



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 **3**
to
Contract Number **MA20000000775**

CONTRACTOR	STACS DNA INC.
	225 St. Laurent Blvd. Suite 206
	Ottawa ON ON K1G 4K3
	Jonathan Baldanza
	310-469-7271
	jonathan.baldanza@invitahealth.com
	CV0067023

STATE	Program Manager	Various	Various
STATE	Contract Administrator	Sarah Platte	DTMB
		5172192406	
		PlatteS3@michigan.gov	

CONTRACT SUMMARY				
MSP STACS Casework Systems				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
April 13, 2020	September 30, 2025	5 - 12 Months	September 30, 2025	
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 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"/>		
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$904,234.71	\$39,586.84	\$943,821.55		
DESCRIPTION				
Effective 4/14/2025, the State adds \$39,586.84 in funding to the Contract to cover the costs of maintenance for the STACS DNA CW database from 4/21/2025 to 9/30/2025.				
All other terms, conditions, specifications and pricing remain the same. Per Contractor, Agency, DTMB Central Procurement Services, and State Administrative Board approval on 4/7/2020.				

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

AGENCY	NAME	PHONE	EMAIL
MSP	Scott Bruski	517-636-5723	BruskiS@michigan.gov
MSP	Kristin Schelling	517-202-1007	SchellingK@michigan.gov
DTMB	Jim Coggin	517-243-5265	CogginJ@michigan.gov

Quote



Date: April 7, 2025

To: State of Michigan Procurement
Department of Technology, Management & Budget
525 W. Allegan Street
Lansing, MI 48909

Attn: Kristin Schelling

Quantity	Units	Description	Unit Price	Total
1	ea	STACS Casework Support and Maintenance Services	\$39,586.84	\$39,586.84
		Period: April 21, 2025 to September 30, 2025		
			Subtotal	\$39,586.84
			Tax	n/a
			Total	\$39,586.84



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

CONTRACT CHANGE NOTICE

Change Notice Number 2
 to
 Contract Number 20000000775

CONTRACTOR	STACS DNA, Inc. d/b/a Invita Healthcare Technologies
	225 St. Laurent Blvd. , Suite 206
	Ottawa, ON ON K1G 4K3
	Steven Gareau
	613-274-7822 x2008
	steven.gareau@invitahealth.com
	CV0067023

STATE	Program Manager	Various	MSP
STATE	Contract Administrator	Jarrod Barron	DTMB
		(517) 249-0406	
		barronj1@michigan.gov	

CONTRACT SUMMARY

MSP STACS CASEWORK SYSTEMS

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
April 13, 2020	September 30, 2025	5 - 1 Year	September 30, 2025

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"/>		September 30, 2025

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
\$889,639.62	\$14,595.09	\$904,234.71

DESCRIPTION

Effective 12/16/2021, the parties add \$14,595.09 for the attached STACS database enhancement statement of work. All other terms, conditions, specifications, and pricing remain the same. Per Contractor, Agency and DTMB Procurement approval.

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

AGENCY	NAME	PHONE	EMAIL
MSP	Scott Bruski	517-636-5723	BruskiS@michigan.gov
MSP	Kristin Schelling	517-202-1007	SchellingK@michigan.gov
DTMB	Gordon Mayes	517-204-8026	MayesG1@michigan.gov



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

Project Title: STACS Database Enhancements	Period of Coverage: FY2022
Requesting Department: Michigan State Police	Date: 11/18/2021
Agency Project Manager: Mr. Aaron Berenter	Phone: 517-819-1939
DTMB Project Manager: N/A	Phone:

BACKGROUND:

The Michigan State Police (MSP) has identified a need for software enhancements to the STACS software product to store archived CODIS data. This Statement of Work will be governed by the terms of Contract 171-20000000775 (the “Contract”).

PROJECT OBJECTIVE:

Development and maintenance of electronic storage space for MSP CODIS kit cards currently scanned and stored on local data drives. This project will eliminate the need for hard copy demographic cards.

SCOPE OF WORK & TASKS:

Technical support is required to assist with the following tasks (the services to be provided by STACS DNA hereunder is collectively referred to as the “Software Customization Services”):

Construction

The Construction Stream encompasses all the activities related to the actual customization of STACS i.e., Design & Development and the creation of the revised User Guide to reflect the new version of the software. During the Design & Development phase, review points may be established to allow for the demonstration of the work accomplished to date.

Testing and Acceptance

Integration Testing will ensure that all STACS components are thoroughly tested and delivered to the State without any defects.

Installation and Configuration

The State will perform the installation and configuration of the customized STACS software on its equipment. STACS DNA will provide all the required Installation and Configuration instructions to the State.

System Testing

The State agrees to execute and complete system tests within two weeks of delivery of the enhancements. During the testing phase the State will report anomalies on a regular basis to STACS DNA using the customer portal. This will ensure prompt resolution of issues and final delivery of the product.

DELIVERABLES:

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

- Add module to MSP Sample Reception
- Place STACS Barcodes onto module after Data Entry (no impact on current workflow)
- Setup STACS Archive Database:
 - Have scripts to create database and schedule job to archive
 - Have scripts to migrate existing images through an incremental process

ACCEPTANCE CRITERIA:

Acceptance criteria for the deliverables include:

STACS components have been thoroughly tested and delivered to the State without any defects.

OWNERSHIP:

The State acknowledges and agrees that the Software Customization Services and Deliverables to be provided by STACS DNA to the State hereunder, including the Intellectual Property Rights therein, shall be owned by STACS DNA. Any such Software Customization Services and Deliverables shall be deemed to form part of and be included in the "Software" as defined under the Contract.

PAYMENT SCHEDULE:

The State will make one \$14,595.09 payment to Contractor after confirming Satisfactory acceptance of all Deliverables based on the firm fixed pricing shown below. DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense. Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

Item #	Requirement		Total Hours	Cost
Software Customization Items:				
xxxx1	Submission Scanning		26.5	\$5,164.75
	Add module to MSP Sample Reception			
	Place STACS Barcodes onto module after Data Entry (no impact on current workflow)			
xxxx2	Setup STACS Archive Database		4.0	\$793.50
	*we have scripts to create database and schedule job to archive			
	*we have scripts to migrate existing images through an incremental process			
xxxx3	Fingerprint Examination		19.0	\$3,691.00
	Include the submission form image file with the cover letter when 'Send' is clicked.			
	*current process saves a pdf (multiselect only) if "image" is pdf it can be merged			

	* , if jpg or something it can be attached to pdf			
xxxx4a	Sample Removal		13.0	\$2,529.75
	Automatically remove image file from the STACS database when removal is complete			
	*all attached files or just those of type "Submission Image"			
xxxx4b	Sample Removal		14.5	\$2,839.50
	Add checklist item to indicate that image file has been deleted.			
	Question: Does this remove the file from the Archive Database? Not currently			
xxxx4c	Sample Removal		10.5	\$2,040.50
	Prompt user if image file should be removed (automatically)			
xxxx5	Data Entry - SSN Validation (#68143)		10.5	\$2,040.50
	Flag user when an invalid SSN is entered.			
Sub-Total (Software Customization Items):			98.0	\$19,099.50
Project Level Tasks:				
	DBA Tasks		1.5	\$290.25
	Work Plan/Development Team Management		5.0	\$1,217.50
	Development Support of QA and Documentation		1.5	\$290.25
	Collateral work		0.0	\$0.00
	UAT Validation		7.0	\$1,354.50
Sub-Total (Project Level Tasks):			15.0	\$3,152.50
STACS Dollars Program Credit:				
	Period: 01-Oct-2020 to 30-Sep-2021			
	Total STACS (or Track-Kit) Dollars for period: \$7,656.91			
	Balance for period: \$0.00			
GRAND-TOTAL			113.0	\$14,595.09

EXPENSES:

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

PROJECT CONTACTS:

The designated Contractor Project Manager is:

TJ Sekhon, Project Manager
Kathleen Clarke, Field Application Specialist, Kathleen.Clarke@InvitaHealth.com
Andre Pinsonneault
STACS DNA Inc.
2255 St. Laurent Blvd #206,

Ottawa, ON K1G
1-877-774-7822

The designated Agency Program Manager is:
Mr. Aaron Berenter
Michigan Department of State Police
BID - CODIS
MSP Lansing Forensic Laboratory
7320 North Canal Road
Dimondale, MI 48821
Phone Number: 517-819-1939
Fax Number: 517-636-0491
Email Address: BerenterA@michigan.gov

AGENCY RESPONSIBILITIES:

MSP CODIS staff will perform installation and configuration of the customized STACS software. STACS DNA will provide all the required installation and configuration instructions.

System testing will be performed by MSP CODIS staff within two weeks of delivery of the enhancements. During the testing phase the State will report anomalies on a regular basis to STACS DNA using the customer portal. This will ensure prompt resolution of issues and final delivery of the product.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Contractor staff will work at 2255 St. Laurent Blvd #206, Ottawa, ON K1G 4K3, Canada.

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 1
 to
 Contract Number 200000000775

CONTRACTOR	STACS DNA INC.
	225 St. Laurent Blvd. , Suite 206
	Ottawa, ON ON K1G 4K3
	Jocelyn Tremblay
	877-774-7822 2000
	jocelyn.tremblay@stacsdna.com
	CV0067023

STATE	Program Manager	Various	MSP
	Contract Administrator	Jarrod Barron	DTMB
		(517) 249-0406	
		barronj1@michigan.gov	

CONTRACT SUMMARY

MSP STACS CASEWORK SYSTEMS			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
April 13, 2020	September 30, 2025	5 - 1 Year	September 30, 2025
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"/>		September 30, 2025
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$827,281.89	\$62,357.73	\$889,639.62		

DESCRIPTION

Effective 12/21/2020, the parties add \$62,357.73 for the services detailed in the attached STACS-CW Enhancements statement of work. All other terms, conditions, specifications, and pricing remain the same. Per Contractor, Agency and DTMB Procurement approval.

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

AGENCY	NAME	PHONE	EMAIL
MSP	Scott Bruski	517-636-5723	BruskiS@michigan.gov
MSP	Kristin Schelling	517-202-1007	SchellingK@michigan.gov
DTMB	Gordon Mayes	517-204-8026	MayesG1@michigan.gov



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

Project Title: STACS Casework Enterprise Enhancements	Period of Coverage: FY 2021
Requesting Department: Michigan State Police	Date: TBD
Agency Project Manager: Lauren Lu	Phone: 517-282-9116
DTMB Project Manager: Mr. Gordon Mayes	Phone: 517-204-8026

BACKGROUND:

The Michigan State Police (MSP) has an existing contract with Sample Tracking and Control Solutions Casework Enterprise (STACS-CW). STACS-CW is used by the MSP for receiving, tracking, and analysis of Body Fluid Identification and DNA evidence and is utilized by all seven of the MSP Forensic Science Division laboratories. The MSP has identified a need for software enhancements to the STACS software product for it's current fiscal year.

SCOPE OF WORK:

Contractor will provide technical implementation and project management services to customize STACS-CW as follows:

Rehydration/Re-process

- Update Re-Hydration Module
- If a reprocessed sample has a dry down activity, prompt to rehydrate
- Allow users to scan barcode of in process sample to add to Rehydrate worklist
- Document Rehydration on Note Packet and Sample History (existing functionality)

Differential Sample ID's when reworking

- Create config to reused differential designator
- Maintain the differential designator when reworking to Batch Setup

Batch History Report - Reverse Order

- Add criteria to report for display order
- Display the Batch History Report in chronological order

Transferring/Creating Dilutions

- Change Note Packet Report
- Change Batch History Report
- Validating old and new workflow activities

Scenario Group Type

- For CE Scenarios, allow group type to be assigned to a kit
- Calculate master mix volumes based on the number of samples assigned to a kit

Additional Info Requested to Quant Results

- Add IPC Status column to Import Quant Results/Examiner Setup - Quant Results
- Import this information from the Plexor file
- 6 Reports to include: Import Quant Results, Examiner Setup - Quant Results, Batch Content - Quant Results, DNA Exam Results - Quant Results, Batch History Report, Note Packet

Batch History: Combining and Concentrating

- Validating old and new workflow activities base on changes from 63998

TASKS & DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them. Technical support is required to assist with the following tasks:

Requirements Definition Stream

The Requirements Definition Stream encompasses the activities related to the drawing up of the detailed system requirements for implementing the software changes requested by the client. Based on the client's user requirements and through an iterative process STACS DNA will, with the active participation of the client, produce a final set of System Requirements. This iterative process shall involve no more than two draft versions for review by the client and a final version of the System Requirements. Once signed-off by the client, the System Requirements will form the basis of the work and will be the authoritative document for the Construction Stream

Final Scope Assessment Report

Based on the approved System Requirements, STACS DNA will provide the final Level of Effort (LoE) assessment and corresponding costing information to the client. The assessment will reveal one of the three following situations:

1. The LoE required will be covered by the proposed budget. In this case the impact is neutral - no special action needs to be taken other than proceeding with the customization to the software.
2. The LoE required will exceed the proposed budget. In this case, the Client will either have to remove some of the work previously defined in the scope or increase the allocated budget and schedule for the work to be performed.
3. The LoE required will be less than the proposed budget. In this case the client will have the option to (1) increase the scope of the customization work, (2) translate the remaining budget into STACS Services Credits, or (3) decrease the allocated budget.

