



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

**NOTICE OF CONTRACT**

NOTICE OF CONTRACT NO. **171-220000000527**  
 between  
 THE STATE OF MICHIGAN  
 and

<b>CONTRACTOR</b>	CentralSquare Technologies
	1000 Business Center Drive
	Lake Mary, FL 32746
	James Ferris
	+44 779-626-4771
	James.Ferris@centralsquare.com
	VS0106568

<b>STATE</b>	Program Manager	Various	
	Contract Administrator	Jordan Sherlock 517-243-5556 Sherlockj@michigan.gov	DTMB

<b>CONTRACT SUMMARY</b>			
<b>DESCRIPTION: Jurisdiction Online BCC Boiler System</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
02/21/2022	02/20/2025	3 – 1 year	02/20/2025
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			
N/A			
MISCELLANEOUS INFORMATION			
<b>THIS IS NOT AN ORDER. This Contract Agreement is awarded as a result of ITN# 210000000055.</b>			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			<b>\$170,000.00</b>

AGENCY	NAME	PHONE	EMAIL
DTMB	Stuart Willard	517-526-5410	Willards@michigan.gov
LARA	Giget Stanton	517-582-8330	Stantong1@michigan.gov

# STATE OF MICHIGAN

## SOFTWARE TERMS AND CONDITIONS

These Terms and Conditions, together with all Schedules (including the Statement(s) of Work), Exhibits and any other applicable attachments or addenda (Collectively this “Contract”) are agreed to between the State of Michigan (the “State”) and CentralSquare Technologies (“Contractor”), A FLORIDA CORPORATION. This Contract is effective on February 21<sup>st</sup>, 2022 (“Effective Date”), and unless terminated, will expire on February 20<sup>th</sup>, 2025 (the “Term”).

This Contract may be renewed for up to 3 additional 1 year period(s). Renewal is at the sole discretion of the State and will automatically extend the Term of this Contract. The State will document its exercise of renewal options via Contract Change Notice.

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

“**Acceptance**” has the meaning set forth in **Section 9**.

“**Acceptance Tests**” means such tests as may be conducted in accordance with **Section 9.1** and a 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 17.2(b)**.

“**Approved Third Party Components**” means all third party components, including Open-Source Components, that are included in or used in connection with the Software and are specifically identified by Contractor in the Contractor’s Bid Response or as part of the State’s Security Accreditation Process defined in Schedule E – Data Security Schedule.

“**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 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 a 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 22.1**.

“**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 a 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 Solicitation Type.

“**Contractor Hosted**” means the Hosted Services are provided by Contractor or one or more of its Permitted Subcontractors.

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

“**Contractor Project Manager**” means the individual appointed by Contractor and identified in a Statement of Work to serve as the primary contact with regard to services, to monitor and coordinate the day-to-day activities of this Contract, and to perform other duties as may be further defined in this Contract, including an applicable Statement of Work.

“**Customization**” means State-specific changes to the Software’s underlying Source Code or structural data model changes.

“**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 a Statement of Work and all Work Product.

“**Deposit Material**” refers to material required to be deposited pursuant to **Section 28**.

“**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 the fees set forth in the Pricing Schedule attached as **Schedule B**.

“**Financial Audit Period**” has the meaning set forth in **Section 23.1**.

“**Harmful Code**” means any software, hardware or other technologies, devices or means, the purpose or effect of which is to: (a) permit unauthorized access to, or to destroy, disrupt, disable, encrypt, modify, copy, or otherwise harm or impede in any manner, any (i) computer, software, firmware, data, hardware, system or network, or (ii) any application or function of any of the foregoing or the integrity, use or operation of any data Processed thereby; or (b) prevent the State or any Authorized User from accessing or using the Services as intended by this Contract, and includes any virus, bug, trojan horse, worm, backdoor or other malicious computer code and any time bomb or drop dead device.

