Software Deliverable in accordance with the following procedures to determine whether it meets the criteria for State approval – i.e., whether it conforms to and performs in accordance with its specifications without material deficiencies.

Within thirty (30) days (or such other number of days as the parties may agree to in writing) prior to Contractor's delivery of any Custom Software Deliverable to the State for approval, Contractor shall provide to the State a set of proposed test plans, including test cases, scripts, data and expected outcomes, for the State's use (which the State may supplement in its own discretion) in conducting UAT of the Custom Software Deliverable. Contractor, upon request by the State, shall provide the State with reasonable assistance and support during the UAT process.

For the Custom Software Deliverables listed in an attachment, the State Review Period for conducting UAT will be as indicated in the attachment. For any other Custom Software Deliverables not listed in an attachment, the State Review Period shall be the number of days agreed in writing by the parties (failing which it shall be forty-five (45) days by default). The State Review Period for each Custom Software Deliverable will begin when



Contractor has delivered the Custom Software Deliverable to the State accompanied by the certification required by this **Section** and the State's inspection of the Deliverable has confirmed that all components of it have been delivered.

The State's UAT will consist of executing test scripts from the proposed testing submitted by Contractor, but may also include any additional testing deemed appropriate by the State. If the State determines during the UAT that the Custom Software Deliverable contains any deficiencies, the State will notify Contractor of the deficiency by making an entry in an incident reporting system available to both Contractor and the State. Contractor will modify promptly the Custom Software Deliverable to correct the reported deficiencies, conduct appropriate System Testing (including, where applicable, Regression Testing) to confirm the proper correction of the deficiencies and re-deliver the corrected version to the State for re-testing in UAT. Contractor will coordinate the re-delivery of corrected versions of Custom Software Deliverables with the State so as not to disrupt the State's UAT process. The State will promptly re-test the corrected version of the Software Deliverable after receiving it from Contractor.

Within three (3) business days after the end of the State Review Period, the State will give Contractor a written notice indicating the State's approval or rejection of the Custom Software Deliverable according to the criteria and process set out in this **Section**.

#### **2.256 Final Acceptance**

"Final Acceptance" shall be considered to occur when the Custom Software Deliverable to be delivered has been approved by the State and has been operating in production without any material deficiency for fourteen (14) consecutive days. If the State elects to defer putting a Custom Software Deliverable into live production for its own reasons, not based on concerns about outstanding material deficiencies in the Deliverable, the State shall nevertheless grant Final Acceptance of the Project.

#### **2.260 Ownership**

##### **2.261 Ownership of Work Product by State**

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

##### **2.262 Vesting of Rights**

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

##### **2.263 Rights in Data**

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



need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

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

#### **2.264 Ownership of Materials**

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

### **2.270 State Standards**

#### **2.271 Existing Technology Standards**

The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dit>.

#### **2.272 Acceptable Use Policy**

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

#### **2.273 Systems Changes**

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

### **2.280 Extended Purchasing**

#### **2.281 MiDEAL (Michigan Delivery Extended Agreements Locally**

Public Act 431 of 1984 permits DMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: [www.michigan.gov/buymichiganfirst](http://www.michigan.gov/buymichiganfirst). Unless otherwise stated, the Contractor must ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and equipment to these local governmental agencies at the established State of Michigan contract prices and terms to the extent applicable and where available. The Contractor must send its invoices will be submitted to and pay the local unit of government on a direct and individual basis.

To the extent that authorized local units of government purchase quantities of Services and/or equipment under this Contract, the quantities of Services and/or equipment purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

#### **2.282 State Employee Purchases**



The State allows State employees to purchase from this Contract. Unless otherwise stated, it is the responsibility of the Contractor to ensure that the State employee is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and Deliverables at the established State of Michigan contract prices and terms to the extent applicable and where available. The Contractor must send its invoices to and pay the State employee on a direct and individual basis.

To the extent that authorized State employees purchase quantities of Services or Deliverables under this Contract, the quantities of Services and/or Deliverables purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

## **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 must use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State must provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State must advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor must immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.
- (b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the





Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State's convenience.

- (c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in a time as mutually agreed by the parties.
- (d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

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

**Refrigeration and Air Conditioning:** The Contractor shall comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to this contract.

**Environmental Performance:** Waste Reduction Program - Contractor shall establish a program to promote cost-effective waste reduction in all operations and facilities covered by this contract. The Contractor's programs shall comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).

### **2.300 Deliverables**

#### **2.301 Software**

A list of the items of software the State is required to purchase for execution the Contract is included in section 1. The list includes all software required to complete the Contract and make the Deliverables operable; if any additional software is required in order for the Deliverables to meet the requirements of this Contract, such software shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Statement of Work or Contract Change Notice). The attachment also identifies certain items of software to be provided by the State.

#### **2.302 Hardware**

A list of the items of hardware the State is required to purchase for execution the Contract is attached. The list includes all hardware required to complete the Contract and make the Deliverables operable; if any additional hardware is required in order for the Deliverables to meet the requirements of this Contract, such hardware shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Contract Change Notice). The attachment also identifies certain items of hardware to be provided by the State.

**2.303 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.

**2.304 Equipment to be New and 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 Purchasing Operations has approved a change order pursuant to **Section 2.024**.

**2.310 Software Warranties****2.311 Performance Warranty**

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of (90) ninety days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

**2.312 No Surreptitious Code Warranty**

The Contractor represents and warrants that no copy of licensed Software provided to the State contains or will contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty."

As used in this Contract, "Self-Help Code" means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

As used in this Contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code. Unauthorized Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

In addition, Contractor will use up-to-date commercial virus detection software to detect and remove any viruses from any software prior to delivering it to the State.

**2.313 Calendar Warranty**

The Contractor represents and warrants that all software for which the Contractor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.



The software design, to insure calendar year rollover compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

#### **2.314 Third-party Software Warranty**

The Contractor represents and warrants that it will disclose the use or incorporation of any third-party software into the Deliverables. At the time of Delivery, the Contractor shall provide in writing the name and use of any Third-party Software, including information regarding the Contractor's authorization to include and utilize such software. The notice shall include a copy of any ownership agreement or license that authorizes the Contractor to use the Third-party Software.

#### **2.315 Physical Media Warranty**

Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. This warranty does not apply to defects discovered more than (30) thirty days after that date of Final Acceptance of the Software by the State. This warranty does not apply to defects arising from acts of Excusable Failure. If the Contractor breaches this warranty, then the State shall be entitled to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

### **2.320 Software Licensing**

#### **2.321 Cross-License, Deliverables Only, License to Contractor (Reserved)**

#### **2.322 Cross-License, Deliverables and Derivative Work, License to Contractor (Reserved)**

#### **2.323 License Back to the State (Reserved)**

#### **2.324 License Retained by Contractor**

Contractor grants to the State a non-exclusive, royalty-free, site-wide, irrevocable, transferable license to use the Software and related documentation according to the terms and conditions of this Contract. For the purposes of this license, "site-wide" includes any State of Michigan office regardless of its physical location.