Construction Stream

The Construction Stream encompasses all the activities related to the actual customization of STACS i.e., Design & Development and the creation of the revised User Guide to reflect the new version of the software. During the Design & Development phase, "review points" may be established to allow for the demonstration of the work accomplished to date. The "review points", if required, will be scheduled by the STACS DNA Project Authority.

Testing and Acceptance Stream

Given the limited scope of this incremental release and the level of experience of client staff with the STACS product, STACS DNA proposes that system testing be performed by client staff thus not requiring the presence of a STACS DNA resource onsite.

Integration Testing

Integration Testing ensures that all STACS components are thoroughly tested and delivered to the client without any defects.

Installation and Configuration

The client will perform the installation and configuration of the customized STACS software on its equipment. STACS DNA will provide all the required Installation and Configuration instructions to the client.

System Testing

The client agrees to execute and complete system tests within two weeks of delivery of the enhancements. During the testing phase the client will report anomalies on a regular basis to STACS DNA using the customer portal. This will ensure prompt resolution of issues and final delivery of the product.

PROJECT PLAN

Resources

STACS DNA has a core team of individuals who will form the basis for the execution of this project. Additional resources will be added as required.

The individuals are:

Resources	Labor Category
David Scollon	Project Manager
Steven Gareau	Software Development Manager
Malena Jimenez	Field Application Specialist
Jorge Pinto	Software Developer
Stephane Belanger	Software Developer
Christine Gavlas	Technical Writer

Timeline

The duration of this project will be determined at the end of the Requirements Definition phase of the project. Both parties will negotiate and agree on a mutually acceptable date for project completion.

ACCEPTANCE CRITERIA:

Acceptance criteria for the deliverables include:

- The State has tested and approved all requested STACS-CW customizations.

PROJECT CONTROL AND REPORTS:

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

1. **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
2. **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
3. **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

SPECIFIC DEPARTMENT STANDARDS:

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

PAYMENT SCHEDULE:

State will make one \$62,357.73 payment after successful cutover to production and final acceptance of the Deliverables. DTMB will pay contractor upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency

and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense. Payment shall be considered timely if made by 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 Contractor Project Manager is:

David Scollon
STACS DNA
2255 St- Laurent Blvd, Suite 206
Ottawa, Ontario, Canada K1G 4K3
613-274-7822 ext. 2025
David.scollon@stacsdna.com

The designated Agency Program Manager is:

Lauren Lu
Michigan State Police, Forensic Science Division
Lansing Laboratory
7320 N. Canal Rd.
Lansing, MI 48842
(517) 282-9116
LuL@michigan.gov

The designated DTMB Program Manager is:

Mr. Gordon Mayes
Department of Technology, Management, and Budget
7150 Harris Drive
Dimondale, MI 48821
517-204-8026
MayesG1@michigan.gov

AGENCY RESPONSIBILITIES:

- Provide final acceptance of software/services in the test environment before production.
- Provide access to agency subject matter experts.
- Assist with planning, delivery, testing, troubleshooting, and go-live.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Contractor staff will work remotely to complete the changes required.

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 PROCUREMENT
 Department of Technology, Management & Budget
 525 W. Allegan Street, Lansing, MI 48909

NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. **171-20000000775**
 between
 THE STATE OF MICHIGAN
 and

CONTRACTOR	STACS DNA, Inc.
	2255 St. Laurent Blvd., Suite 206
	Ottawa, ON K1G 4K3 Canada
	Jocelyn Tremblay
	877-774-7822 x2000
	jocelyn.tremblay@stacsdna.com
	CV0067023

STATE	Program Manager	Various	
	Contract Administrator	Jarrod Barron	DTMB
		517-249-0406	
		BarronJ1@michigan.gov	

CONTRACT SUMMARY			
DESCRIPTION: MSP STACS Database and STACS Casework Systems			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
04/13/2020	09/30/2025	5-1 year	09/30/2025
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Payment Request (PRC) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
MISCELLANEOUS INFORMATION			
New Contract established from ITN 171-20000000008.			
Program Managers: 1. MSP for STACS Database system: Scott Bruski, BruskiS@michigan.gov, 517-819-2945. 2. MSP for STACS Casework system: Kristin Schelling, SchellingK@michigan.gov, 517-202-1007. 2. DTMB: Gordon Mayes, MayesG1@michigan.gov, 517-204-8026.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$827,281.89

FOR THE CONTRACTOR:

STACS DNA, Inc.
Company Name


Authorized Agent Signature

JOCELYN TREMBLAY
Authorized Agent (Print or Type)

April 8, 2020
Date

FOR THE STATE:


Signature

Jarrod Barron – IT Category Specialist
Name & Title

DTMB – Central Procurement Services
Agency

4/10/2020
Date



STATE OF MICHIGAN

CONTRACT TERMS

This Software Contract (this “**Contract**”) is agreed to between the State of Michigan (the “**State**”) and STACS DNA, Inc. (“**Contractor**”), an Ottawa, Canada corporation. This Contract is effective on April 13, 2020 (“**Effective Date**”), and unless earlier terminated, will expire on September 30, 2025 (the “**Term**”).

This Contract may be renewed for up to five additional one-year periods. Renewal must be by written notice from the State and will automatically extend the Term of this Contract.

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

“**Acceptance**” has the meaning set forth in **Section 12.5**.

“**Acceptance Tests**” means such tests as may be conducted in accordance with **Section 12** and the Statement of Work to determine whether the Software meets the requirements of this Contract and the Documentation.

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. For purposes of this definition, the term “control” (including the terms “controlled by” and “under common control with”) means the direct or indirect ownership of more than fifty percent (50%) of the voting securities of a Person.

“**Allegedly Infringing Materials**” has the meaning set forth in **Section 26.3(b)(ii)**.

“**API**” means all Application Programming Interfaces and associated API Documentation provided by Contractor, and as updated from time to time, to allow the Software to integrate with various State and Third Party Software.

“**Approved Open-Source Components**” means Open-Source Components that may be included in or used in connection with the Software and are specifically identified in an exhibit to the Statement of Work, and approved by the State.

“**Authorized Users**” means all Persons authorized by the State to access and use the Software under this Contract, subject to the maximum number of users specified in the applicable Statement of Work.

“**Business Day**” means a day other than a Saturday, Sunday or other day on which the State is authorized or required by Law to be closed for business.

“Business Owner” is the individual appointed by the agency buyer to (a) act as the agency’s representative in all matters relating to the Contract, and (b) co-sign off on notice of Acceptance for the Software. The Business Owner will be identified in the Statement of Work.

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

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

“Change Notice” has the meaning set forth in **Section 2.2(b)**.

“Change Proposal” has the meaning set forth in **Section 2.2(a)**.

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

“Confidential Information” has the meaning set forth in **Section 20.1**.

“Configuration” means State-specific changes made to the Software without Source Code or structural data model changes occurring.

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

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

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

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

“Contractor Personnel” means all employees of Contractor or any Permitted Subcontractors involved in the performance of Services hereunder.

“Contractor’s Test Package” has the meaning set forth in **Section 11.2**.

“Deliverables” means the Software, and all other documents and other materials that Contractor is required to or otherwise does provide to the State under this Contract and otherwise in connection with any Services, including all items specifically identified as Deliverables in the Statement of Work.

“Dispute Resolution Procedure” has the meaning set forth in **Section 30.1**.

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

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

“Effective Date” has the meaning set forth in the preamble.

“Fees” means collectively, the License Fees, Implementation Fees, and Support Services Fees.

“Financial Audit Period” has the meaning set forth in **Section 28.1**.

“Force Majeure” has the meaning set forth in **Section 31.1**.

“Harmful Code” means any: (a) virus, trojan horse, worm, backdoor or other software or hardware devices the effect of which is to permit unauthorized access to, or to disable, erase, modify, or otherwise harm, any computer, systems, software, or data; or (b) time bomb, drop dead device, or other software or hardware device designed to disable a computer program automatically with the passage of time or under the positive control of any Person, or otherwise prevent, restrict or impede the State's or any Authorized User's use of such software.

“HIPAA” has the meaning set forth in **Section 19.1**.

“Implementation Fees” has the meaning set forth in **Section 16.2**.

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

“Integration Testing” has the meaning set forth in **Section 12.1(c)**.

“Intellectual Property Rights” means all or any of the following: (a) patents, patent disclosures, and inventions (whether patentable or not); (b) trademarks, service marks, trade dress, trade names, logos, corporate names, and domain names, together with all of the associated goodwill; (c) copyrights and copyrightable works (including computer programs), mask works and rights in data and databases; (d) trade secrets, know-how and other confidential information; and (e) all other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection provided by applicable Law in any jurisdiction throughout the world.

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

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

“License Agreement” has the meaning set forth in **Section 3**.

“License Fee” has the meaning set forth in **Section 16.1**.

“Loss or Losses” means all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the costs of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers.

“Maintenance and Support Schedule” means, if applicable, the schedule attached as **Schedule B**, setting forth the Support Services Contractor will provide to the State, and the parties' additional rights and obligations with respect thereto.

“Maintenance Release” means any update, upgrade, release or other adaptation or modification of the Software, including any updated Documentation, that Contractor may generally provide to its licensees from time to time during the Term, which may contain, among other things, error corrections, enhancements, improvements or other changes to the user interface, functionality, compatibility, capabilities, performance, efficiency or quality of the Software.

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

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

“New Version” means any new version of the Software that the Contractor may from time to time introduce and market generally as a distinct licensed product, as may be indicated by Contractor's designation of a new version number.

“Nonconformity” or **“Nonconformities”** means any failure or failures of the Software to conform to the requirements of this Contract, including any applicable Documentation.

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

“Open-Source License” has the meaning set forth in **Section 4**.

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

“Permitted Subcontractor” has the meaning set forth in **Section 9.4**.

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

“Pricing” means any and all fees, rates and prices payable under this Contract, including pursuant to any Schedule or Exhibit hereto.

“Pricing Schedule” means the schedule attached as **Schedule D**, setting forth the License Fees, Implementation Fees, Support Services Fees, and any other fees, rates and prices payable under this Contract.

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

“Representatives” means a party’s employees, officers, directors, partners, shareholders, agents, attorneys, successors and permitted assigns.

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

“Services” means any of the services Contractor is required to or otherwise does provide under this Contract, the Statement of Work, the Maintenance and Support Schedule (if applicable), or the Service Level Agreement (if applicable).

“Service Level Agreement” means, if applicable, the service level agreement attached as **Schedule E** to this Contract, setting forth Contractor’s obligations with respect to the hosting, management and operation of the Software.

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

“Software” means Contractor’s software set forth in the Statement of Work, and any Maintenance Releases or New Versions provided to the State and any Configurations made by or for the State pursuant to this Contract, and all copies of the foregoing permitted under this Contract and the License Agreement.

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

“Specifications” means, for the Software, the specifications collectively set forth in the Business Requirements Specification, Technical Specification, Documentation, RFP or Contractor’s Bid Response, if any, for such Software, or elsewhere in the Statement of Work.

“State” means the State of Michigan.

“State Data” has the meaning set forth in **Section 19.1**.

“State Materials” means all materials and information, including documents, data, know-how, ideas, methodologies, specifications, software, content and technology, in any form or media, directly or indirectly provided or made available to Contractor by or on behalf of the State in connection with this Contract.