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

“**Hosted Services**” means the hosting, management and operation of the Operating Environment, Software, other services (including support and subcontracted services), and related resources for remote electronic access

and use by the State and its Authorized Users, including any services and facilities related to disaster recovery obligations.

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

**“Integration Testing”** has the meaning set forth in **Section 9.2(a)**.

**“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 Contract.

**“Loss or Losses”** means all losses, including but not limited to, 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 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 a 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 a Statement of Work.

**“New Version”** means any new version of the Software, including any updated Documentation, 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.

**“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 a Statement of Work, including such structural, functional and other features, conditions and components as hardware, operating software, system architecture, configuration, computing hardware, ancillary equipment, networking, software, firmware, databases, data, and electronic systems (including database management systems).

“**PAT**” means a document or product accessibility template, including any Information Technology Industry Council Voluntary Product Accessibility Template or VPAT®, that specifies how information and software products, such as websites, applications, software and associated content, conform to WCAG 2.0 Level AA.

“**Permitted Subcontractor**” means any third party hired by Contractor to perform Services for the State under this Contract or have access to State Data.

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

“**Pricing Schedule**” means the schedule attached as **Schedule B**.

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

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

“**Services**” means any of the services, including but not limited to, Hosted Services, Contractor is required to or otherwise does provide under this Contract.

“**Service Level Agreement**” means the schedule attached as **Schedule D**, setting forth the Support Services Contractor will provide to the State, and the parties' additional rights and obligations with respect thereto.

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

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

“**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, ITN or Contractor's Bid Response, if any, for such Software, or elsewhere in a Statement of Work.

“**State**” means the State of Michigan.

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

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

“**State Program Managers**” are the individuals appointed by the State, or their designees, to (a) monitor and coordinate the day-to-day activities of this Contract; (b) co-sign off on Acceptance of the Software and other Deliverables; and (c) perform other duties as may be specified in a Statement of Work Program Managers will be identified in a Statement of Work.

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

“**Statement of Work**” means any statement of work entered into by the parties and incorporated into this Contract. The initial Statement of Work is attached as **Schedule A**.

“**Stop Work Order**” has the meaning set forth in **Section 15**.

“**Support Services**” means the software maintenance and support services Contractor is required to or otherwise does provide to the State under the Service Level Agreement.

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

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

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

“**Transition Period**” has the meaning set forth in **Section 16.3**.

“**Transition Responsibilities**” has the meaning set forth in **Section 16.3**.

“**Unauthorized Removal**” has the meaning set forth in **Section 2.5(b)**.

“**Unauthorized Removal Credit**” has the meaning set forth in **Section 2.5(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 without the inclusion of user derived Information or additional user input.

“**Warranty Period**” means the ninety (90) calendar-day period commencing on the date of the State's Acceptance of the Software and for which Support Services are provided free of charge.

“**WCAG 2.0 Level AA**” means level AA of the World Wide Web Consortium Web Content Accessibility Guidelines version 2.0.

“**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 Customizations, application programming interfaces, 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 developed in connection with this Contract whether or not embodied in this Contract.

**2. Duties of Contractor.** Contractor will provide Services and Deliverables pursuant to Statement(s) of Work entered into under this Contract. Contractor will provide all Services and Deliverables in a timely, professional

manner and in accordance with the terms, conditions, and Specifications set forth in this Contract and the Statement(s) of Work.

2.1 Statement of Work Requirements. No Statement of Work will be effective unless signed by each party's Contract Administrator. The term of each Statement of Work will commence on the parties' full execution of a 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 incorporated into this Contract. The State will have the right to terminate such Statement of Work as set forth in **Section 16**. 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.

2.2 Change Control Process. The State may at any time request in writing (each, a "**Change Request**") changes to a 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 a 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 a 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 a 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 a Statement of Work, terminate this Contract under **Section 16.1**.

(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 a 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.

### 2.3 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; and
- (ii) upon request, or as otherwise specified in a Statement of Work, perform background checks on all Contractor Personnel prior to their assignment. Contractor is responsible for all costs associated with the requested background checks. 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.