The State may modify the Software and may combine such with other programs or materials to form a derivative work. The State will own and hold all copyright, trademarks, patent and other intellectual property rights in any derivative work, excluding any rights or interest in Software other than those granted in this Contract.

The State may copy each item of Software to multiple hard drives or networks unless otherwise agreed by the parties.

The State will make and maintain no more than one archival copy of each item of Software, and each copy will contain all legends and notices and will be subject to the same conditions and restrictions as the original. The State may also make copies of the Software in the course of routine backups of hard drive(s) for the purpose of recovery of hard drive contents.

In the event that the Contractor shall, for any reason, cease to conduct business, or cease to support the Software, the State shall have the right to convert these licenses into perpetual licenses, with rights of quiet enjoyment, but subject to payment obligations not to exceed the then current rates.

**2.325 Pre-existing Materials for Custom Software Deliverables (Reserved)****2.330 Source Code Escrow****2.331 Definition**

"Source Code Escrow Package" shall mean:

- (a) A complete copy in machine-readable form of the source code and executable code of the Licensed Software, including any updates or new releases of the product;
- (b) A complete copy of any existing design documentation and user documentation, including any updates or revisions; and/or
- (c) Complete instructions for compiling and linking every part of the source code into executable code for purposes of enabling verification of the completeness of the source code as provided below. Such instructions shall include precise identification of all compilers, library packages, and linkers used to generate executable code.

**2.332 Delivery of Source Code into Escrow**

Contractor shall deliver a Source Code Escrow Package to the Escrow Agent, pursuant to the Escrow Contract, which shall be entered into on commercially reasonable terms subject to the provisions of this Contract within (30) thirty days of the execution of this Contract.

**2.333 Delivery of New Source Code into Escrow**

If at anytime during the term of this Contract, the Contractor provides a maintenance release or upgrade version of the Licensed Software, Contractor shall within ten (10) days deposit with the Escrow Agent, in accordance with the Escrow Contract, a Source Code Escrow Package for the maintenance release or upgrade version, and provide the State with notice of the delivery.

**2.334 Verification**

The State reserves the right at any time, but not more than once a year, either itself or through a third party contractor, upon thirty (30) days written notice, to seek verification of the Source Code Escrow Package.

**2.335 Escrow Fees**

The Contractor will pay all fees and expenses charged by the Escrow Agent.

**2.336 Release Events**

The Source Code Escrow Package may be released from escrow to the State, temporarily or permanently, upon the occurrence of one or more of the following:

- (a) The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;
- (b) The Contractor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Contractor to fail to meet its warranties and maintenance obligations in the foreseeable future;
- (c) The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.

**2.337 Release Event Procedures**

If the State desires to obtain the Source Code Escrow Package from the Escrow Agent upon the occurrence of an Event in this **Section**, then:

- (a) The State shall comply with all procedures in the Escrow Contract;
- (b) The State shall maintain all materials and information comprising the Source Code Escrow Package in confidence in accordance with this Contract;
- (c) If the release is a temporary one, then the State shall promptly return all released materials to Contractor when the circumstances leading to the release are no longer in effect.

**2.338 License**

Upon release from the Escrow Agent pursuant to an event described in this **Section**, the Contractor automatically grants the State a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support, update, have made, and create Derivative Works. Further, the State shall have the right to use the Source Code Escrow Package in order to maintain and support the Licensed Software so that it can be used by the State as set forth in this Contract.

**2.339 Derivative Works**

Any Derivative Works to the source code released from escrow that are made by or on behalf of the State shall be the sole property of the State. The State acknowledges that its ownership rights are limited solely to the Derivative Works and do not include any ownership rights in the underlying source code.



## APPENDIX A FUNCTIONAL/TECHNICAL SYSTEM REQUIREMENTS

Check the box that applies to each requirement in the columns labeled: **Yes, Yes with Modifications, or No.**

- a. **Yes** – is defined as the Contractor's solution complies with all aspects of the requirement and is currently a standard feature.

In the **comment box** the Contractor must provide any additional information related to the solution.

- A.** currently provided as a standard feature  
**B.** not currently provided but is a planned enhancement or will be added at no additional cost and will be supported in future releases

Functional requirements identify what the product or system must do to enable performance of work tasks and any applicable service levels. Any sample functional requirements document may be used to assist in completion of the functional requirements template. The sample documentation does not replace the planning and requirements gathering processes the agency must have completed as part of the project. **Add where they can find sample functional requirements**

FUNCTIONAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
<b>1. Registration:</b>						
a. Secured internet site for customer registration.	M	<input type="checkbox"/>			A	As a web based solution, NEOGOV utilizes the strongest encryption products throughout the system to protect customer data and communications, including 128-bit Verisign SSL Certification and 1024 Bit RSA public keys. The lock icon in the browser indicates that data is fully shielded from access while in transit.
b. Single sign-on capability for the applicant.	M	<input type="checkbox"/>			A	As an applicant, users can access the system using a single username and password. once the applicant account has been validated, they have access to all applications that the applicant is currently working on or have already previously submitted. In addition, they can also view their current status for



FUNCTIONAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
						any recruitment they are involved with through the Citizen's Self-Service Portal.
<b>2. Website:</b>						
a. A centralized and branded application site that links all state agencies into a single system.	M	<input type="checkbox"/>			A	NEOGOV creates three web pages for job postings for our agencies which have the same "look and feel" as their existing web brand. The first page is used for regular job opportunities that are open to the public. These jobs can automatically be posted on the institution's website. The second and third pages are for listing internal only openings. Many agencies use these to post internal/promotional only job openings or lateral transfer opportunities. These pages are not restricted to this usage however. They can easily be customized for organization only or merit only job listings. The links to these pages, the headings and the text displayed are all completely customizable based on the State's requirements. Links to either of these last two pages can be limited to an agency's intranet site if desired or can be placed on their internet site to make applying from home easier for State employees.
b. Ability to accept standardized job applications via the Internet at any time.	M	<input type="checkbox"/>			A	As a web based solution, applicants can submit electronic applications securely through the system

FUNCTIONAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
						using any standard web browser. Applications can be submitted 24x7x365 or as allowed by the State.
c. A screening option with job-specific questions based on the necessary knowledge, skills, and abilities.	M	<input type="checkbox"/>			A	This is a standard feature of Insight Enterprise. All areas of the application, including job-specific supplemental questionnaires, can be used in MQ screening and even "good, better, best" desirable screening. These agency-wide questions combined with the job-specific supplemental questions are combined to generate "knock out" questions to automatically determine if applicants meet/do not meet MQ's.
d. Ability to market appropriately based on the generational diversity of the applicant pool.	M	<input type="checkbox"/>			A	Agencies have access to more than 80 standard reports in the system (including EEO, Applicant Diversity, Applicant Flow, Etc.) and can use the data to help run recruitments as desired or required.
e. Ability for agencies to post vacancies "real time" with a system-generated acknowledgement of receipt.	M	<input type="checkbox"/>			A	Authorized users can post vacancies in real-time, or even schedule them to post online at a later date and time. Once live, authorized users can also edit the posting (ie. closing date and time, job duties, etc.) as desired. Finally, prior to posting any vacancy, users must confirm the posting information. The posting immediately displays in the "MyHR" page as acknowledgement.





FUNCTIONAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
f. Ability for individual agencies to search through the applicants to be considered for that agency's specific vacancies.	M	<input type="checkbox"/>			A	As desired, and as allowed by the State, individual agencies or departments can access individual applicants, or even an entire eligible list of applicants, to help fill vacancies. Agencies can opt to utilize CandidateMatch to proactively search their applicant database for skills, certificates, etc.
g. An electronic recruitment approach to reduce its current paper-laden process.	M	<input type="checkbox"/>			A	As a web based solution, the entire recruitment lifecycle (from initial requisition, through hire, and Personnel Action Form) is entirely electronic.
h. Ability to provide screened electronic applications to the hiring managers without paper copies.	M	<input type="checkbox"/>			A	Authorized users, including hiring managers, have direct access to applicant information (including any electronic attachments, but less any confidential material) through the web browser.
i. Ability to create and forward appropriate feedback communication to applicants regarding application receipt, specific job referrals, and other application activity.	M	<input type="checkbox"/>			A	Agencies can create an unlimited number of notice templates which can be sent to applicants electronically or via hardcopy. All letters/notifications are created and stored in a notice template bank. They can be easily modified and re-used with subsequent recruitments. The system also retains copies of notices that were created and sent to applicants.
j. Ability to archive records.	M	<input type="checkbox"/>			A	NEOGOV will maintain all agency information in the system unless otherwise specified by the State. Old data

FUNCTIONAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
						can automatically be marked as 'archived' but will not be deleted – by design NEOGOV does not delete any agency data maintained within the system. If required, NEOGOV can purge applicant and recruitment data from the system based on your retention schedule. If applicant data is purged from the system, NEOGOV can provide the State with a file of the purged data.
k. Data collection and reporting, including EEO data.	M	<input type="checkbox"/>			A	Insight Enterprise Edition provides a broad array of reporting capabilities using data maintained within the system, including pre-configured (canned) requisition and applicant status reports, cost-per-hire and time-to-fill reports, and EEO compliance reports. Easy to use Ad-Hoc reporting tools are also available that enable non-technical individuals to create 100% customized reports through a step-by-step report generation wizard.
l. Reduced collection of redundant information.	M	<input type="checkbox"/>			A	Insight Enterprise utilizes MS SQL Server 2005 as its backend database to provide quick secured access to stored information as well as to reduce, or even eliminate, the need to provide redundant information.
m. A secure system to maintain confidential information.	M	<input type="checkbox"/>			A	As a web based solution, NEOGOV utilizes the strongest encryption products throughout the system



FUNCTIONAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
						to protect customer data and communications, including 128-bit Verisign SSL Certification and 1024 Bit RSA public keys. The lock icon in the browser indicates that data is fully shielded from access while in transit.  In addition, authorized users can mark areas as "confidential" throughout the system so that only authorized users will have access to this information.
n. Ability to provide data to Michigan's current Human Resources Management Network (HRMN).	M	<input type="checkbox"/>			A	Agencies are able to integrate with NEOGOV solutions utilizing pre-built API plug-ins as well as secure back end web services. HRIS and NEOGOV integrations are bi-directional and can significantly increase the communication and data integrity between multiple external systems. Integration is not included in the price of this project.
o. Availability 24x7x365, scalable, and reliable, with 99.99% uptime and a response time less than 5 seconds.	M	<input type="checkbox"/>			A	NEOGOV currently maintains a 99.999% uptime, with any downtime typically reserved for scheduled maintenance and upgrades. Although system access, including response times, is dependent on several factors such as Internet Connection type, provider, etc., the system has been designed for a response time of less than 5 seconds.
<b>3. Support Considerations:</b>						
a. The Vendor shall	M	<input type="checkbox"/>			A	Online support and

FUNCTIONAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
provide telephone technical support on a 24x7 basis. Calls will be answered within 60 seconds, preferably by a live person, however, if not, callback from the vendor will be required within 20 minutes of the initial call. Vendor must provide a detailed plan for this technical support requirement.						<p>emergency technical support is available 24x7.</p> <p>Unlimited NEOGOV Customer Support (both online and phone) – Speak with NEOGOV customer help desk representatives to answer any user questions and resolve any issues. Our Customer Support team includes staff who have years of professional HR experience in the public sector in the areas of recruitment, HRIS, and training. Our customers consistently provide positive feedback about the value of having staff that understand their business processes and have a depth of understanding of HR when responding to their questions and issues. We provide support out of three locations, El Segundo, California, Eugene, OR, and Cape Coral, FL. The NEOGOV Customer Support Help Desk is fully staffed from Monday – Friday, 6:00 am – 6:00 pm Pacific Time for phone support.</p>
b. Help desk issues will be escalated as necessary to senior technical/engineering staff, and then to higher management and/or senior management.	M	<input type="checkbox"/>			A	<p>The NEOGOV Customer Support Help Desk is fully staffed from Monday – Friday, 6:00 am – 6:00 pm Pacific Time for phone support. Online support and emergency technical support is available 24x7. Users who utilize the online case</p>



FUNCTIONAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
						<p>logging for reporting problems will receive an immediate response and verification that their case was submitted successfully.</p> <p>Based on the case priority, the following response times are established:</p> <ul style="list-style-type: none"> <li>• Priority 1: System outage – Response and resolution is ASAP and work is started immediately.</li> <li>• Priority 2: Able to conduct daily work, but encountered issue – Response time is 2 hours for communication and resolution is investigated immediately. Resolution communications are initiated and followed up with by support desk. Resolution timeline varies by the type of case, timeline, and scope.</li> <li>• Priority 3: Can conduct daily work, no error messages, would like feature to work more effectively, "nice to have" feature – Response time is 8 hours for communication and resolution is investigated within 2 working days. Resolution</li> </ul>

FUNCTIONAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATION NS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
						<p>communications are initiated and followed up with by support desk. Resolution timeline varies by the type of case, timeline, and scope.</p> <ul style="list-style-type: none"> <li>Enhancement Requests: Can conduct daily work, no error messages, wish to communicate a suggestion to NEOGOV – Response time is 16 hours for communication and suggestion is added to enhancement list. Enhancement communications are conducted via the support desk, bi-weekly meetings, and quarterly rollout email communications. Enhancement timeline varies by the type of enhancement, timeline, and scope.</li> <li>Functionality Question: User Question – Response time is 8 hours for communication and question follow up. Resolution communications are initiated and followed up with by support desk either via email or phone. Question answer timeline varies by the type</li> </ul>



FUNCTIONAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
						of question and available answer options.  Agencies have 24-hour access to online support to log cases such as issues, enhancement requests, or functionality questions that are tracked using CRM software and responded to by our customer support help desk.
c. A Web-enabled help desk interface is provided at no additional cost.	O	<input type="checkbox"/>			A	As part of NEOGOV's extended Ongoing Learning Management (OLM) Program, agencies have access to the web help desk, system and user documentation, training materials, video tutorials, and more directly through the web browser.
d. The help desk will open problem tickets within 15 minutes of when the problem is reported during regular Vendor business hours, and within one hour otherwise.	O	<input type="checkbox"/>			A	Users who utilize the online case logging for reporting problems will receive an immediate response and verification that their case was submitted successfully.
e. Vendor must describe the action they will take if/when the system goes down.	M	<input type="checkbox"/>			A	Insight Enterprise is available 24x7x365, on a consistent basis. According to the Service Level Agreements we include as part of the Insight Enterprise contract, we are obligated to notify all customers at least two weeks prior to any scheduled outage for upgrades. Notices are generated and sent via email to the system administrators and their backups. During the system outage, a notification page is displayed

FUNCTIONAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
						stating the system is undergoing maintenance and also states the scheduled outage times. NEOGOV has built redundancy into all its systems in order to minimize any system failures that could be perceived as customer outages. All components of the NEOGOV system are proactively monitored and managed so that faults are detected before system outages. We realize there may occasionally be system outages due to issues beyond our control. NEOGOV has established numerous escalation procedures to notify the proper personnel in the event of any system outage and remedy any issues as quickly as possible. Since the application is managed by NEOGOV for all customers, the people who best understand the architecture, installation, and design are immediately available to resolve any issues.
f. If an outage is expected, the MCSC main contact will be notified as far in advance as possible once the Contractor is aware of the scheduled outage.	M	<input type="checkbox"/>			A	Please see response to item e. above.
g. If an unexpected outage occurs, the MCSC main contact will be notified immediately after the outage is reported to the Network Administrator to resolve.	M	<input type="checkbox"/>			A	Please see response to item e. above.
h. Error Correction. Upon	M	<input type="checkbox"/>			A	This is incorporated





FUNCTIONAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
notice by State of a problem with the Software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.						within our standard release management process. If a system "bug" is identified and restricts any user from completing necessary tasks, NEOGOV will evaluate the issue and may release the fix between our scheduled quarterly release dates. Our goal is to minimize the need for intermittent product releases outside of the scheduled release schedule, as much as possible.
i. Once operational, all problems shall be resolved or a plan of action to resolve within four (4) hours from the time the problem was first reported to Vendor.	M	<input type="checkbox"/>			A	Depending on the severity of the issue, the issue may require more than 4 hours to establish and communicate a resolution.
j. Vendor must provide notification via e-mail by 8:00 a.m. EST if the site should go off line or fail during the evening hours (5:00 p.m. – 8:00 a.m. EST). The e-mail should provide details regarding the problem that occurred and the time frame of the occurrence.	M	<input type="checkbox"/>			A	Acknowledged and acceptable.
k. Contractor will communicate to the State within 2 weeks of receipt of this contract a schedule of planned maintenance windows for the system.	M	<input type="checkbox"/>			A	Insight Enterprise is currently on a quarterly enhancement and upgrade schedule. We will provide the State with an outline for the next planned release (including known timeline, functionality enhancements, etc.) as required.
l. All Severity One problems shall be resolved, or a plan of action to resolve, within 4 hours from the time the problem was first reported to Contractor.	M	<input type="checkbox"/>			A	Please see response to Item b. above pertaining to our standard escalation policy.  Depending on the severity of the issue,

FUNCTIONAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
						the issue may require more than 4 hours to establish and communicate a resolution.
m. Material Defects. The State will be notified of any material errors or defects in the deliverables known, or made known to Contractor from any source during the Contract term that could cause the production of inaccurate, or otherwise materially incorrect, results and shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.	M	<input type="checkbox"/>			A	Noted and understood.
n. The system shall generally be available 24 hours a day, 365 days a year, except when data on the system is being refreshed, or when the system/servers are not available due to regular maintenance.	M	<input type="checkbox"/>			A	NEOGOV currently maintains a 99.999% uptime, with any downtime typically reserved for scheduled maintenance and upgrades. The system is available 24x7x365.

TECHNICAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
<b>1. Error Handling</b>						
<ul style="list-style-type: none"> <li>The system must ensure that all errors are written to an error log.</li> </ul>	O	<input type="checkbox"/>			A	All errors and transactions are captured in an error log.
<ul style="list-style-type: none"> <li>The system must allow for an administrator to view, filter, sort, and search the error log.</li> </ul>	O	<input type="checkbox"/>			B	Administrators do not have direct access to error logs, these are controlled and accessible by NEOGOV staff.
<ul style="list-style-type: none"> <li>The system must allow for an administrator to archive error log entries based upon user-defined criteria.</li> </ul>	O	<input type="checkbox"/>			B	Administrators do not have direct access to error logs, these are controlled and accessible by NEOGOV staff.
<ul style="list-style-type: none"> <li>The system must allow for an alert message to be executed upon the occurrence of an error.</li> </ul>	O	<input type="checkbox"/>			B	Administrators do not have direct access to error logs, these are controlled and accessible by NEOGOV staff.



TECHNICAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
<b>2. Database Management</b>						
a. Full-text indexing and a full-text database search feature are available to provide easy retrieval of records.	O	<input type="checkbox"/>			A	Insight Enterprise utilizes MS SQL Server as its backend database which incorporates this functionality.
<b>3. Migration</b>						
a. Data, and related information, has a migration path to future revisions of the hardware and software and there is a guaranteed and reasonably straightforward "exit path" to systems of other vendors.	O	<input type="checkbox"/>			A	NEOGOV supports and maintains all hardware and software required to deliver the system. NEOGOV is contractually obligated to provide the State with your data in the event you terminate your license with NEOGOV.
b. Data will export to software and hardware of other vendors.	O	<input type="checkbox"/>			A	Agencies are able to integrate with NEOGOV solutions utilizing pre-built API plug-ins as well as secure back end web services. HRIS and NEOGOV integrations are bi-directional and can significantly increase the communication and data integrity between multiple external systems.  If this requirement is referring to NEOGOV providing support to migrate hardware/software to other vendors, we do not support these activities – we are only contractually obligated to provide the data to the State.
c. A detailed migration task list (in Microsoft Project), including cut-over schedule and activities.	O	<input type="checkbox"/>			A	As part of our standard implementation process, NEOGOV will deliver a detailed project plan that incorporates any migration and cut-over activities.



TECHNICAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
<b>4. Backup and Recovery</b>						
a. The system has the ability to provide point-in-time recovery of data to the last completed transaction.	O	<input type="checkbox"/>			A	All customer data is stored on disk storage that is mirrored across different storage cabinets and controllers. All customer data, up to the last committed transaction, is automatically backed up on a nightly basis. Additionally, data is continuously backed up online in real-time using Iron Mountain's Electronic Vaulting, and it is stored in the secure off-site storage facilities.
b. The system has the ability to allow for continued use of the system during backup.	O	<input type="checkbox"/>			A	Both applicants and HR users can continue to access the system during standard NEOGOV backup procedures.
c. The system has the ability to provide a complete backup and recovery process for all database tables and system files.	M	<input type="checkbox"/>			A	By default, all networking components, firewalls, load balancers, Web servers, and application servers are configured in a redundant configuration. Customer data is stored on a primary database server that is clustered with a backup database server for redundancy.
d. The system software and data must be able to be restored to its previous operational status within four (4) hours after initiation of recovery process.	M	<input type="checkbox"/>			A	In addition to the full nightly backups, continuous log shipping, mirrored disk arrays, and tape backups, NEOGOV also utilizes Iron Mountain's Electronic Vaulting which uses patented technology to continuously back up data online in real-time and vault that data offline in the East Coast off-site facility equipped with top-of-



TECHNICAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
						the-line security. With Iron Mountain's Electronic Vaulting, data backup is always up-to-date and can be recovered up to the time data loss occurred within couple of minutes of the last transaction.
<b>5. Disaster Recovery</b>						
a. The Disaster Recovery Services shall provide a viable operating system available for executing the business applications within forty-eight (48) hours of a declared disaster.	M	<input type="checkbox"/>			A	An established disaster recovery plan and corresponding procedures are already in place with NEOGOV to meet and/or exceed this requirement. The plan is reviewed and updated regularly. Therefore, it is strict company policy not to share specific information regarding security procedures.
b. The establishment of a network connection, an alternate server and the State interface is the Contractor's responsibility.	M	<input type="checkbox"/>			A	Replacement of hardware and all required software is already incorporated within the established disaster recovery plan. In terms of a network connection, the Data Center is fully switched using Cisco network gear and is engineered with redundant network and building power. The network has multiple fiber-optic connections to high-speed Internet backbones. These connections to multiple backbones offer full redundancy in case of failure.
c. Contractor will develop, publish and maintain, with the approval and participation of the State, a Disaster Recovery Plan (DRP). Contractor agrees to complete the DRP prior to production cut-over.	O	<input type="checkbox"/>			A	An established disaster recovery plan and corresponding procedures are already in place with NEOGOV to meet and/or exceed this requirement. The plan



TECHNICAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
						is reviewed and updated regularly. It is strict company policy not to share specific information regarding security procedures.
d. Contractor agrees it is solely responsible for the effectiveness and execution of the DRP, including the role of any subcontractors utilized by Contractor to execute the DRP.	M	<input type="checkbox"/>			A	Noted and understood.
e. Contractor guarantees that the DRP will provide for normal production processing of the application within forty-eight (48) hours of a declared disaster. At minimum, Contractor agrees to provide:	M	<input type="checkbox"/>			A	Noted and understood. This requirement is already incorporated into the established NEOGOV DRP.
I. An alternate Server(s) capable of meeting the applications' processing and storage requirements, and all requisite floor space, utilities, and technical staff at the Contractor's disaster recovery site.	M	<input type="checkbox"/>			A	Noted and understood. This requirement is already incorporated into the established NEOGOV DRP.
II. Daily generation and storage of application data backup tapes.	M	<input type="checkbox"/>			A	Noted and understood. This requirement is already incorporated into the established NEOGOV DRP.
III. An annual disaster recovery test to ensure the effectiveness of the DRP.	M	<input type="checkbox"/>			A	Noted and understood. This requirement is already incorporated into the established NEOGOV DRP.
IV. Network services between the alternate server and the State interface.	M	<input type="checkbox"/>			A	Noted and understood. This requirement is already incorporated into the established NEOGOV DRP.
V. Management and coordination services needed to execute the entire DRP.	M	<input type="checkbox"/>			A	Noted and understood. This requirement is already incorporated into the established NEOGOV DRP.



TECHNICAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
<b>6. Security</b>						
a. All computer information systems and applications operate in a secure manner and comply with State and federal security standards and regulations including the MDIT 1350 Enterprise Security Policy and the 1410.7 Michigan State Government Network Security Policy as found on the website: <a href="http://www.michigan.gov/dit/0,1607,7-139-30639_30655---,00.html">http://www.michigan.gov/dit/0,1607,7-139-30639_30655---,00.html</a>	M	<input type="checkbox"/>			A	<p>NEOGOV provides state-of-the-art security to ensure that your data is never compromised. At NEOGOV, we know that security is crucial to you — that's why security is our top priority. We devote significant resources to continually develop our world-class security infrastructure. The result: We deliver unsurpassed security and privacy of our customers' information.</p> <p>When you sign up with NEOGOV, you'll enjoy the protection and peace of mind that only our world-class security infrastructure can provide.</p> <p>Security Measures Our security measures include the following:</p> <ul style="list-style-type: none"> <li>• Expert team of experienced, professional engineers and security specialists dedicated to round-the-clock protection of data and systems</li> <li>• Continuous deployment of proven, up-to-date firewall protection, SSL encryption, and other security technologies</li> </ul>

TECHNICAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
						<ul style="list-style-type: none"> <li>Ongoing evaluation of emerging security developments and threats</li> <li>Redundant architecture</li> </ul> <p>Total commitment to a secure, scalable, private co-located system (Unlike a hosted system arrangement, NEOGOV manages all aspects of its operations.)</p>
b. The system must ensure that the integrity and confidentiality of data is protected by safeguards to prevent release of information without proper consent.	M	<input type="checkbox"/>			A	NEOGOV utilizes the strongest encryption products to protect customer data and communications, including 128-bit Verisign SSL Certification and 1024 Bit RSA public keys. The lock icon in the browser indicates that data is fully shielded from access while in transit.
c. All data must be secured outside the State of Michigan Firewall.	M	<input type="checkbox"/>			A	As a hosted solution, NEOGOV operates and maintains the required infrastructure.
d. Vendor must comply with the requirements of the Identity Theft Protection Act, Act 452, P.A. 2004, as amended July 2, 2007.	M	<input type="checkbox"/>			A	NEOGOV currently works with nearly 300 public sector agencies nationwide and we currently meet, and or exceed, all of our agency's data protection requirements.
e. Vendor must provide a security/confidentiality protection plan.	M	<input type="checkbox"/>			A	Noted and understood.
f. The vendor must warrant that they will comply with the State of Michigan internet privacy policy and practices.	M	<input type="checkbox"/>			A	Noted and understood.
g. Vendor shall not disclose or make available any personally identifiable information to any affiliate, any third party, or to any	M	<input type="checkbox"/>			A	Noted and understood.





TECHNICAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
person or entity except the State of Michigan for the purpose of purchasing items.						
h. Vendor must have and provide a documented disaster recovery plan.	M	<input type="checkbox"/>			A	As outlined above, an established disaster recovery plan and corresponding procedures are already in place with NEOGOV to meet and/or exceed this requirement. The plan is reviewed and updated regularly. It is strict company policy not to share specific information regarding security procedures.
i. Supply the same or an equivalent level of security as described below:		<input type="checkbox"/>				
I. The network must be protected by anti-virus enterprise software automatically updated with the latest virus definitions as they are released by the software publisher.	M	<input type="checkbox"/>			A	NEOGOV's infrastructure incorporates anti-virus software throughout and the latest virus definitions, patches, and fixes are applied as they are released by the software publisher
II. All workstations connected to the network will be protected with the software to prevent viruses from being introduced from within the network.	M	<input type="checkbox"/>			A	NEOGOV infrastructure includes virus protection services and all documents are scanned prior to being saved within our network infrastructure.
III. The network must be protected from hacking by a firewall and intruder detection software, as well as manual monitoring of incoming traffic by the Network Administrator.	M	<input type="checkbox"/>			A	The network perimeter is protected by multiple firewalls and monitored by intrusion detection systems — all sourced from industry-leading security vendors. In addition, NEOGOV monitors and analyzes device logs to proactively identify security threats.
<b>7. Security / Access Control</b>						
a. The system provides security at database,	M	<input type="checkbox"/>			A	This is the current security process.

TECHNICAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
workstation, and individual operator levels.						
b. The system provides secure access control based upon unique user login, for types of record as well as by function performed upon the record (e.g., Display, Add, Edit, Delete.)	M	<input type="checkbox"/>			A	Insight Enterprise employs a roles-based security model ensuring that users only have access to data and system areas for which they have credentials for.
c. The system checks each user's access privileges at login, and automatically disable or enables client functions (in real time) based upon the user's profile	M	<input type="checkbox"/>			A	Insight Enterprise employs a roles-based security model ensuring that users only have access to data and system areas for which they have credentials for.
d. The system provides varying levels of access within the application, such as administrators, view only, or scheduling only.	M	<input type="checkbox"/>			A	The system's roles-based security model allows agency's to define a users' access rights throughout the system
<b>8. Security / Password Controls</b>						
a. The system provides an enforced minimum length for passwords.	M	<input type="checkbox"/>			A	Users access NEOGOV only with a valid username and password combination, which is encrypted via SSL while in transmission. Agency's can define the password requirements and encrypted session tracking is used to uniquely identify each user. For added security, the session key is automatically scrambled and re-established in the background at regular intervals.
b. The system provides an enforced requirement for user passwords to be automatically prompted for change after a defined period has passed, such as 30, 60 or 90 days.	M	<input type="checkbox"/>			A	Agencies can define the password requirements including expiration times.
c. The system provides users with the capability to change their own passwords.	M	<input type="checkbox"/>			A	If desired, users can modify their personal passwords in the system, however



TECHNICAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
						agency password requirements (required length, characters) will still be enforce.
d. The system disables user IDs after a specified number (3) of consecutive invalid login attempts.	M	<input type="checkbox"/>			A	The State can configure your user password logout policy which includes this configurable item.
e. The system enters passwords in a non-display field.	M	<input type="checkbox"/>			A	Insight Enterprise automatically masks (ie *****) sensitive data as it is entered into the corresponding field.
f. The system encrypts passwords when they are routed over the network.	M	<input type="checkbox"/>			A	Users access NEOGOV only with a valid username and password combination, which is encrypted via SSL while in transmission.
g. The system encrypts passwords in system storage.	M	<input type="checkbox"/>			A	Passwords and other sensitive data are encrypted while at rest.
<b>9. Security / Activity Logging</b>						
a. The system logs unauthorized access attempts by date, time, user ID, device and location.	M	<input type="checkbox"/>			A	From an infrastructure perspective, NEOGOV has standards for server and network hardening since it is the first line of defense against a possible intrusion. We audit our infrastructure on a regular basis and a strict access control policy is in place to ensure that all non-essential services are shutdown as required.
b. The system maintains an audit trail of all security maintenance performed by date, time, user ID, device and location, with easy access to information.	M	<input type="checkbox"/>			A	All transactions and modifications are automatically time and date stamped to provide complete auditing capabilities. Full audit trails are maintained of every process and action related to production servers and data. This includes physical access audit logs,

TECHNICAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
						hardware and software application and security logs, operating system logs tracking all actions, and Insight Enterprise and SQL Server auditing features to ensure confidentiality and data integrity. The logs are transferred in encrypted format to reporting servers for offline analysis.
c. The system provides security reports of users and access levels.	M	<input type="checkbox"/>			A	Currently available.
d. The system provides detailed reports of backups completed and backups failed.	M	<input type="checkbox"/>			A	These logs are available to NEOGOV Network staff only.
<b>10. Software Package Specifications</b>						
<ul style="list-style-type: none"> <li>The software allows the State, from PC workstations, to access and update all necessary information to complete a transaction.</li> </ul>	O	<input type="checkbox"/>			A	Insight Enterprise is a 100% web-based application, accessible via a standard web browser, such as Internet Explorer, Netscape, or Firefox. There are no third party applications, nor plug-ins, required to access the system. Applicants and public pages are accessible via Internet Explorer 4.0 or higher, Netscape, Firefox, Opera, AOL, and Safari browsers. Insight Users are required to have Internet Explorer 5.5 or higher and the system has been fully tested with IE 6.0 and IE 7.0. For security purposes, NEOGOV recommends that the State users always use the latest browser technology with the latest security patches.



TECHNICAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
<ul style="list-style-type: none"> <li>The software allows for the accurate and timely input and extraction of State data.</li> </ul>	O	<input type="checkbox"/>			A	Insight Enterprise utilizes MS SQL Server 2005 as its backend database to allow for the accurate and timely input and extraction of State data maintained within the system.
<ul style="list-style-type: none"> <li>The software allows for processing of all identified State business.</li> </ul>	O	<input type="checkbox"/>			A	State defined business processes or certification/referral rules can be incorporated into the system.
<ul style="list-style-type: none"> <li>The software provides identified data reporting capabilities.</li> </ul>	O	<input type="checkbox"/>			A	Insight Enterprise Edition includes a robust, yet easy-to-use reporting and analysis tool that allows any user to run standard reports or create customized reports to gain valuable insight into your recruitment, selection, and applicant tracking data and processes. With an intuitive web interface, authorized users can create new reports on the fly — without requiring any IT or programming resources. Best of all, Insight's comprehensive reporting engine allows users to drill deep into the backend database, including the ability to access Custom Fields within ad-hoc reports.
<ul style="list-style-type: none"> <li>The software provides a Graphical User Interface (GUI) that is user-friendly and provides data, calculation, reporting, and communication capabilities to State users.</li> </ul>	O	<input type="checkbox"/>			A	Insight Enterprise Provides a flexible industry standard Graphical User Interface (GUI) design.
<ul style="list-style-type: none"> <li>The system provides the capability to access scanned images that</li> </ul>	O	<input type="checkbox"/>			A	An unlimited number of attachments (i.e., DD214, certificates,

TECHNICAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
are attached to various elements of the database.						licenses, resumes, letters, etc.) can be included in the applicant's master record. Insight users have the capability to attach documents to all applications in the master record or just specific applications. Additionally, Insight users can determine whether each attachment is confidential or if it is viewable by the hiring managers.
<b>11. Reporting</b>						
a. The software delivers standard reports.	M	<input type="checkbox"/>			A	Insight Enterprise includes more than 80 standard reports, all developed for the public sector with the assistance of our agencies.
b. The system includes ad-hoc query and reporting tools.	M	<input type="checkbox"/>			A	In addition to Insight's many standard reports, easy to use Ad-Hoc reporting tools are also available for enhanced reporting capabilities.
c. The online query capability enables non-technical end-users to extract information.	M	<input type="checkbox"/>				Both the standard and ad-hoc reports enable non-technical individuals to create 100% customized reports through a step-by-step report generation wizard.
d. The standard (e.g., regularly scheduled, recurring) reporting environment allows:	O	<input type="checkbox"/>			A	See Below.
i. Standard reports to be scheduled, executed, viewed on-line, printed (centrally or remotely) and dispersed (including the use of report distribution management software)	O	<input type="checkbox"/>			A	Our full-featured reports include a variety of pre-set and custom options that give agencies the ability to find, track, and measure data critical to understanding the health of your organization— and ultimately your success – when you



TECHNICAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
						<p>need the data. These reports are an accumulation of years of effort and experience working with public sector agencies to identify and build useful, configurable, and powerful reports to provide necessary data in a timely and useful method.</p> <p>All reports built through Insight Enterprise are available electronically directly through the browser and you can easily export data to Microsoft Excel™ or Crystal Reports for additional analysis or integration with external information, minimizing the need for paper documents. You cannot schedule reports or establish a list of emails to automatically disperse the reports to. You can generate the report and then export and email it to an established email list.</p>
e. The system provides						
I.Methods for retaining and modifying previously built queries	O	<input type="checkbox"/>			A	Custom built ad-hoc reports can be saved, shared, or modified as required.
II.Security and control mechanisms that limit the abuse of ad hoc queries (e.g., attempted access to restricted data, attempted execution of a query that would run for several hours, etc.)	O	<input type="checkbox"/>			A	Access to reports and the corresponding data is controlled by the user's access rights.
<b>12. System Auditing</b>						
a. The system has the ability to maintain a historical record of all changes made to any item within the system (e.g.,	O	<input type="checkbox"/>			A	Insight includes full audit capabilities and records the session activity with time/date stamp in numerous

TECHNICAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
data element, business rule, process control, software program), the ID of the person or process that made the change, the before images of the affected data records, and the date and time the change was made.						places throughout the system. For example, when a record is changed, Insight will track who made the change, what date and time the change was made, what the old value was, and what the new value is.
b. The system offers the ability to query, view, filter, and sort the system audit trail. The system is able to store the queries.	O	<input type="checkbox"/>			B	This is not currently available.
c. The system has the ability to identify and track data back to its input source (e.g., imaged document, keyed from form, interface file, etc.).	O	<input type="checkbox"/>			B	This is not currently available.
d. The system has the ability to audit all override of edits and audits and identify the login ID, date, and time.	O	<input type="checkbox"/>			A	Insight tracks all changes, updates, edits, etc by user, date, data field modified, old value, and new value.
e. The system enables the user to modify data entry transactions that have already been posted to the database while maintaining an audit trail of the change.	O	<input type="checkbox"/>			A	Insight records the session activity with time/date stamp in numerous places throughout the system. For example, when a record is changed, Insight will track who made the change, what date and time the change was made, what the old value was, and what the new value is.
f. The system's internal control functionality ensures that the data entry and processing associated with a business event has been completed before updating the database.	O	<input type="checkbox"/>			A	Current functionality.
g. The system keeps a log of each transaction which alters the database. Logs are date and time stamped to allow the system to reconstruct activity for any period.	O	<input type="checkbox"/>			A	Full audit trails are maintained of every process and action related to production servers and data. This includes physical access audit logs, hardware and software application





TECHNICAL REQUIREMENTS	MANDATORY (M) OR OPTIONAL (O)	YES	YES WITH MODIFICATIONS	NO	REQ RESPONSE (A, B, C, D, E)	COMMENTS
						and security logs, operating system logs tracking all actions, and Insight Enterprise and SQL Server auditing features to ensure confidentiality and data integrity. NEOGOV is responsible for maintaining the log which is used for reconstruction.
<b>13. Edit and Validation Control</b>						
a. The system includes comprehensive field edits to prevent incomplete or incorrect data from entering the system	M	<input type="checkbox"/>			A	Fields throughout the system can be marked as required to ensure that users submit the desired data throughout the recruitment process. Where applicable, the data formatting is validated to ensure proper formatting is entered.
<b>14. Environment</b>						
a. Contractor maintains a current annual security rating as audited by an independent third party auditing firm that certifies that they meet federal and State guidelines for the handling of confidential data.	M	<input type="checkbox"/>				NEOGOVS has never been formally audited nor do we currently have a verification or certificate.
<b>15. Interfaces</b>						
a. The system has the ability to exchange data with other systems using the following mechanisms: online application to application, web services interface, FTP and SFTP, to and from magnetic media and using warehouse utilities to the State's data warehouse.	O	<input type="checkbox"/>			A	Agencies are able to integrate with NEOGOV solutions utilizing pre-built API plug-ins as well as secure back end web services. HRIS and NEOGOV integrations are bi-directional and can significantly increase the communication and data integrity between multiple external systems.
b. The system must provide real-time data transfer of identified data.	O	<input type="checkbox"/>			A	All NEOGOV data is accessible and available real-time.