“State Resources” has the meaning set forth in **Section 10.1(a)**.

“Statement of Work” means any statement of work entered into by the parties and attached as a schedule to this Contract. The initial Statement of Work is attached as **Schedule A**, and subsequent Statements of Work shall be sequentially identified and attached as Schedules A-1, A-2, A-3, etc.

“Stop Work Order” has the meaning set forth in **Section 24**.

“Support Services” means the software maintenance and support services Contractor is required to or otherwise does provide to the State under the Maintenance and Support Schedule (if applicable) or the Service Level Agreement (if applicable).

“Support Services Commencement Date” means, with respect to the Software, the date on which the Warranty Period for the Software expires or such other date as may be set forth in the Statement of Work.

“Support Services Fees” has the meaning set forth in **Section 16.3**.

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

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

“Test Data” has the meaning set forth in **Section 11.2**.

“Test Estimates” has the meaning set forth in **Section 11.2**.

“Testing Period” has the meaning set forth in **Section 12.1(b)**.

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

“Transition Period” has the meaning set forth in **Section 23.3**

“Transition Responsibilities” has the meaning set forth in **Section 23.3**.

“Unauthorized Removal” has the meaning set forth in **Section 9.3(b)**.

“Unauthorized Removal Credit” has the meaning set forth in **Section 9.3(c)**.

“User Data” means all data, information and other content of any type and in any format, medium or form, whether audio, visual, digital, screen, GUI or other, that is input, uploaded to, placed into or collected, stored, processed, generated or output by any device, system or network by or on behalf of the State, including any and all works, inventions, data, analyses and other information and materials resulting from any use of the Software by or on behalf of the State under this Contract, except that User Data does not include the Software or data, information or content, including any GUI, audio, visual or digital or other display or output, that is generated automatically upon executing the Software without additional user input.

“Warranty Period” means the ninety (90) calendar-day period commencing on the date of the State's Acceptance of the Software.

“Work Product” means all State-specific deliverables that Contractor is required to, or otherwise does, provide to the State under this Contract including but not limited to computer scripts, macros, user interfaces, reports, project management documents, forms, templates, and other State-specific documents and related materials together with all ideas, concepts, processes, and methodologies, with the exception of pre-existing scripts, software system specifications, and software code, developed in connection with this Contract whether or not embodied in this Contract.

2. Statements of Work. Contractor shall provide Services and Deliverables pursuant to Statements of Work entered into under this Contract. No Statement of Work shall be effective unless signed by each party’s Contract Administrator. The term of each Statement of Work shall commence on the parties’ full execution of the Statement of Work and terminate when the parties have fully performed their obligations. The terms and conditions of this Contract will apply at all times to any Statements of Work entered into by the parties and attached as a schedule to this Contract. The State shall have the right to terminate such Statement of Work as set forth in **Section 23**. Contractor acknowledges that time is of the essence with respect to Contractor’s obligations under each Statement of Work and agrees that prompt and timely performance of all such obligations in accordance with this Contract and the Statements of Work (including the Implementation Plan and all Milestone Dates) is strictly required.

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

(a) names and contact information for Contractor’s Contract Administrator, Project Manager and Key Personnel;

(b) names and contact information for the State’s Contract Administrator, Project Manager and Business Owner;

(c) a detailed description of the Services to be provided under this Contract, including any training obligations of Contractor;

(d) a detailed description of the Software to be provided under this Contract, including the:

(i) version and release number of the Software;

(ii) Business Requirements Specification;

(iii) Technical Specification; and

(iv) a description of the Documentation to be provided;

(e) an Implementation Plan, including all Milestones, the corresponding Milestone Dates and the parties’ respective responsibilities under the Implementation Plan;

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

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

(h) description of all liquidated damages associated with this Contract; and

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

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

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

- (i) a written description of the proposed Changes to any Services or Deliverables;
- (ii) an amended Implementation Plan reflecting: (A) the schedule for commencing and completing any additional or modified Services or Deliverables; and (B) the effect of such Changes, if any, on completing any other Services under the Statement of Work;
- (iii) any additional State Resources Contractor deems necessary to carry out such Changes; and
- (iv) any increase or decrease in Fees resulting from the proposed Changes, which increase or decrease will reflect only the increase or decrease in time and expenses Contractor requires to carry out the Change.

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

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

- (i) require Contractor to perform the Services under the Statement of Work without the Change;
- (ii) require Contractor to continue to negotiate a Change Notice;
- (iii) initiate a Dispute Resolution Procedure; or
- (iv) notwithstanding any provision to the contrary in the Statement of Work, terminate this Contract under **Section 23**.

(d) No Change will be effective until the parties have executed a Change Notice. Except as the State may request in its Change Request or otherwise in writing, Contractor must continue to perform

its obligations in accordance with the Statement of Work pending negotiation and execution of a Change Notice. Contractor will use its best efforts to limit any delays or Fee increases from any Change to those necessary to perform the Change in accordance with the applicable Change Notice. Each party is responsible for its own costs and expenses of preparing, evaluating, negotiating, and otherwise processing any Change Request, Change Proposal, and Change Notice.

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

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

3. Software License. Contractor hereby grants to the State and its Authorized Users the right and license to use the Software and Documentation in accordance with the terms and conditions of this Contract and the License Agreement set forth in **Schedule C** (the “**License Agreement**”).

4. Open-Source Licenses. Any use hereunder of Open-Source Components shall be governed by, and subject to, the terms and conditions of the applicable open-source license (“**Open-Source License**”). Contractor shall identify and describe in an exhibit to the Statement of Work each of the Approved Open-Source Components of the Software, and include an exhibit attaching all applicable Open-Source Software Licenses or identifying the URL where these licenses are publicly available.

5. Software Implementation.

5.1 Implementation. Contractor will deliver, install, configure, integrate, and otherwise provide and make fully operational the Software on or prior to the applicable Milestone Date in accordance with the criteria set forth in the Statement of Work.

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

6. Hosting. If the Operating Environment for the Software is externally hosted by Contractor or a subcontractor, Contractor will maintain the Availability Requirement and the Support Service Level Requirement set forth in the Service Level Agreement attached as **Schedule E** to this Contract.

7. Support Services

7.1 Support Services for On-Premise Software. If the Operating Environment for the Software is internally hosted by the State, Contractor shall provide the State with the Support Services described in

the Maintenance and Support Schedule attached as **Schedule B** to this Contract. Such Support Services shall be provided:

(a) Free of charge during the Warranty Period, it being acknowledged and agreed that the License Fee includes full consideration for such Services during such period.

(b) Thereafter, for so long as the State elects to receive Support Services for the Software, in consideration of the State's payment of Support Services Fees in accordance with **Section 16** and the rates set forth in the Pricing Schedule.

7.2 Support Services for Externally Hosted Software. If the Operating Environment for the Software is externally hosted by Contractor or a subcontractor, Contractor shall provide the State with the Support Services described in the Service Level Agreement attached as **Schedule E** to this Contract. Such Support Services shall be provided:

(a) Free of charge during the Warranty Period, it being acknowledged and agreed that the License Fee includes full consideration for such Services during such period.

(b) Thereafter, for so long as the State elects to receive Support Services for the Software, in consideration of the State's payment of Support Services Fees in accordance with **Section 16** and the rates set forth in the Pricing Schedule.

8. Data Privacy and Information Security.

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

8.2 To the extent that Contractor has access to the State's computer system, Contractor must comply with the State's Acceptable Use Policy, see https://www.michigan.gov/documents/dtmb/1340.00.01_Acceptable_Use_of_Information_Technology_Standard_458958_7.pdf. All Contractor Personnel will be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State's system. The State reserves the right to terminate Contractor's access to the State's system if a violation occurs.

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

calendar days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.

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

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

8.6 Security Requirements for Externally Hosted Software. If the Operating Environment for the Software is externally hosted by Contractor or a subcontractor, Contractor shall comply with the security requirements set forth in **Schedule F** to this Contract.

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

9.1 Contractor Personnel.

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

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

- (i) ensure that such Contractor Personnel have the legal right to work in the United States;
- (ii) upon request, require such Contractor Personnel to execute written agreements, in form and substance acceptable to the State, that bind such Contractor Personnel to confidentiality provisions that are at least as protective of the State's information (including all Confidential Information) as those contained in this Contract; and
- (iii) upon request, perform background checks on all Contractor Personnel prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks on Contractor Personnel. Pursuant to Michigan law, all agencies subject to IRS Pub. 1075 are required to ask the Michigan State Police to perform fingerprint background checks on all employees, including Contractor and Subcontractor employees, who may have access to any database of information maintained by the federal government that contains confidential or personal information, including, but not limited to, federal tax information. Further, pursuant to Michigan law, any agency described above is prohibited from providing Contractors or Subcontractors with the result of such background check. For more information, please see Michigan Public Act 427 of 2018.

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

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

9.2 Contractor's Project Manager. Throughout the Term of this Contract, Contractor must maintain a Contractor employee acceptable to the State to serve as Contractor's Project Manager, who will be considered Key Personnel of Contractor. Contractor's Project Manager will be identified in the Statement of Work.

(a) Contractor's Project Manager must:

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

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

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

- (i) the State requests in writing the removal of Contractor's Project Manager;
- (ii) the State consents in writing to any removal requested by Contractor in writing;
- (iii) Contractor's Project Manager ceases to be employed by Contractor, whether by resignation, involuntary termination or otherwise.

(d) Contractor will promptly replace its Project Manager on the occurrence of any event set forth in **Section 9.2(c)**. Such replacement will be subject to the State's prior written approval.

9.3 Contractor's Key Personnel.

(a) The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the

individual to the State's Project Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.

(b) Contractor will not remove any Key Personnel from their assigned roles on this 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**"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under **Section 23.1**.

(c) It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this 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 23.1**, Contractor will issue to the State an amount equal to \$25,000 per individual (each, an "**Unauthorized Removal Credit**").

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

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

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

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

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

(d) notify the State of the location of the Permitted Subcontractor and indicate if it is located within the continental United States.

10. State Obligations.

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

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

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

10.2 State Project Manager. Throughout the Term of this Contract, the State will maintain a State employee to serve as the State’s Project Manager under this Contract. The State’s Project Manager will be identified in the Statement of Work. The State’s Project Manager will be available as set forth in the Statement of Work.

11. Pre-Delivery Testing.

11.1 Testing By Contractor. Before delivering and installing the Software, Contractor must:

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

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

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

11.2 Test Data and Estimates. Unless otherwise specified in the Statement of Work, Contractor shall provide to the State all test data and testing scripts used by Contractor for its pre-delivery testing (“**Test Data**”), together with the results Contractor expects to be achieved by processing the Test Data using the Software (“**Test Estimates**,” and together with Test Data, “**Contractor’s Test Package**”).

12. Acceptance Testing.

12.1 Acceptance Testing.

(a) Unless otherwise specified in the Statement of Work, upon installation of the Software, Acceptance Tests will be conducted as set forth in this **Section 12** to ensure the Software conforms to the requirements of this Contract, including the applicable Specifications and Documentation. The State may, but is not obligated, to perform its own pretest on the Software utilizing Contractor’s Test Package. If the State does perform a pretest, and Contractor’s Test Package does not successfully pass the Test Data or Test Estimate scripts as described by Contractor, the State, at its discretion, is not obligated to move into the formal Acceptance Tests set forth in this Section. The State may elect to send Contractor’s Test Package back to Contractor to correct any problems encountered with the Test Data or Test Estimates.

(b) All Acceptance Tests will take place at the designated Site(s) in the Operating Environment described in the Statement of Work, commence on the Business Day following installation of

the Software and be conducted diligently for up to thirty (30) Business Days, or such other period as may be set forth in the Statement of Work (the “**Testing Period**”). Acceptance Tests will be conducted by the party responsible as set forth in the Statement of Work or, if the Statement of Work does not specify, the State, provided that:

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

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

(c) Upon delivery and installation of any API, Configuration or Customization to the Software under the Statement of Work, additional Acceptance Tests will be performed on the modified Software as a whole to ensure full operability, integration, and compatibility among all elements of the Software (“**Integration Testing**”). Integration Testing is subject to all procedural and other terms and conditions set forth in **Section 12.1**, **Section 12.3**, and **Section 12.4**.