2.4 Contractor Project Manager. When applicable, Contractor will designate a Contractor employee to serve as Contractor Project Manager, who will be considered Key Personnel of Contractor. Contractor Project Manager will be identified in a Statement of Work.

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

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

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

(d) Contractor will promptly replace its Contractor Project Manager on the occurrence of any event set forth in **Section 2.4(c)**. Such replacement will be subject to the State's prior written approval.

#### 2.5 Contractor's Key Personnel.

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 16.1**.

2.6 Subcontractors. Contractor must obtain prior written approval of the State, which consent may be given or withheld in the State's sole discretion, before engaging any Permitted Subcontractor to provide Services to the State under this Contract. Third parties otherwise retained by Contractor to provide Contractor or other clients of contractor with services are not Permitted Subcontractors, and therefore do not require prior approval by the State. Engagement of any subcontractor or Permitted Subcontractor by Contractor 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 subcontractor (including such Permitted Subcontractor and Permitted Subcontractor's employees who, to the extent providing Services or Deliverables, will 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.

**3. Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

<b>If to State:</b> Jordan Sherlock 320 S Walnut Street Lansing, MI 48933 Sherlockj@michigan.gov	<b>If to Contractor:</b> Julie Ann Hinton 1000 Business Center Dr., Lake Mary, FL 32746 Julieann.Hinton@CentralSquare.com 863-319-4773
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**4. Insurance.** Contractor must maintain the minimum insurances identified in the Insurance Schedule attached as **Schedule C**.

**5. Software License.**

**5.1 Subscription License.** The Software is Contractor Hosted and Contractor is providing the State access to use its Software during the Term of the Contract, as follows:

(a) Contractor hereby grants to the State, exercisable by and through its Authorized Users, a nonexclusive, royalty-free, irrevocable right and license during the Term and such additional periods, if any, as Contractor is required to perform Services under this Contract or any Statement of Work, to:

- (i) access and use the Software, including in operation with other software, hardware, systems, networks and services, for the State's business purposes, including for Processing State Data;
- (ii) generate, print, copy, upload, download, store and otherwise Process all GUI, audio, visual, digital and other output, displays and other content as may result from any access to or use of the Software;
- (iii) prepare, reproduce, print, download and use a reasonable number of copies of the Specifications and Documentation for any use of the Software under this Contract; and
- (iv) access and use the Software for all such non-production uses and applications as may be necessary or useful for the effective use of the Software hereunder, including for purposes of analysis, development, configuration, integration, testing, training, maintenance, support and repair, which access and use will be without charge and not included for any purpose in any calculation of the State's or its Authorized Users' use of the Software, including for purposes of assessing any Fees or other consideration payable to Contractor or determining any excess use of the Software as described in **Section 5.2(c)** below.

(b) License Restrictions. The State will not: (a) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer or otherwise make the Software available to any third party, except as expressly permitted by this Contract or in any Statement of Work; or (b) use or authorize the use of the Software or Documentation in any manner or for any purpose that is unlawful under applicable Law.

(c) Use. The State will pay Contractor the corresponding Fees set forth in a Statement of Work or Pricing Schedule for all Authorized Users access and use of the Software. Such Fees will be Contractor's sole and exclusive remedy for use of the Software, including any excess use.

5.2 **Certification**. To the extent that a License granted to the State is not unlimited, Contractor may request written certification from the State regarding use of the Software for the sole purpose of verifying compliance with this **Section 5**. Such written certification may occur no more than once in any twelve(12) month period during the Term of the Contract. The State will to respond to any such request within 45 calendar days of receipt. If the State's use is greater than contracted, Contractor may invoice the State for any unlicensed use (and related support) pursuant to the terms of this Contract at the rates set forth in **Schedule B**, and the unpaid license and support fees shall be payable in accordance with the terms of the Contract. Payment under this provision shall be Contractor's sole and exclusive remedy to cure these issues.