**EXHIBIT A – Pricing ORDER FORM****Customer:****Bill To:**

CONTACT Douglas Collier State of Michigan <u>ADDRESS See Contract</u>		CONTACT DIT Contract and Procurement State of Michigan <u>ADDRESS Constitution Hall 1<sup>st</sup> Floor N</u> <u>525 W Allegan St Lansing MI, 48913</u>	
<b>Quote Date:</b>	9/15/08	<b>Revision:</b>	1
<b>Valid From:</b>	9/15/08		
<b>Valid To:</b>	Today plus 30 days	<b>Order Number:</b>	
<b>Requested Service Date:</b>	TBD	<b>Initial Term:</b>	12 Months

**Order Summary**

<b>Line</b>	<b>Description<sup>1</sup></b>	<b>Annual Recurring Cost</b>	<b>Non- Recurring Cost</b>
1.0	Insight Enterprise Edition		
1.1	Insight Subscription License – Year 1	\$98,000.00	
	Insight Subscription License – Year 2	\$98,000.00	
	Insight Subscription License – Year 3	\$98,000.00	
1.2	Provisioning		
	Insight Setup		\$90,000.00
	Initial System Training		\$10,000.00 <sup>*2</sup>
1.3			
<b>Sub Total:</b>		\$294,000.00	\$100,000.00
<b>Order Total:</b>		<b>\$394,000.00</b>	

<sup>1</sup>More detailed descriptions of the services are contained in the order detail for each service, which are incorporated herein and made a part hereof by this reference.

<sup>\*2</sup>The initial system training includes 2-days of dedicated on site training. In addition, the State shall have access to subsequent extended on site training sessions as required at the discounted rate of \$9000.00 per 2-day session. NOTE: Extended training is subject to schedule availability. Note the State anticipates 10 additional training sessions.



## Order Detail

### 1.0 Insight Enterprise Edition

#### 1.1 License Subscription

The Customer's subscription to the Insight Enterprise Platform includes the following functionality:

##### Recruitment

- Customized online job application
- Accept job applications online
- Online applications integration with current agency website
- Online job announcements and descriptions
- Automatic online job interest cards
- Proactively search your applicant database
- Real-time database of all applicant information
- Recruitment and examination planning

##### Selection

- Create, store, and reuse supplemental questions in the Insight item bank
- Screen applicants automatically as they apply
- Define unique scoring plans per recruitment, or copy existing scoring plans
- Test Item bank (optional in TMS)
- Conduct item analysis
- Test processing (automatically input Scantron test data sheets)\*
- Test analysis and pass-point setting
- Score, rank, and refer applicants

##### Applicant Tracking

- Email and hardcopy notifications
- EEO Data collection and reports
- Track applicants by step/hurdle
- Schedule written, oral, and other exams
- Detailed applicant history record
- Skills tracking and matching

##### Reporting and Analysis

- Collect and report on EEO data
- Analyze and report on adverse impact and applicant flow
- Track and analyze data such as time-to-hire, recruitment costs, staff workload, applicant quality, etc.
- Over 80 standard system reports
- Ad Hoc reporting tool

##### HR Automation

- Create and route job requisitions
- Refer and certify applicants electronically
- Scan paper application materials

\* Cost of the scanner is not included unless listed on Exhibit A – ORDER FORM

\* Requires a Scantron or similar Optical Mark Reader (OMR) scanner, special forms, form set-up, and scanner software, which are not included unless listed on Exhibit A – ORDER FORM

Additionally, during the term of the subscription, the Customer will be provided:

#### Unlimited Customer Support (6:00 AM – 6:00 PM PT)

Customer Support shall be provided to the Customer both on-line and by telephone Monday – Friday, 6:00 AM – 6:00 PM PT (excluding NEOGOV holidays).



## **Product Upgrades to Licensed Software**

Customer shall receive all product upgrades to purchased package. Product upgrades are automatic and available upon the next login following a product upgrade rollout. Product upgrade rollouts are generally released every three months.

### **1.2 Provisioning**

The following activities are conducted as part of the Insight Enterprise implementation

- Conduct a project kick off meeting to review the project timeline, deliverables, and establish project expectations
- NEOGOV will establish an Agency-specific training environment that will be used during training and post-training to allow the Agency to learn the system and begin defining new roles, responsibilities, and activities within the HR staff
- NEOGOV will conduct eight hours of on line instructor led training. NEOGOV will provide all required user exercises and user guides to the Agency.
- Once the core user community is comfortable with the system (typically within 10 hours of hands-on use) they will train the remaining HR staff to complete their tasks using Insight.
- Between the training and go-live, NEOGOV will complete the following activities:
  - Creating an agency-specific training environment which is used by your agency during training and afterwards to train in prior to moving into production
  - Configure printable job bulletin
  - Integrate your new production job opportunities, promotional opportunities, and class specifications web pages into your existing agency website
  - Establish the Agency's Insight Enterprise production environment

### **1.3 Training**

NEOGOV will deliver initial system training to Agency recruiters. Agency will have access to all user exercises and user guides.

Following the training, your agency will have full access to the training environment. Additionally, your agency has full access to our Customer Support Help Desk during the training to help new users fully utilize Insight. Our existing customers find that this unique implementation approach enables their users to become familiar with Insight in a safe environment, promoting system use and leading to a more successful rollout.

Additional training sessions are also available to the State under NEOGOV extended system training services. Each 2-day session is OPTIONAL and may be used by the State individually, as required.

**Order Form Terms and Conditions:**

- (1) The Customer hereby orders and GovernmentJobs.com, Inc. (d/b/a NEOGOV, hereafter "NEOGOV") agrees to provide the services described in this Order Form. THE SERVICES ARE PROVIDED PURSUANT TO THE TERMS AND CONDITIONS OF THIS ORDER FORM AND THE SERVICE AGREEMENT BETWEEN NEOGOV AND THE CUSTOMER.
- (2) The Customer agrees that the payment schedule is as follows:

**Provide all required software and Licenses**

- One hundred percent (100%) of the annual license price is payable within forty five (45) days of execution of this Order Form. (\$98,000.00 – Year 1)

**Software Provisioning for first half of Insight Enterprise**

- Fifty percent (50%) of the non-recurring costs are to be paid to NEOGOV within forty five (45) days of the execution of this Order Form and Service Agreement. (\$45,000.00)

**Completion of Training**

- One hundred percent (100%) of the initial system training price is payable within forty five (45) days of completion of training. (\$10,000.00)
- One hundred percent (100%) of any individual extended system training price is payable within forty five (45) days of completion of training session. (\$9,000.00/per session)

**Software Provisioning for second half of Insight Enterprise (Completion of post evaluation)**

- Fifty percent (50%) of the non-recurring costs are to be paid to NEOGOV within forty five (45) days following the thirty day post-training period. (\$45,000.00)

**Software and Licenses for optional years 4 and 5 will remain at same rate as noted Insight Subscription License – Year 1-3 of \$98,000.00**