(d) The State may suspend Acceptance Tests and the corresponding Testing Period by written notice to Contractor if the State discovers a material Non-Conformity in the tested Software or part or feature of the Software. In such event, Contractor will immediately, and in any case within ten (10) Business Days, correct such Non-Conformity, whereupon the Acceptance Tests and Testing Period will resume for the balance of the Testing Period.

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

(a) If such notice is provided by either party and identifies any Non-Conformities, the parties’ rights, remedies, and obligations will be as set forth in **Section 12.3** and **Section 12.4**.

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

(c) If such notice is provided by Contractor and identifies no Non-Conformities, the State will have thirty (30) Business Days to use the Software in the Operating Environment and determine, in the exercise of its sole discretion, whether it is satisfied that the Software contains no Non-Conformities, on the completion of which the State will, as appropriate:

- (i) notify Contractor in writing of Non-Conformities the State has observed in the Software and of the State’s non-acceptance thereof, whereupon the parties’ rights, remedies and obligations will be as set forth in **Section 12.3** and **Section 12.4**; or

- (ii) provide Contractor with a written notice of its Acceptance of such Software, which must be signed by the State's Business Owner and Project Manager.

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

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

- (b) receipt of the State's notice under **Section 12.1(a)** or **Section 12.2(c)(i)**, identifying any Non-Conformities.

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

- (a) continue the process set forth in this **Section 12**;

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

- (c) deem the failure to be a non-curable material breach of this Contract and the Statement of Work and terminate this Contract for cause in accordance with **Section 23.1**.

12.5 Acceptance. Acceptance ("**Acceptance**") of the Software (subject, where applicable, to the State's right to Integration Testing) will occur on the date that is the earliest of the State's delivery of a notice accepting the Software under **Section 12.2(b)**, or **Section 12.2(c)(ii)**.

13. Training. Contractor shall provide, at no additional charge, training on all uses of the Software permitted hereunder in accordance with the times, locations and other terms set forth in the Statement of Work. Upon the State's request, Contractor shall timely provide training for additional Authorized Users or other additional training on all uses of the Software for which the State requests such training, at such reasonable times and locations and pursuant to such rates and other terms as are set forth in the Pricing Schedule.

14. Maintenance Releases; New Versions

14.1 Maintenance Releases. Provided that the State is current on its Support Services Fees, during the Term, Contractor shall provide the State, at no additional charge, with all Maintenance Releases, each of which will constitute Software and be subject to the terms and conditions of this Contract.

14.2 New Versions. Provided that the State is current on its Support Services Fees, during the Term, Contractor shall provide the State, at no additional charge, with all New Versions, each of which will constitute Software and be subject to the terms and conditions of this Contract.

14.3 Installation. Contractor will provide technical support for the most recent version and immediate preceding version of the STACS Products and any Updates and Upgrades.

15. Source Code Escrow

15.1 Escrow Contract. The parties may enter into a separate intellectual property escrow agreement. Such escrow agreement will govern all aspects of Source Code escrow and release.

16. Fees

16.1 License Fee. In consideration of, and as payment in full for, the rights and license to use the Software and Documentation as provided in this Contract and the License Agreement, the State shall pay to Contractor the license fees (the “**License Fee**”) set forth on the Pricing Schedule, subject to and in accordance with the terms and conditions of this Contract and the License Agreement, including the applicable timetable and other provisions of the Statement of Work and this **Section 16**.

16.2 Implementation Fees. In consideration of, and as payment in full for, Contractor’s provision of implementation services as provided in this Contract and the Statement of Work, the State shall pay to Contractor the implementation fees (the “**Implementation Fees**”) set forth on the Pricing Schedule, subject to and in accordance with the terms and conditions of this Contract, including the applicable timetable and other provisions of the Statement of Work and this **Section 16**.

16.3 Support Service Fees. In consideration of Contractor providing the Support Services as required under the Maintenance and Support Schedule (as applicable) or the Service Level Agreement (as applicable), the State shall pay to Contractor the Support Services fees (the “**Support Service Fees**”) set forth in the Pricing Schedule, subject to and in accordance with the terms and conditions of this Contract, including the applicable provisions of the Maintenance and Support Schedule (as applicable) or the Service Level Agreement (as applicable) and this **Section 16**.

16.4 Firm Pricing/Fee Changes. All Pricing set forth in this Contract is firm and will not be increased, except as otherwise expressly provided in this **Section 16.4**.

(a) The License Fee will not be increased at any time except for the addition of additional licenses, the fees for which licenses will also remain firm in accordance with the Pricing set forth in the Pricing Schedule.

17. Invoices and Payment.

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

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

(b) list each Fee item separately;

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

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

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

(f) Itemized invoices must be submitted to DTMB-Accounts-Payable@michigan.gov.

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

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

17.4 Payment Disputes. The State may withhold from payment any and all payments and amounts the State disputes in good faith, pending resolution of such dispute, provided that the State:

- (a) timely renders all payments and amounts that are not in dispute;
- (b) notifies Contractor of the dispute prior to the due date for payment, specifying in such notice:
 - (i) the amount in dispute; and
 - (ii) the reason for the dispute set out in sufficient detail to facilitate investigation by Contractor and resolution by the parties;
- (c) works with Contractor in good faith to resolve the dispute promptly; and
- (d) promptly pays any amount determined to be payable by resolution of the dispute.

Contractor shall not withhold any Services or fail to perform any obligation hereunder by reason of the State's good faith withholding of any payment or amount in accordance with this **Section 17.4** or any dispute arising therefrom.

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

18. Intellectual Property Rights

18.1 Ownership Rights in Software

(a) Subject to the rights and licenses granted by Contractor in this Contract and the License Agreement, and the provisions of **Section 18.1(b)**:

- (i) Contractor reserves and retains its entire right, title and interest in and to all Intellectual Property Rights arising out of or relating to the Software; and
- (ii) none of the State or Authorized Users acquire any ownership of Intellectual Property Rights in or to the Software or Documentation as a result of this Contract.

(b) As between the State, on the one hand, and Contractor, on the other hand, the State has, reserves and retains, sole and exclusive ownership of all right, title and interest in and to User Data, including all Intellectual Property Rights arising therefrom or relating thereto.

18.2 Rights in Open-Source Components. Ownership of all Intellectual Property Rights in Open-Source Components shall remain with the respective owners thereof, subject to the State's rights under the applicable Open-Source Licenses.

18.3 The State is and will be the sole and exclusive owner of all right, title, and interest in and to all API and Work Product developed exclusively for the State under this Contract, including all Intellectual Property Rights. In furtherance of the foregoing:

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

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

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

19. State Data.

19.1 Ownership. The State's data ("**State Data**"), which will be treated by Contractor as Confidential Information, includes: (a) User Data; and (b) any other data collected, used, processed, stored, or generated by the State in connection with the Services, including but not limited to (i) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Services, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and (ii) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Services, which is defined under the Health Insurance Portability and Accountability Act ("**HIPAA**") and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This **Section 19.1** survives termination or expiration of this Contract.

19.2 Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Services, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Services. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Services, such use and disclosure being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This **Section 19.2** survives termination or expiration of this Contract.

19.3 Loss or Compromise of Data. In the event of any act, error or omission, negligence, misconduct, or breach on the part of Contractor that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) with approval and assistance from the State, notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within five (5) calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) pay for any costs associated with the occurrence, including but not limited to any costs incurred by the State in investigating and resolving the occurrence, including reasonable attorney's fees associated with such investigation and resolution; (g) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (h) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and (i) provide to the State a detailed plan within ten (10) calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, not be tangentially used for any solicitation purposes, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. The State will have the option to review and approve any notification sent to affected individuals prior to its delivery. Notification to any other party, including but not limited to public media outlets, must be reviewed and approved by the State in writing prior to its dissemination. The parties agree that any damages relating to a breach of this **Section 19.3** are to be

considered direct damages and not consequential damages. This section survives termination or expiration of this Contract. This Section survives termination or expiration of this Contract.

19.4 State's Governance, Risk and Compliance (GRC) platform. Contractor is required to assist the State with its security accreditation process through the development, completion and ongoing updating of a system security plan using the State's automated GRC platform, and implement any required safeguards or remediate any security vulnerabilities as identified by the results of the security accreditation process.

20. Confidential Information. Each party acknowledges that it may be exposed to or acquire communication or data of the other party that is confidential in nature and is not intended to be disclosed to third parties. This **Section 20** survives termination or expiration of this Contract.

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

20.2 Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to the Contractor's subcontractor is permissible where: (a) the subcontractor is a Permitted Subcontractor; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Permitted Subcontractor's responsibilities; and (c) Contractor obligates the Permitted Subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any of the Contractor's Representatives may be required to execute a separate agreement to be bound by the provisions of this **Section 20.2**.

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

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

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

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

21. HIPAA Compliance. The State and Contractor must comply with all obligations under HIPAA and its accompanying regulations, including but not limited to entering into a business associate agreement, if reasonably necessary to keep the State and Contractor in compliance with HIPAA.

22. ADA Compliance. The State is required to comply with the Americans with Disabilities Act of 1990 (ADA), and has adopted a formal policy regarding accessibility requirements for websites and software applications. Contractor's Service Software must comply, where relevant, with level AA of the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0.

23. Termination, Expiration, Transition. The State may terminate this Contract, the Support Services, or any Statement of Work, in accordance with the following:

23.1 Termination for Cause. In addition to any right of termination set forth elsewhere in this Contract:

(a) The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (i) endangers the value, integrity, or security of State Systems, State Data, or the State's facilities or personnel; (ii) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; or (iii) breaches any of its material duties or obligations under this Contract. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

(b) If the State terminates this Contract under this **Section 23.1**, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of this Contract, the termination will be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in **Section 23.2**.

(c) The State will only pay for amounts due to Contractor for Services accepted by the State on or before the date of termination, subject to the State's right to set off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract. Contractor must promptly reimburse to the State any Fees prepaid by the State prorated to the date of such termination, including any prepaid Support Services Fees. Further, Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, court costs, transition costs, and any costs the State incurs to procure the Services from other sources.

23.2 Termination for Convenience. The State may immediately terminate this Contract in whole or in part, without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance immediately, or (b) continue to perform in accordance with **Section 23.3**. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities to the extent the funds are available.

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

23.4 Survival. This **Section 23** survives termination or expiration of this Contract.

24. Stop Work Order. The State may, at any time, order the Services of Contractor fully or partially stopped for its own convenience for up to ninety (90) calendar days at no additional cost to the State. The State will provide Contractor a written notice detailing such suspension (a “**Stop Work Order**”). Contractor must comply with the Stop Work Order upon receipt. Within 90 days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate this Contract. The State will not pay for any Services, Contractor’s lost profits, or any additional compensation during a stop work period.

25. Contractor Representations and Warranties

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

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

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

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

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

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

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

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

(c) Contractor is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract; and

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

25.3 Software Representations and Warranties. Contractor further represents and warrants to the State that:

(a) it is the legal and beneficial owner of the entire right, title and interest in and to the Software, including all Intellectual Property Rights relating thereto;

(b) it has, and throughout the license term, will retain the unconditional and irrevocable right, power and authority to grant and perform the license hereunder;

(c) the Software, and the State's use thereof, is and throughout the license term will be free and clear of all encumbrances, liens and security interests of any kind;

(d) neither its grant of the license, nor its performance under this Contract does or to its knowledge will at any time:

(i) conflict with or violate any applicable Law;

(ii) require the consent, approval or authorization of any governmental or regulatory authority or other third party; or

(iii) require the provision of any payment or other consideration to any third party;

(e) when used by the State or any Authorized User in accordance with this Contract and the Documentation, the Software or Documentation as delivered or installed by Contractor does not or will not:

(i) infringe, misappropriate or otherwise violate any Intellectual Property Right or other right of any third party; or

(ii) fail to comply with any applicable Law;

(f) as provided by Contractor, the Software does not or will not at any time during the license term contain any:

(i) Harmful Code; or

(ii) Open-Source Components or operate in such a way that it is developed or compiled with or linked to any Open-Source Components, other than Approved Open-Source Components specifically described in the Statement of Work.

(g) all Documentation is and will be complete and accurate in all material respects when provided to the State such that at no time during the license term will the Software have any material undocumented feature; and

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

(i) when used in the Operating Environment (or any successor thereto) in accordance with the Documentation, all Software as provided by Contractor, will be fully operable, meet all applicable specifications, and function in all respects, in conformity with this Contract and the Documentation; and

(j) no Maintenance Release or New Version, when properly installed in accordance with this Contract, will have a material adverse effect on the functionality or operability of the Software.