5.3 **State License Grant to Contractor**. The State hereby grants to Contractor a limited, non-exclusive, non-transferable license (i) to use the State's (or individual agency's, department's or division's) name, trademarks, service marks or logos, solely in accordance with the State's specifications, and (ii) to display, reproduce, distribute and transmit in digital form the State's (or individual agency's, department's or division's) name, trademarks, service marks or logos in connection with promotion of the Services as communicated to Contractor by the State. Use of the State's (or individual agency's, department's or division's) name, trademarks, service marks or logos will be specified in the applicable Statement of Work. Contractor is provided a limited license to State Materials for the sole and exclusive purpose of providing the Services.

**6. Third Party Components**. At least 30 days prior to adding new Third Party Components, Contractor will provide the State with notification information identifying and describing the addition. Throughout the Term, on an annual basis, Contractor will provide updated information identifying and describing any Approved Third Party Components included in the Software.

## 7. Intellectual Property Rights

### 7.1 Ownership Rights in Software

- (a) For purposes of this **Section 7** only, the term "Software" does not include Customizations.
- (b) Subject to the rights and licenses granted by Contractor in this Contract and the provisions of **Section**

#### 7.1(c):

- (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.

(c) 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 State Materials, User Data, including all Intellectual Property Rights arising therefrom or relating thereto.

7.2 The State is and will be the sole and exclusive owner of all right, title, and interest in and to all 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 Work Product as work made for hire as defined in Section 101 of the Copyright Act of 1976; and

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

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

## 8. Non-Software Acceptance.

8.1 All other non-Software Services and Deliverables are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("State Review Period"), unless otherwise provided in the Statement of Work. If the non-Software Services and Deliverables are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the non-Software Services and Deliverables are accepted but noted deficiencies must be corrected; or (b) the non-Software Services and Deliverables are rejected. If the State finds material deficiencies, it may: (i) reject the non-Software Services and Deliverables without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with **Section 16.1**, Termination for Cause.

8.2 Within 10 business days from the date of Contractor's receipt of notification of acceptance with deficiencies or rejection of any non-Software Services and Deliverables, Contractor must cure, at no additional cost, the deficiency and deliver unequivocally acceptable non-Software Services and Deliverables to the State. If acceptance with deficiencies or rejection of the non-Software Services and Deliverables impacts the content or delivery of other non-completed non-Software Services and Deliverables, the parties' respective Program Managers must determine an agreed to number of days for re-submission that minimizes the overall impact to the Contract. However, nothing herein affects, alters, or relieves Contractor of its obligations to correct deficiencies in accordance with the time response standards set forth in this Contract.

8.3 If Contractor is unable or refuses to correct the deficiency within the time response standards set forth in this Contract, the State may cancel the order in whole or in part.

**9. Assignment.** Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other agency within the State. If the State determines that a novation of the Contract to any other agency within the State is necessary, Contractor will agree to the novation and provide all necessary documentation and signatures.

**10. Change of Control.** Contractor will notify the State, within 30 days of any public announcement or otherwise once legally permitted to do so, of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following:

- (a) a sale of more than 50% of Contractor's stock;
- (b) a sale of substantially all of Contractor's assets;
- (c) a change in a majority of Contractor's board members;
- (d) consummation of a merger or consolidation of Contractor with any other entity;
- (e) a change in ownership through a transaction or series of transactions;
- (f) or the board (or the stockholders) approves a plan of complete liquidation.

A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes. In the event of a change of control, Contractor must require the successor to assume this Contract and all of its obligations under this Contract.

## **11. Invoices and Payment.**

11.1 Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Services and Deliverables provided as specified in Statement(s) of Work. Invoices must include an itemized statement of all charges.

11.2 The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Services and Deliverables. Contractor's acceptance of final payment by the State constitutes a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed.

11.3 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.

11.4 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 then due and owing to it by Contractor against any amount payable by the State to Contractor under this Contract.

11.5 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 exclusive 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.

11.6 Pricing/Fee Changes. All Pricing set forth in this Contract will not be increased, except as otherwise expressly provided in this Section.