25.4 Disclaimer. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, CONTRACTOR HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, WITH RESPECT TO THIS CONTRACT.

26. Indemnification

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

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

entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. Any litigation activity on behalf of the State or any of its subdivisions, under this **Section 26**, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

26.3 Infringement Remedies.

(a) The remedies set forth in this **Section 26.3** are in addition to, and not in lieu of, all other remedies that may be available to the State under this Contract or otherwise, including the State's right to be indemnified for such actions.

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

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

(c) If neither of the foregoing is possible notwithstanding Contractor's best efforts, then Contractor may direct the State to cease any use of any materials that have been enjoined or finally adjudicated as infringing, provided that Contractor will:

- (i) refund to the State all amounts paid by the State in respect of such Allegedly Infringing Materials and any other aspects of the Software provided under the Statement of Work for the Allegedly Infringing Materials that the State cannot reasonably use as intended under this Contract; and
- (ii) in any case, at its sole cost and expense, secure the right for the State to continue using the Allegedly Infringing Materials for a transition period of up to six (6) months to allow the State to replace the affected features of the Software without disruption.

(d) If Contractor directs the State to cease using any Software under **subsection (c)**, the State may terminate this Contract for cause under **Section 23.1**.

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

- (i) Contractor's compliance with any designs, specifications, or instructions of the State; or
- (ii) modification of the Software by the State without the prior knowledge and approval of Contractor;

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

27. Damages Disclaimers and Limitations.

27.1 The State's Disclaimer of Damages. THE STATE WILL NOT BE LIABLE, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT FOR CONSEQUENTIAL, INCIDENTAL, INDIRECT, OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS AND LOST BUSINESS OPPORTUNITIES.

27.2 The State's Limitation of Liability. IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO CONTRACTOR UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES PAYABLE UNDER THIS CONTRACT.

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

28.1 Right of Audit. The State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to this Contract through the Term of this Contract and for four (4) years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Financial Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Financial Audit Period, Contractor must retain the records until all issues are resolved.

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

28.3 Application. This **Section 28** applies to Contractor, any Affiliate, and any Permitted Subcontractor that performs Services in connection with this Contract.

29. Insurance

Required Coverage.

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

Insurance Type	Additional Requirements
Commercial General Liability Insurance	

<p><u>Minimal Limits:</u></p> <p>\$1,000,000 Each Occurrence Limit</p> <p>\$1,000,000 Personal & Advertising Injury Limit \$2,000,000 General Aggregate Limit</p> <p>\$2,000,000 Products/Completed Operations</p> <p><u>Deductible Maximum:</u></p> <p>\$50,000 Each Occurrence</p>	<p>Contractor must have their policy endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 0.</p>
Umbrella or Excess Liability Insurance	
<p><u>Minimal Limits:</u></p> <p>\$5,000,000 General Aggregate</p>	<p>Contractor must have their policy endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds.</p>
Automobile Liability Insurance	
<p><u>Minimal Limits:</u></p> <p>\$1,000,000 Per Occurrence</p>	
Workers' Compensation Insurance	
<p><u>Minimal Limits:</u></p> <p>Coverage according to applicable laws governing work activities.</p>	<p>Waiver of subrogation, except where waiver is prohibited by law.</p>
Employers Liability Insurance	
<p><u>Minimal Limits:</u></p> <p>\$500,000 Each Accident</p> <p>\$500,000 Each Employee by Disease</p> <p>\$500,000 Aggregate Disease.</p>	
Privacy and Security Liability (Cyber Liability) Insurance	

<p><u>Minimal Limits:</u></p> <p>\$1,000,000 Each Occurrence</p> <p>\$1,000,000 Annual Aggregate</p>	<p>Contractor must have their policy: (1) endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds; and (2) cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.</p>
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(b) If Contractor's policy contains limits higher than the minimum limits, the State is entitled to coverage to the extent of the higher limits. The minimum limits are not intended, and may not be construed, to limit any liability or indemnity of Contractor to any indemnified party or other persons.

(c) If any of the required policies provide claim-made coverage, the Contractor must: (a) provide coverage with a retroactive date before the effective date of the contract or the beginning of contract work; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the contract of work; and (c) if coverage is canceled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

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

29.2 Non-waiver. This **Section 29** is not intended to and is not be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

30. Dispute Resolution.

30.1 Unless otherwise specified in the Statement of Work, the parties will endeavor to resolve any Contract dispute in accordance with **Section 30** (the “**Dispute Resolution Procedure**”). The initiating party will reduce its description of the dispute to writing (including all supporting documentation) and deliver it to the responding party's Project Manager. The responding party's Project Manager must respond in writing within five (5) Business Days. The initiating party has five (5) Business Days to review the response. If after such review resolution cannot be reached, both parties will have an additional five (5) Business Days to negotiate in good faith to resolve the dispute. If the dispute cannot be resolved within a total of fifteen (15) Business Days, the parties must submit the dispute to the parties' Contract Administrators. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

30.2 Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' Contract Administrators, and either Contract Administrator concludes that resolution is unlikely, or fails to respond within fifteen (15) Business Days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This **Section 30** does not limit the State's right to terminate this Contract.

31. General Provisions

31.1 Force Majeure.

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

(b) State Performance; Termination. In the event of a Force Majeure Event affecting Contractor's performance under this Contract, the State may suspend its performance hereunder until such time as Contractor resumes performance. The State may terminate this Contract by written notice to Contractor if a Force Majeure Event affecting Contractor's performance hereunder continues substantially uninterrupted for a period of five (5) Business Days or more. Unless the State terminates this Contract pursuant to the preceding sentence, any date specifically designated for Contractor's performance under this Contract will automatically be extended for a period up to the duration of the Force Majeure Event.

31.2 Further Assurances. Each party will, upon the reasonable request of the other party, execute such documents and perform such acts as may be necessary to give full effect to the terms of this Contract.

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

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

31.5 Notices. All notices, requests, consents, claims, demands, waivers and other communications under this Contract must be in writing and addressed to the parties as follows (or as otherwise specified by a party in a notice given in accordance with this **Section 31.5**):

If to Contractor:	STACS DNA, Inc. 2255 St. Laurent Blvd., Suite 206 Ottawa, ON K1G 4K3 Canada Email: jocelyn.tremblay@stacsdna.com Attention: Jocelyn Tremblay, President and COO
If to State:	525 W. Allegan, 1 st Floor, Lansing, MI 48913 Email: BarronJ1@michigan.gov Attention: Jarrod Barron, IT Category Specialist

Notices sent in accordance with this **Section 31.5** will be deemed effectively given: (a) when received, if delivered by hand (with written confirmation of receipt); (b) when received, if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by e-mail (with confirmation of transmission), if sent during normal business hours of the recipient, and on the next Business Day, if sent after normal business hours of the recipient; or (d) on the fifth (5th) day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid.

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

31.7 Assignment. Contractor may not assign or otherwise transfer any of its rights, or delegate or otherwise transfer any of its obligations or performance, under this Contract, in each case whether voluntarily, involuntarily, by operation of law or otherwise, without the State's prior written consent. The State has the right to terminate this Contract in its entirety or any Services or Statements of Work hereunder, pursuant to **Section 23.1**, if Contractor delegates or otherwise transfers any of its obligations or performance hereunder, whether voluntarily, involuntarily, by operation of law or otherwise, and no such delegation or other transfer will relieve Contractor of any of such obligations or performance. For purposes of the preceding sentence, and without limiting its generality, any merger, consolidation or reorganization involving Contractor (regardless of whether Contractor is a surviving or disappearing entity) will be deemed to be a transfer of rights, obligations, or performance under this Contract for which the State's prior written consent is required. Any purported assignment, delegation, or transfer in violation of this **Section 31.7** is void.

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

31.9 Amendment and Modification; Waiver. No amendment to or modification of this Contract is effective unless it is in writing, identified as an amendment to this Contract and signed by both parties Contract Administrator. Further, certain amendments to this Contract may require State Administrative Board Approval. No waiver by any party of any of the provisions of this Contract will be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in this Contract, no failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from

this Contract will operate or be construed as a waiver. Nor will any single or partial exercise of any right, remedy, power or privilege under this Contract preclude the exercise of any other right, remedy, power or privilege.

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

31.11 Governing Law. This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in the Michigan Court of Claims. Complaints against the State must be initiated in Ingham County, Michigan. Contractor waives any objections, such as lack of personal jurisdiction or forum non conveniens. Contractor must appoint agents in Michigan to receive service of process.

31.12 Equitable Relief. Each party to this Contract acknowledges and agrees that (a) a breach or threatened breach by such party of any of its obligations under this Contract may give rise to irreparable harm to the other party for which monetary damages would not be an adequate remedy and (b) in the event of a breach or a threatened breach by such party of any such obligations, the other party hereto is, in addition to any and all other rights and remedies that may be available to such party at law, at equity or otherwise in respect of such breach, entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction, without any requirement to post a bond or other security, and without any requirement to prove actual damages or that monetary damages will not afford an adequate remedy. Each party to this Contract agrees that such party will not oppose or otherwise challenge the appropriateness of equitable relief or the entry by a court of competent jurisdiction of an order granting equitable relief, in either case, consistent with the terms of this **Section 31.12**.

31.13 Nondiscrimination. Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and Executive Directive [2019-09](#), Vendor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex (as defined in Executive Directive [2019-09](#)), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of the Contract.

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

31.15 Schedules. All Schedules that are referenced herein and attached hereto are hereby incorporated by reference.

31.16 Counterparts. This Contract may be executed in counterparts, each of which will be deemed an original, but all of which together are deemed to be one and the same agreement and will become effective and binding upon the parties as of the Effective Date at such time as all the signatories hereto have signed a counterpart of this Contract. A signed copy of this Contract delivered by facsimile, e-mail or other means of electronic transmission (to which a signed copy is attached) is deemed to have the same legal effect as delivery of an original signed copy of this Contract.

31.17 Effect of Contractor Bankruptcy. All rights and licenses granted by Contractor under this Contract are and will be deemed to be rights and licenses to “intellectual property,” and all Software and Deliverables are and will be deemed to be “embodiments” of “intellectual property,” for purposes of, and as such terms are used in and interpreted under, Section 365(n) of the United States Bankruptcy Code (the “Code”). If Contractor or its estate becomes subject to any bankruptcy or similar proceeding, the State retains and has the right to fully exercise all rights, licenses, elections, and protections under this Contract, the Code and all other applicable bankruptcy, insolvency, and similar Laws with respect to all Software and other Deliverables. Without limiting the generality of the foregoing, Contractor acknowledges and agrees that, if Contractor or its estate shall become subject to any bankruptcy or similar proceeding:

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

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

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

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

31.20 Administrative Fee and Reporting. Contractor must pay an administrative fee of 1% on all payments made to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions), MiDEAL members, and other states (including governmental subdivisions and authorized entities). Administrative fee payments must be made online by check or credit card:

State of MI Admin Fees: <https://www.thepayplace.com/mi/dtmb/adminfee>

State of Mi MiDEAL Fees: <https://www.thepayplace.com/mi/dtmb/midealfee>

Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales. Reports should be mailed to MiDeal@michigan.gov.

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

31.21 Extended Purchasing Program. This contract is extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at www.michigan.gov/mideal.

Upon written agreement between the State and Contractor, this contract may also be extended to: (a) other states (including governmental subdivisions and authorized entities) and (b) State of Michigan employees.

If extended, Contractor must supply all Contract Activities at the established Contract prices and terms. The State reserves the right to impose an administrative fee and negotiate additional discounts based on any increased volume generated by such extensions.

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

31.22 Entire Agreement. This Contract, together with all Schedules, Exhibits, and the Statement of Work which are hereby expressly incorporated, constitutes the sole and entire agreement of the parties to this Contract with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, representations and warranties, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements made in the body of this Contract, the Schedules, Exhibits, and the Statement of Work, the following order of precedence governs: (a) first, this Contract, excluding its Exhibits and Schedules, and the Statement of Work; and (b) second, the Statement of Work as of the Effective Date; and (c) third, the Exhibits and Schedules to this Contract as of the Effective Date. NO TERMS ON CONTRACTORS INVOICES, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE SERVICES, OR DOCUMENTATION HEREUNDER WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE OR ANY AUTHORIZED USER FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE AND THE AUTHORIZED USER, EVEN IF ACCESS TO OR USE OF SUCH SERVICE OR DOCUMENTATION REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.

SCHEDULE A PROJECT SCOPE

1. PURPOSE

The State has already paid a License Fee for perpetual licenses for each of the following software solutions:

- STACS Database Enterprise (STACS-DB). STACS-DB is currently installed and in operation on MSP-managed servers located in MSP-managed-laboratories. These servers are not connected to the external internet.
- STACS Casework Enterprise (STACS-CW). STACS-CW is currently installed and in operation on DTMB-managed servers within the State's network.

Contractor shall continue to maintain, support and, at State's request, enhance, the software solutions.

2. SPECIFIC STANDARDS

IT Policies, Standards and Procedures (PSP)

All Contractor products and services must comply with all applicable State IT policies and standards. Contractor is required to review all applicable links provided below and state compliance in their response.

Public IT Policies, Standards and Procedures (PSP):

https://www.michigan.gov/dtmb/0,5552,7-358-82547_56579_56755---,00.html

Note: Not all applicable PSP's are available publicly. Controlled PSP's applicable to the RFP are available after signing and returning to the State the required Nondisclosure Agreement (NDA) agreement.

Acceptable Use Policy

To the extent that Contractor has access to the State's computer system, Contractor must comply with the State's Acceptable Use Policy, see

https://www.michigan.gov/documents/dtmb/1340.00.01_Acceptable_Use_of_Information_Technology_Standard_458958_7.pdf. All Contractor and Subcontractor Personnel will be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State's system. The State reserves the right to terminate Contractor's access to the State's system if a violation occurs.

Secure Application Development Life Cycle (SADLC)

Contractor is required to meet the States Secure Application Development Life Cycle requirements that includes:

Application Scanning

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

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

Application scanning and remediation must include the following types of scans and activities

- Dynamic Application Security Testing (DAST) - Scanning interactive application for vulnerabilities, analysis, remediation and validation (May include IAST)

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

Application scanning and remediation may include the following types of scans and activities as required based on data classification and/or composition

- Software Composition Analysis (SCA) - Third Party and/or Open Source Scanning for vulnerabilities, analysis, remediation and validation
- Native mobile application software scanning (if applicable) including any interaction with an Application Programming Interface (API)
- Penetration Testing - Simulated attack on the application and infrastructure to identify security weaknesses

Infrastructure Scanning

A Contractor providing Hosted Services must scan the infrastructure using an approved scanning tool (Qualys, Tenable, or other PCI Approved Vulnerability Scanning Tool) at least once every 30 days and provide the scan’s assessment to the State in a format that can be uploaded by the State and used to track the remediation. Remediation time frame requirements are documented in SOM PSP’s.

ADA Compliance

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

http://www.michigan.gov/documents/dmb/1650.00_209567_7.pdf?20151026134621

3. USER TYPE AND CAPACITY

STACS-DB must be able to meet the expected number of concurrent Users shown below. The Solution must be able to scale up or down without affecting performance.

Type of User	Access Type	Number of Users	Number of Concurrent Users
State Employees & Other Approved Users	Role Based	25	25

STACS-CW must be able to meet the expected number of concurrent Users shown below. The Solution must be able to scale up or down without affecting performance.

Type of User	Access Type	Number of Users	Number of Concurrent Users
State Employees & Other Approved Users	Role Based	180	180

4. ACCESS CONTROL AND AUDIT

If applicable, the Bidder’s solution must integrate with the State’s IT Identity and Access Management (IAM) environment as described in the State of Michigan Digital Strategy

(http://www.michigan.gov/dtmb/0,5552,7-150-56345_56351_69611-336646--,00.html), which consist of:

1. MILogin/Michigan Identity, Credential, and Access Management (MICAM)
 - a. An enterprise single sign-on and identity management solution based on IBM's Identity and Access Management products including, IBM Security Identity Manager (ISIM), IBM Security Access Manager for Web (ISAM), IBM Tivoli Federated Identity Manager (TFIM), IBM Security Access Manager for Mobile (ISAMM), and IBM DataPower, which enables the State to establish, manage, and authenticate user identities for the State's Information Technology (IT) systems.
2. MILogin Identity Federation
 - a. Allows federated single sign-on (SSO) for business partners, as well as citizen-based applications.
3. MILogin Multi Factor Authentication (MFA, based on system data classification requirements)
 - a. Required for those applications where data classification is Confidential and Restricted as defined by the 1340.00 Michigan Information Technology Information Security standard (i.e. the proposed solution must comply with PHI, PCI, CJIS, IRS, and other standards).
4. MILogin Identity Proofing Services (based on system data classification requirements)
 - a. A system that verifies individual's identities before the State allows access to its IT system. This service is based on "life history" or transaction information aggregated from public and proprietary data sources. A leading credit bureau provides this service.

To integrate with the SOM MILogin solution, the Bidder's solution must support HTTP Headers based SSO, or SAML, or OAuth or OpenID interfaces for the SSO purposes.

5. SECURITY

The software will comply with the following:

- If vendor hosted, must provide a GovCloud Solution that is hosted in a FedRAMP authorized computing environment.
- must be capable of meeting compliance requirements for hosting in a FedRAMP authorized computing environment
- Must support data encryption in transit and at rest using AES with 128 bit or higher keys and FIPS validated encryption modules.
- Must support multi-factor authentication for privileged/administrative and other identified access. The use of restricted methods such as SMS text with passcode, phone call with temporary passcode or some other approved multi-factor methods may be appropriate based on data classification and level of access.
- Must remain compliant with FISMA and the NIST Special Publication 800.53 (most recent version) MOD controls using minimum control values as established in the applicable SOM PSPs.

On-Premise

Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all Contractor and subcontractor(s) personnel comply with all of the foregoing. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT policies and standards, of which the publicly available ones are at https://www.michigan.gov/dtmb/0,5552,7-358-82547_56579_56755---,00.html.

6. END USER OPERATING ENVIRONMENT

Development teams must accommodate the latest browser versions (including mobile browsers) as well as some pre-existing browsers. To ensure that users with older browsers are still able to access online

services, applications must, at a minimum, display and function correctly in standards-compliant browsers and the state standard browser without the use of special plugins or extensions. The rules used to base the minimum browser requirements include:

- Over 2% of site traffic, measured using Sessions or Visitors (or)
- The current browser identified and approved as the State of Michigan standard

This information can be found at www.michigan.gov/browserstats. Please use the most recent calendar quarter to determine browser statistics. For those browsers with over 2% of site traffic, except Internet Explorer which requires support for at minimum version 11, the current browser version as well as the previous two major versions must be supported.

7. TESTING SERVICES AND ACCEPTANCE

Contractor will perform testing services in compliance with **Section 11. Pre-Delivery Testing and Section 12. Acceptance Testing, of the Contract Terms.**

8. TRAINING SERVICES

Contractor will provide training services upon State's request.

9. HOSTING

On-Premise. The State will be hosting the Solution in its own environment.

10. DOCUMENTATION

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

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

Contractor's user documentation must provide detailed information about all software features and functionality, enabling the State to resolve common questions and issues prior to initiating formal support requests.

11. TRANSITION SERVICES

Upon termination or expiration of the agreement, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the agreement to continue without interruption or adverse effect, and to facilitate the orderly transfer of the services to the State or its designees. Such transition assistance may include but is not limited to: (a) continuing to perform the services at the established rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable services to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return (in a format specified by the State) to the State all data stored in the solution; and (d) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

12. CONTRACTOR KEY PERSONNEL

Contractor designates the following persons as Key Personnel:

Contractor Contract Administrator. Role defined in Contract Terms.

Contractor
Name: Jocelyn Tremblay Address: 2255 St. Laurent Blvd., Suite 206 Ottawa, ON K1G 4K3 Canada Phone: 877-774-7822 x2000 Email: jocelyn.tremblay@stacsdna.com

Contractor Project Manager/Technical Lead. Role defined in Contract Terms.

Contractor
Name: Steven Gareau Address: 2255 St. Laurent Blvd., Suite 206 Ottawa, ON K1G 4K3 Canada Phone: 877-774-7822 x2008 Email: steven.gareau@stacsdna.com

Contractor Service Manager. Primary contact with respect to the Services, who will have the authority to act on behalf of Contractor in matters pertaining to the receipt and processing of Support Requests and the Support Services.

Contractor
Name: Steven Gareau Address: 2255 St. Laurent Blvd., Suite 206 Ottawa, ON K1G 4K3 Canada Phone: 877-774-7822 x2008 Email: steven.gareau@stacsdna.com

13. CONTRACTOR PERSONNEL 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. 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 pay for all costs associated with ensuring their staff meets all requirements.

14. STATE RESOURCES/RESPONSIBILITIES

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

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

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

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

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

Bidder must identify all State resources and responsibilities required for the successful implementation and ongoing support of the Solution.

**SCHEDULE B
MAINTENANCE AND SUPPORT**

The parties agree as follows:

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

“Contact List” means a current list of Contractor contacts and telephone numbers set forth in the attached **Exhibit 1** to this Schedule to enable the State to escalate its Support Requests, including: (a) the first person to contact; and (b) the persons in successively more qualified or experienced positions to provide the support sought.

“Critical Service Error” has the meaning set forth in the Service Level Table.

“Error” means, generally, any failure or error referred to in the Service Level Table.

“First Line Support” means the identification, diagnosis and correction of Errors by the State.

“High Service Error” has the meaning set forth in the Service Level Table.

“Low Service Error” has the meaning set forth in the Service Level Table.

“Medium Service Error” has the meaning set forth in the Service Level Table.

“Resolve” and the correlative terms, **“Resolved”**, **“Resolving”** and **“Resolution”** each have the meaning set forth in **Section 3.6**

“Service Credit” has the meaning set forth in **Section 4.1**

“Second Line Support” means the identification, diagnosis and correction of Errors by the provision of (a) telephone and email assistance by a qualified individual on the Contact List and remote application support.

“Service Levels” means the defined Error and corresponding required service level responses, response times, Resolutions and Resolution times referred to in the Service Level Table.

“Service Level Table” means the table set out in **Section 3.6**

“State Cause” means any of the following causes of an Error: (a) a State server hardware problem; (b) a desktop/laptop hardware problem; or (c) a State network communication problem.

“**State Systems**” means the State's information technology infrastructure, including the State's computers, software, databases, electronic systems (including database management systems) and networks.

“**Support Hours**” means 8 a.m. to 5 p.m. Eastern, Monday thru Friday .

“**Support Period**” means the period of time beginning 90 days after the date the Software has entered full production mode and ending on the date the Contract expires or is terminated.

“**Support Request**” has the meaning set forth in **Section 3.4**

2. Maintenance.

2.1 Maintenance Releases and New Versions. Provided that the State is current on its Support Services Fees, during the Support Period, Contractor shall provide the State, at no additional charge, with all Maintenance Releases and New Versions for the Software.

2.2 Installation. Contractor will provide technical support for the most recent version and immediate preceding version of the STACS Products and any Updates and Upgrades.

3. Support Services. The State will provide First Line Support prior to making a Service Request for Second Line Support. Contractor shall perform all Second Line Support and other Support Services during the Support Hours throughout the Support Period in accordance with the terms and conditions of this Schedule and the Contract, including the Service Levels and other Contractor obligations set forth in this **Section 3**.

3.1 Support Service Responsibilities. Contractor shall:

- (a) provide unlimited telephone support during all Support Hours;
- (b) respond to and Resolve all Support Requests in accordance with the Service Levels;
- (c) provide unlimited remote Second Line Support to the State during all Support Hours; and
- (d) provide to the State all such other services as may be necessary or useful to correct an Error or otherwise fulfill the Service Level requirements, including defect repair, programming corrections and remedial programming.

3.2 Support Service Responsibilities do not include:

- (a) custom programming services;
- (b) training;
- (c) hardware and related supplies;
- (d) any support services provided at the client site.

3.3 **Service Limitations:** Services provided pursuant to this section of this Schedule B are limited to those expressly defined herein and do not include additions, modifications or adjustments to the STACS Products to correct any Defect or Non-Conformity where:

- (a) the use of the STACS Products in combination with apparatus, systems, products or services where such combination was not provided, proposed or recommended by STACS or contemplated in the Documentation; or
- (b) the STACS Products was altered or modified after delivery thereof by STACS, if such alteration or modification is made by a person other than STACS and other than on STACS's authority, direction, request or specification.