(a) The Fees 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.

(b) Excluding federal government charges and terms. Contractor warrants and agrees that each of the Fees, economic or product terms or warranties granted pursuant to this Contract are comparable to or better than the equivalent fees, economic or product term or warranty being offered to any commercial or government customer of Contractor. If Contractor enters into any arrangements with another customer of Contractor to provide the products or services, available under this Contract, under more favorable prices, as the prices may be indicated on Contractor's current U.S. and International price list or comparable document, then this Contract will be deemed amended as of the date of such other arrangements to incorporate those more favorable prices, and Contractor will immediately notify the State of such Fee and formally memorialize the new pricing in a Change Notice.

## **12. Liquidated Damages.**

12.1 The parties understand and agree that any liquidated damages (which includes but is not limited to applicable credits) set forth in this Contract are reasonable estimates of the State's damages in accordance with applicable law.

12.2 The parties acknowledge and agree that Contractor could incur liquidated damages for more than one event.

12.3 The assessment of liquidated damages will not constitute a waiver or release of any other remedy the State may have under this Contract for Contractor's breach of this Contract, including without limitation, the State's right to terminate this Contract for cause under **Section 16.1** and the State will be entitled in its discretion to recover actual damages caused by Contractor's failure to perform its obligations under this Contract. However, the State will reduce such actual damages by the amounts of liquidated damages received for the same events causing the actual damages.

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

**13. Stop Work Order.** The State may, at any time, order the Services of Contractor fully or partially stopped 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.

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

14.1 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) is adjudicated 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 16.1**, the State will issue a termination notice specifying whether Contractor must:

- (i) cease performance immediately. Contractor must submit all invoices for Services accepted by the State within 30 days of the date of termination. Failure to submit an invoice within that timeframe will constitute a waiver by Contractor for any amounts due to Contractor for Services accepted by the State under this Contract, or
- (ii) 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 public interest, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in **Section 16.2**.

(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 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.

14.2 Termination for Public Interest. 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. Contractor must submit all invoices for Services accepted by the State within 30 days of the date of termination. Failure to submit an invoice within that timeframe will constitute a waiver by Contractor for any amounts due to Contractor for Services accepted by the State under this Contract, or

(b) continue to perform in accordance with **Section 16.3**. If the State terminates this Contract for public interest, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities to the extent the funds are available.

(c) In the event that The State terminates this Agreement pursuant to Section 15.2, The State shall be entitled to prorata refunds, of any pre-paid annual fees unused at the time of termination.

14.3 Transition Responsibilities.

(a) 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:

- (i) continuing to perform the Services at the established Contract rates;
- (ii) taking all reasonable and necessary measures to transition performance of the work, including all applicable Services to the State or the State's designee;
- (iii) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, and comply with **Section 22.5** regarding the return or destruction of State Data at the conclusion of the Transition Period; and
- (iv) 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.

(b) Contractor will follow the transition plan attached as **Schedule G** as it pertains to both transition in and transition out activities.

**15. Indemnification**

15.1 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;

(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); and

(d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

15.2 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:

(a) regular updates on proceeding status;

(b) participate in the defense of the proceeding to the extent the State is a named party;

(c) employ its own counsel; and to

(d) 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 where the State may be subject to monetary damages or liability in any action at law or in equity. Any litigation activity on behalf of the State or any of its subdivisions, under this **Section 17**, 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.

15.3 The State is constitutionally prohibited from indemnifying Contractor or any third parties.

## 16. Infringement Remedies.

16.1 The remedies set forth in this Section 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.

16.2 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:

(a) procure for the State the right to continue to use such Software or component thereof to the full extent contemplated by this Contract; or

(b) 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.

16.3 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:

(a) 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 a Statement of Work for the Allegedly Infringing Materials that the State cannot reasonably use as intended under this Contract; and

(b) 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.