3.4 Support Requests. Once the State has determined that an Error is not the result of a **State Cause** or issues with **State Systems**, the State may request Support Services by way of a Support Request. The State shall classify its requests for Error corrections in accordance with the support request classification and definitions of the Service Level Table set forth in **Section 3.4** (each a "**Support Request**"). The State shall notify Contractor of each Support Request 1) using the Contractor's web-based Incident Tracking portal, 2) by e-mail or 3) by telephone. The State shall include in each Support Request a description of the reported Error and the time the State first observed the Error.

3.5 State Obligations. The State shall provide the Contractor with each of the following to the extent reasonably necessary to assist Contractor to reproduce operating conditions similar to those present when the State detected the relevant Error and to respond to and Resolve the relevant Support Request:

- (i) if not prohibited by the State's security policies, remote access to the State Systems, and if prohibited, direct access at the State's premises;
- (ii) output and other data, documents and information, each of which is deemed the State's Confidential Information as defined in the Contract; and
- (iii) such other reasonable cooperation and assistance as Contractor may request.

3.6 Service Level Table. Response and Resolution times will be measured from the time Contractor receives a Support Request until the respective times Contractor has (a) responded to that Support Request, in the case of response time and (b) Resolved that Support Request, in the case of Resolution time. "**Resolve**", "**Resolved**", "**Resolution**" and correlative capitalized terms mean, with respect to any particular Support Request, that Contractor has delivered the appropriate correction of the Error that prompted that Support Request and that the State has received such correction from Contractor. Contractor shall respond to and Resolve all Support Requests within the following times based on the State's designation of the severity of the associated Error, subject to the parties' written agreement to revise such designation after Contractor's investigation of the reported Error and consultation with the State:

Support Request Classification	Definition	Service Level Metric (Required Response Time)	Service Level Metric (Required Resolution Time)
Critical Service	(a) Issue affecting entire Software system or single	Contractor shall acknowledge receipt of a Support Request	Contractor shall Resolve the Support Request as soon as

<p>Error</p>	<p>critical production function;</p> <p>(b) Software down or operating in materially degraded state;</p> <p>(c) Data integrity at risk;</p> <p>(d) Material financial impact;</p> <p>(e) Widespread access interruptions: or</p> <p>(f) Classified by the state as a Critical Service Error</p>	<p>within thirty (30) minutes.</p>	<p>practicable and no later than four (4) hours after Contractor's receipt of the Support Request.</p> <p>If the Contractor Resolves the Support Request by way of a work-around accepted in writing by the State, the support classification assessment will be reduced to a High Service Error.</p>
<p>High Service Error</p>	<p>(a) A Critical Service Error for which the State has received, within the Resolution time for Critical Service Errors, a work-around that the State has accepted in writing; or</p> <p>(b) Primary component failure that materially impairs Software's performance;</p> <p>(c) Data entry or access is materially impaired on a limited basis; or</p> <p>(d) performance issues of severe nature impacting</p>	<p>Contractor shall acknowledge receipt of a Support Request or, where applicable, the State's written acceptance of a Critical Service Error work-around, within twenty-four (24) hours.</p>	<p>Contractor shall Resolve the Support Request as soon as practicable and no later than two (2) Business Days after Contractor's receipt of the Support Request or, where applicable, the State's written acceptance of a Critical Service Error work-around.</p>

	critical processes		
Medium Service Error	<p>An isolated or minor Error in the Software that meets any of the following requirements:</p> <p>(a) does not significantly affect Software functionality;</p> <p>(b) can or does impair or disable only certain non-essential Software functions; or</p> <p>(c) does not materially affect the State's use of the Software</p>	Contractor shall acknowledge receipt of the Support Request within two (2) Business Days.	Contractor shall Resolve the Support Request as soon as practicable and no later than ten (10) Business Days after Contractor's receipt of the Support Request.

3.7 Escalation to Parties' Project Managers. If Contractor does not respond to a Support Request within the relevant Service Level response time, the State may escalate the Support Request to the parties' respective Project Managers and then to their respective Contract Administrators.

3.8 Time Extensions. The State may, on a case-by-case basis, agree in writing to a reasonable extension of the Service Level response or Resolution times.

3.9 Contractor Updates. Contractor shall give the State monthly electronic or other written reports and updates of:

- (a) the nature and status of its efforts to correct any Error, including a description of the Error and the time of Contractor's response and Resolution;
- (b) its Service Level performance, including Service Level response and Resolution times.
- (c) the Service Credits to which the State has become entitled.

4. Service Credits.

4.1 Service Credit Amounts. If the Contractor fails to respond to a Support Request within the applicable Service Level response time or to Resolve a Support Request within the applicable Service Level Resolution time, the State will be entitled to the corresponding service credits specified in the table below ("**Service Credits**"), provided that the relevant Error did not result from a State Cause.

Support Request Classification	Service Level Credits (For Failure to Respond to any Support Request Within the Corresponding Response Time)	Service Level Credits (For Failure to Resolve any Support Request Within the Corresponding Required Resolution Time)
Critical Service Error	An amount equal to 5% of the then current monthly Support Fee for each hour by which Contractor's response exceeds the required Response time.	An amount equal to 5% of the then current monthly Support Fee for each hour by which Contractor's Resolution of the Support Request exceeds the required Resolution time. In any given month, the Service Level Credits shall not exceed 25% of the monthly Support fee.
High Service Error	An amount equal to 3% of the then current monthly Support Fee for each Business Day, and a pro-rated share of such percentage for each part of a Business Day, by which Contractor's response exceeds the required Response time.	An amount equal to 3% of the then current monthly Support Fee for each Business Day, and a pro-rated share of such percentage for each part of a Business Day, by which Contractor's Resolution of the Support Request exceeds the required Resolution time. In any given month, the Service Level Credits shall not exceed 25% of the monthly Support fee.

4.2 Compensatory Purpose. The parties intend that the Service Credits constitute compensation to the State, and not a penalty. The parties acknowledge and agree that the State's harm caused by Contractor's delayed delivery of the Support Services would be impossible or very difficult to accurately estimate as of the Effective Date, and that the Service Credits are a reasonable estimate of the anticipated or actual harm that might arise from Contractor's breach of its Service Level obligations.

4.3 Issuance of Service Credits. Contractor shall, for each monthly invoice period, issue to the State, together with Contractor's invoice for such period, a written acknowledgment setting forth all Service Credits to which the State has become entitled during that invoice period. Contractor shall pay the amount of the Service Credit as a debt to the State within fifteen (15) Business Days of issue of the Service Credit acknowledgment, provided that, at the State's option, the State may, at any time prior to Contractor's payment of such debt, deduct the Service Credit from the amount payable by the State to Contractor pursuant to such invoice.

4.4 Additional Remedies for Service Level Failures. Contractor's repeated failure to meet the Service Levels for Resolution of any Critical Service Errors or High Service Errors, or any combination of such Errors, within the applicable Resolution time set out in the Service Level Table will constitute a material breach under the Contract. Without limiting the State's right to receive Service Credits under this **Section 4**, the State may terminate this Schedule for cause in accordance with terms of the Contract.

5. Communications. In addition to the mechanisms for giving notice specified in the Contract, unless expressly specified otherwise in this Schedule or the Contract, the parties may use e-mail for communications on any matter referred to herein.

**SCHEDULE B, EXHIBIT 1
CONTRACTOR CONTACT**

Primary contact:

Jocelyn Tremblay
2255 St. Laurent Blvd., Suite 206
Ottawa, ON K1G 4K3
Canada
Email: jocelyn.tremblay@stacsdna.com
Phone: 877-774-7822 x2000

Secondary contact:

Steven Gareau
2255 St. Laurent Blvd., Suite 206
Ottawa, ON K1G 4K3
Canada
Email: steven.gareau@stacsdna.com
Phone: 877-774-7822 x2008

SCHEDULE C LICENSE AGREEMENT

WHEREAS STACS DNA INC. (“STACS”) has developed STACS Products which are comprised of a unique software architecture together with additional optional software modules which may be licensed from STACS from time to time;

AND WHEREAS STACS has agreed to grant the State of Michigan (the “Licensee”) certain rights to use the STACS Products on the terms and conditions herein set forth;

NOW THEREFORE the parties hereto agree as follows:

1. DEFINITIONS

Unless otherwise specified the following terms will have the meanings ascribed to them as follows:

- 1.1. **“STACS Products”** shall mean the software that provides DNA sample tracking and control functions and capabilities for forensic laboratories (known commercially and referred to herein as “STACS Database™ and STACS Casework™”) as more particularly described in Exhibit A, in machine readable object code form, which may be combined or embodied in any medium whatsoever, consisting of a set of logical instructions and information which guide the functioning of a processor, and which shall include Updates and Upgrades provided from time to time by STACS during the Term, as part of the Maintenance and Support Services, if such services are requested by the Licensee, and all information, ephemeral aspects, so-called “look & feel”, graphic design, user interface design, know how, systems and processes concerning such computer program, including without limitation such computer program's operational and functional specifications set out in published documentation provided by STACS with the STACS Products. For greater certainty, STACS Products shall include any enhancements, modifications, improvements, configurations and adaptations made by STACS to the STACS Products to conform with the requirements and specifications requested from time to time by Licensee.
- 1.2. **“Business Day”** shall mean Monday to Friday other than statutory holidays in the province of Ontario, Canada.
- 1.3. **“Confidential Information”** shall mean confidential and secret information including, but not limited to, trade secrets, processes, methods, ideas, algorithms, plans, software source code, technical specifications, engineering data, computer software programs, manufacturing know-how, or other information relating to, incorporated in or forming part of the STACS Products, the product specifications and Documentation and any other information which would be reasonably considered to be confidential.
- 1.4. **“Documentation”** means the human-readable documentation that is delivered with the STACS Products.
- 1.5. **“Effective Date”** means the date referred to on the last page of this Agreement.
- 1.6. **“License Fee”** shall mean the amount payable to STACS in consideration of the grant of any license for the STACS Products as agreed upon between the parties.
- 1.7. **“Maintenance and Support Services”** shall have the meaning set out in Section 9 hereof.

- 1.8. "Maintenance Fee" shall mean the fees payable by Licensee, as agreed upon from time to time, in connection with the provision by STACS of the Maintenance and Support Services
- 1.9. "Site" shall mean the Licensee's offices referred to in Exhibit A attached hereto.
- 1.10. "Term" shall have the meaning set out in Section 4 hereof.
- 1.11. "Update" shall mean a release of the STACS Products which consists of minor corrections, bug fixes and minor enhancements to the previous version released by STACS to Licensee.
- 1.12. "Upgrade" shall mean a release of the STACS Products which consists of a new version with substantial enhancements, added functionality or new features from the previous version released by STACS to Licensee.

2. GRANT AND RESTRICTIONS

- 2.1. Upon payment of the License Fee, STACS grants Licensee a perpetual restricted, non-transferable and non-exclusive license to use the STACS Products at the Site, to install the STACS Products on one production and one test/backup server and to use the Documentation and STACS Products in object-code format solely for Licensee's professional use at Licensee's office at the Site. The STACS Products shall not be used outside of Licensee's normal course of business. Licensee may only permit its employees to use the STACS Products. Except as expressly provided herein, the Licensee shall not permit third parties to have access to or use the STACS Products.
- 2.2. Licensee may not copy or reproduce the STACS Products, provided that Licensee may make one copy of the STACS Products in machine-readable form for backup purposes only. Any copy of the STACS Products must include all copyright information contained on the original.
- 2.3. Licensee shall not, and shall not permit anyone else to reverse engineer, decompile, disassemble, or otherwise reduce the STACS Products to any human readable form. Licensee shall not modify, adapt, alter, edit, correct, translate, publish, sell, transfer, assign, convey, rent, lease, loan, pledge, sublicense, distribute, export, enhance, or create derivative works based upon the STACS Products, in whole or part, or otherwise grant or transfer rights to the STACS Products or the rights granted herein in any form or by any media (electronic, mechanical, photocopy, recording, or otherwise). Licensee may not provide access or use of the STACS Products in a time sharing, interactive cable television, multiple cpu service bureau or public computer-based information system or public electronic bulletin board, including without limitation the internet or the world wide web. Licensee shall not remove any proprietary notices or labels on the STACS Products or documentation.

3. TERM OF AGREEMENT

With respect to a license for which a License Fee has been paid, this Agreement shall become effective as of the date where Licensee has accepted the terms and conditions of this Agreement and shall remain in effect in perpetuity, unless earlier terminated in accordance with the terms of this Agreement.

4. WARRANTIES

- 4.1. STACS warrants to Licensee that, for a period of ninety (90) days following the date of delivery of the STACS Products to Licensee:

- 4.1.1. the STACS Products shall operate and function in substantial accordance with the published documentation provided by STACS with the STACS Products; and
- 4.1.2. the physical media on which the STACS Products is delivered to Licensee (if any) will be free of defects in materials and workmanship under normal use.
- 4.2. IF REPLACEMENT OR REPAIR OF THE STACS PRODUCT IS REQUIRED DUE TO A DEFECT SPECIFIED IN SECTION 5.1, STACS WILL REPLACE OR REPAIR THE STACS PRODUCT AT STACS'S EXPENSE. THE LIABILITY OF STACS UNDER THIS SECTION IS LIMITED IN ALL CASES TO THE OBLIGATION TO REPLACE OR REPAIR THE STACS PRODUCT WITH ANOTHER COPY OF THE STACS PRODUCT
- 4.3. STACS may provide out of warranty repairs for Licensee at STACS's prevailing rates on a time and materials basis for repair services in effect at the time of such repair.
- 4.4. Limitation of Warranty
 - 4.4.1. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, THE STACS PRODUCT AND DOCUMENTATION ARE PROVIDED ON AN "AS IS" BASIS AND THERE ARE NO WARRANTIES, REPRESENTATIONS OR CONDITIONS, EXPRESSED OR IMPLIED, WRITTEN OR ORAL, ARISING BY STATUTE, OPERATION OF LAW OR OTHERWISE, REGARDING THE STACS PRODUCT OR ANY OTHER PRODUCT OR SERVICE PROVIDED HEREUNDER OR IN CONNECTION HERewith.
 - 4.4.2. STACS DISCLAIMS ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY, MERCHANTABILITY, FUNCTIONALITY, DURABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
 - 4.4.3. STACS DOES NOT WARRANT THAT THE STACS PRODUCT WILL MEET LICENSEE'S REQUIREMENTS OR THAT ITS OPERATION WILL BE UNINTERRUPTED, ERROR FREE OR THAT ALL CONTENT OR DATA DELIVERED UNDER THIS AGREEMENT OR THROUGH USE OF THE STACS PRODUCT WILL BE APPROPRIATE OR APPLICABLE TO LICENSEE'S USE, STACS DISCLAIMS ANY LIABILITY FOR ANY CONSEQUENCES DUE TO USE, MISUSE OR INTERPRETATION OF INFORMATION CONTAINED, OR NOT CONTAINED, IN THE STACS PRODUCT OR THE DOCUMENTATION.
 - 4.4.4. NO REPRESENTATION OR OTHER AFFIRMATION OF FACT, INCLUDING BUT NOT LIMITED TO STATEMENTS REGARDING PERFORMANCE OF THE STACS PRODUCT, WHICH IS NOT CONTAINED IN THIS AGREEMENT, SHALL BE DEEMED TO BE A WARRANTY BY STACS.
- 4.5. In exercising its rights under this Agreement, Licensee will give and make no warranties or representations on behalf of STACS as to quality, merchantable quality, fitness for a particular use or purpose or any other features of the STACS Products, or other products or services provided by STACS except as described in published documentation relating to the STACS Products provided by STACS, or other products or services provided by STACS made generally commercially available by STACS.

5. STACS OBLIGATION

STACS shall provide to Licensee within [thirty (30)] days of the effective date of this Agreement one (1) copy of the STACS Products and Documentation

6. LICENSEE OBLIGATIONS AND ACKNOWLEDGEMENTS

- 6.1. Licensee acknowledges that it is responsible to create back-up records of all information entered by Licensee into the STACS Products.
- 6.2. If the STACS Products fails to perform in accordance with the Documentation, Licensee shall promptly advise STACS of the defect and shall assist STACS in identifying the defect.

7. PRIVACY AND USE OF INFORMATION

- 7.1. Licensee shall at all times comply with all relevant privacy legislation, regulations and any privacy related professional obligations applicable in the use of the STACS Products and, without limiting the generality of the foregoing, the collection, use and disclosure of data forming part of, incorporated or used in connection with the STACS Products.

8. MAINTENANCE AND TECHNICAL SUPPORT

STACS will provide technical support, Upgrades and Updates to Licensee (the "Maintenance and Support Services") set forth in Schedule B of the Contract Terms, in consideration for the payment of the Maintenance Fee. The Maintenance Support Services shall be provided by STACS for a period to be mutually agreed upon in writing from time to time.

9. OWNERSHIP AND CONFIDENTIALITY

- 9.1. Licensee hereby acknowledges and agrees that all right, title and interest in and to the STACS Products, in whole or in part, and including, without limitation, all patent, copyright, trade-marks, trade secret and all other intellectual and industrial property rights in such STACS Products and the structure, sequence and organization of same, and the media on which such material is contained shall belong to STACS , and that Licensee's sole rights thereto shall be only those rights granted by STACS pursuant to this Agreement. Licensee further agrees and acknowledges that STACS has and reserves the exclusive, world-wide right in perpetuity to protect the STACS Products and all product specifications including its structure, sequence and organization, screens and any part thereof, under any laws for the protection of intellectual and industrial property, including without limitation, trade secrets, trademarks, copyrights, industrial designs and patents.
- 9.2. The STACS Products, Documentation, product specifications and all documentation and information, including without limitation, so-called "look and feel" aspects, design and presentation, trade secrets, drawings and technical and marketing information which is or has been supplied by STACS to Licensee, acquired or developed by Licensee is hereby deemed to be Confidential Information and shall be held in trust and confidence for, and on behalf of, STACS, by Licensee and its employees, and shall not be disclosed by Licensee or used by Licensee for any purpose other than as strictly permitted under this Agreement without STACS's prior written consent.
- 9.3. Licensee shall treat the Confidential Information in strict confidence and shall not disclose, transfer, copy, reproduce, electronically transmit, store or maintain, remanufacture or in any way duplicate all, or any part of, the Confidential Information except in accordance with the terms and conditions of this Agreement or as otherwise required by law. Licensee shall be directly liable for the acts or omissions of its employees, agents and contractors with respect to such confidentiality obligations. Licensee agrees to protect the Confidential Information with the same standard of care and procedures which it uses to protect its own trade secrets, proprietary information and

other confidential information and, in any case, not less than a reasonable standard of care.

- 9.4. The obligations of confidentiality imposed by Section 9.3 shall not apply, or shall cease to apply, to any Confidential Information: which at the time of disclosure is within the public domain, other than through a breach of this Agreement; which after disclosure becomes readily and lawfully available to the industry or the public, other than through a breach of this Agreement; which Licensee can establish, by documented and competent evidence, was in its possession prior to the date of disclosure of such Confidential Information by STACS; or which is otherwise subject to disclosure as required by law.
- 9.5. In the event that the Licensee is required by law or direction of a regulatory authority to disclose Confidential Information, the Licensee will endeavor to provide STACS with prompt written notice of the requirement to permit STACS to seek a protective order or other appropriate remedy to prevent such disclosure. In the event that such protective order or other remedy is not obtained, the Licensee shall only disclose such portion of the Confidential Information as may be required to be disclosed.
- 9.6. Licensee undertakes to comply with its obligations according to the legislation in the jurisdictions in which it carries on business.

10. INTELLECTUAL PROPERTY RIGHTS

- 10.1. Licensee agrees to take adequate steps to protect the STACS Products from unauthorized disclosure or use. Licensee shall continually use its best efforts to protect STACS's trade-marks, trade names, patents, copyrights, and other proprietary rights, but shall not initiate legal action against third parties for infringement thereof. Licensee shall promptly notify STACS of any infringement or improper or unauthorized use of which it has actual knowledge.
- 10.2. The STACS Products, Documentation and the product specifications are copyrighted and title to all copies is retained by STACS. Licensee will not alter, remove, cover or otherwise obscure any copyright notices, trade mark notices and any other intellectual property rights attaching to or displayed on the STACS Products, Documentation and any other material and documentation made available under this Agreement. The Licensee will comply with all reasonable directions issued by STACS from time to time regarding the form and placement of any and all relevant proprietary rights notices in or on the STACS Products, or Documentation or any other related media, packaging or material.

11. TERMINATION

- 11.1. If any of the following conditions arise during the Term, STACS shall have the right, at its option, to terminate this Agreement by giving a written notice of such termination to Licensee, whereupon this Agreement shall immediately cease and terminate:
 - 11.1.1. if Licensee breaches its confidentiality obligations pursuant to Section 10 hereof.
- 11.2. Subject to the STACS's right to immediately terminate this License pursuant to Section 11.1 hereof, STACS shall have the right to terminate this License if Licensee fails to perform any other substantial obligation herein on its part to be performed, and the failure continues for at least thirty (30) days after the giving of written notice of such failure to Licensee by STACS.
- 11.3. Effective upon termination hereof, Licensee shall:

- 11.3.1. immediately cease to access, use and/or permit to use the STACS Products and Documentation in any manner whatsoever unless otherwise provided in the Contract;
- 11.3.2. as directed at the sole option of STACS, and to the extent permitted by applicable law and record retention policies, immediately destroy or return all copies of the STACS Products and Documentation including all electronically stored copies thereof and backup copies and related materials and any STACS Confidential Information in Licensee's possession, with an affidavit of the Licensee or a senior officer of the Licensee attesting to completion of this task.
- 11.4. Termination hereunder shall be without prejudice to any other right or remedy to which either party may be entitled hereunder in law.

12. AUDIT

- 12.1. STACS may request written certification from Licensee regarding Licensee's use of the STACS Products. Licensee agrees to respond to any such request within 15 business days of such request.

13. ASSIGNMENT

Licensee shall not assign this Agreement or any right hereunder or assign or delegate any obligation hereunder without the express written consent of STACS. This is not required if the Agreement is transferred or assigned within State government by way of or resulting from a reorganization of State government.

14. SURVIVAL

The obligations set out in Sections 9 and 10 hereof shall survive the termination or expiration of this Agreement.

EXHIBIT A
Site and STACS Products

STACS Products details:

- STACS Database Enterprise
 - Unrestricted number of seats / users
 - Unrestricted number of samples per year

- STACS Casework Enterprise
 - Unrestricted number of seats / users
 - Unrestricted number of samples per year

Site details:

- All Michigan State Police Forensic Science Division Laboratories
- All Michigan State Police Biometrics and Identification Division CODIS Laboratories

**SCHEDULE D
PRICING**

Cost Table 1. Maintenance & Support Cost Summary

Description	Cost
STACS-DB Maintenance & Support Services	398,468.20
STACS-CW Maintenance & Support Services	428,813.69
TOTAL	\$827,281.89

Cost Table 2. Maintenance & Support Cost Detail

Description	Cost
STACS-DB Maintenance & Support Services	
October 1, 2020 – September 30, 2021	76,569.01
October 1, 2021 – September 30, 2022	78,100.39
October 1, 2022 – September 30, 2023	79,662.40
October 1, 2023 – September 30, 2024	81,255.65
October 1, 2024 – September 30, 2025	82,880.76
STACS-DB Subtotal	398,468.20
STACS-CW Maintenance & Support Services	
April 21, 2020 – April 20, 2021	82,400.15
April 21, 2021 – April 20, 2022	84,048.15
April 21, 2022 – April 20, 2023	85,729.12
April 21, 2023 – April 20, 2024	87,443.70
April 21, 2024 – April 20, 2025	89,192.57
STACS-CW Subtotal	428,813.69
TOTAL	\$827,281.89

Cost Table 3. Hourly Rates for Optional Additional Services

The hourly rates below shall be firm for the contract's five base years and five option years.

Role	Remote	Onsite
Project Manager	248.20	248.20
System Analyst	191.90	191.90
Software Engineer	197.60	197.60
Quality Assurance / Quality Control Analyst	191.90	191.90
Technical Writer	186.20	186.20
Trainer	191.90	191.90