16.4 If Contractor directs the State to cease using any Software under **Section 18.3**, the State may terminate this Contract for cause under **Section 16.1**. Unless the claim arose against the Software independently of any of the actions specified below, Contractor will have no liability for any claim of infringement arising solely from:

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

## **17. Disclaimer of Damages and Limitation of Liability.**

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

17.2 Limitation of Liability. IN NO EVENT WILL EITHER PARTY'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.

17.3 Exceptions. Subsections (a) Disclaimer of Damages and (b) Limitation of Liability will not apply to Contractor's obligations set forth under Section 15 Indemnification and Section 18 State Data.

17.4 Disclosure of Litigation. Contractor must notify the State within 14 calendar days of receiving notice of any litigation that would have an impact on Contractor's ability to perform the services of the Contract involving Contractor that arises during the term of the Contract, including:

- (a) criminal litigation;
- (b) litigation under the Sarbanes-Oxley Act;
- (c) civil litigation involving:
  - (i) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or
  - (ii) a governmental or public entity's claim or written allegation of fraud; or

## **18. State Data.**

18.1 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 in connection with the Services, including but not limited to:

- (i) personally identifiable information (“**PII**”) collected, used, Processed, stored, or generated as the result of the Services, including, without limitation, any information that identifies an individual, such as an individual’s social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother’s maiden name, email address, credit card information, or an individual’s name in combination with any other of the elements here listed; and
- (ii) protected health information (“**PHI**”) collected, used, Processed, stored, or generated as the result of the Services, which is defined under the Health Insurance Portability and Accountability Act (“**HIPAA**”) and its related rules and regulations.

18.2 State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State.

18.3 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;

(c) keep and maintain State Data in the continental United States and

(d) not use, sell, rent, transfer, distribute, commercially exploit, or otherwise disclose or make available State Data for Contractor’s own purposes or for the benefit of anyone other than the State without the State’s prior written consent. Contractor’s misuse of State Data may violate state or federal laws, including but not limited to MCL 752.795.

18.4 Discovery. Contractor will immediately notify the State upon receipt of any requests which in any way might reasonably require access to State Data or the State’s use of the Software and Hosted Services, if applicable. Contractor will notify the State Program Managers or their designees by the fastest means available and also in writing. In no event will Contract provide such notification more than twenty-four (24) hours after Contractor receives the request. Contractor will not respond to subpoenas, service of process, FOIA requests, and other legal requests related to the State without first notifying the State and obtaining the State’s prior approval of Contractor’s proposed responses. Contractor agrees to provide its completed responses to the State with adequate time for State review, revision and approval.

18.5 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, integrity, or availability 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.

18.6 The parties agree that any damages relating to a breach of **Section 21.6** are to be considered direct damages and not consequential damages. **Section 21** survives termination or expiration of this Contract.

**19. Non-Disclosure of Confidential Information.** The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. This **Section 22** survives termination or expiration of this Contract.

19.1 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; or,

(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:

(d) in the possession of the State and subject to disclosure under the Michigan Freedom of Information Act (FOIA);

(e) already in the possession of the receiving party without an obligation of confidentiality;

(f) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party’s proprietary rights;

(g) obtained from a source other than the disclosing party without an obligation of confidentiality; or,

(h) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure).

For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.

19.2 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 and Permitted Subcontractor’s Representatives may be required to execute a separate agreement to be bound by the provisions of this **Section 22.2**.

19.3 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.

19.4 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.

19.5 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. Upon confirmation from the State, of receipt of all data, Contractor must permanently sanitize or destroy the State's Confidential Information, including State Data, from all media including backups using National Security Agency ("NSA") and/or National Institute of Standards and Technology ("NIST") (NIST Guide for Media Sanitization 800-88) data sanitation methods or as otherwise instructed by the State. If the State determines that the return of any Confidential Information is not feasible or necessary, Contractor must destroy the Confidential Information as specified above. The Contractor must certify the destruction of Confidential Information (including State Data) in writing within five (5) Business Days from the date of confirmation from the State.

## **20. Records Maintenance, Inspection, Examination, and Audit.**

20.1 Right of Audit. Pursuant to MCL 18.1470, 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 three (3) 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. 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.

20.2 Application. This **Section 23** applies to Contractor, any Affiliate, and any Permitted Subcontractor that performs Services in connection with this Contract.

**21. Support Services**. Contractor will provide the State with the Support Services described in the Service Level Agreement attached as **Schedule D** to this Contract. Such Support Services will be provided:

(a) Thereafter, for so long as the State elects to receive Support Services for the Software, in consideration of the State's payment of Fees for such services in accordance with the rates set forth in the Pricing Schedule.

**22. Data Security Requirements**. Throughout the Term and at all times in connection with its actual or required performance of the Services, Contractor will maintain and enforce an information security program including safety and physical and technical security policies and procedures with respect to its Processing of the State's Confidential Information that comply with the requirements of the State's data security policies as set forth in **Schedule E** to this Contract.

**23. Training**. Upon the State's request, Contractor will 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.

## **24. Maintenance Releases; New Versions**

24.1 Maintenance Releases. Provided that the State is current on its Fees, during the Term, Contractor will 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.

24.2 New Versions. Provided that the State is current on its Fees, during the Term, Contractor will 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.

24.3 Installation. The State has no obligation to install or use any Maintenance Release or New Versions. If the State wishes to install any Maintenance Release or New Version, the State will have the right to have such Maintenance Release or New Version installed, in the State's discretion, by Contractor or other authorized party as set forth in a Statement of Work. Contractor will provide the State, at no additional charge, adequate Documentation for installation of the Maintenance Release or New Version, which has been developed and tested by Contractor and Acceptance Tested by the State. The State's decision not to install or implement a Maintenance Release or New Version of the Software will not affect its right to receive Support Services throughout the Term of this Contract.

## 25. Source Code Escrow

25.1 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.

25.2 Deposit. Within thirty (30) business days of the Effective Date, Contractor will deposit with the escrow agent, pursuant to the procedures of the escrow agreement, the Source Code developed and written by CentralSquare, not inclusive of any third-party products or Code. ., Promptly after release of any update, upgrade, patch, bug fix, enhancement, new version, or other revision to the Software, Contractor will deposit updated Source Code, documentation, names, and contact information with the escrow agent.

25.3 Verification. At State's request and expense, the escrow agent may at any time verify the Deposit Material, including without limitation by compiling Source Code, comparing it to the Software, and reviewing the completeness and accuracy of any and all material. In the event that the Deposit Material does not conform to the requirements of **Section 28.2** above: Contractor will promptly deposit conforming Deposit Material.

25.4 Deposit Material License. Contractor hereby grants the State a license to use, reproduce, and create derivative works from the Deposit Material, provided the State may not distribute or sublicense the Deposit Material or make any use of it whatsoever except for such internal use as is necessary to maintain and support the Software. Copies of the Deposit Material created or transferred pursuant to this Contract are licensed, not sold, and the State receives no title to or ownership of any copy or of the Deposit Material itself. The Deposit Material constitutes Confidential Information of Contractor pursuant to **Section 22** (Non-disclosure of Confidential Information) of this Contract (provided no provision of **Section 22.4** calling for return of Confidential Information before termination of this Contract will apply to the Deposit Material).

## 26. Contractor Representations and Warranties.

26.1 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.

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

26.2 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) it has, and throughout the Term and any additional periods during which Contractor does or is required to perform the Services will have, the unconditional and irrevocable right, power and authority, including all permits and licenses required, to provide the Services and grant and perform all rights and licenses granted or required to be granted by it under this Contract;

(d) 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;

(e) 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;

(f) when used by the State or any Authorized User in accordance with this Contract and the Documentation, the Software, the Hosted Services, if applicable, 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;

(g) as provided by Contractor, the Software and Services do not and will not at any time during the Term contain any:

- (i) Harmful Code; or
- (ii) Third party or Open-Source Components that operate in such a way that it is developed or compiled with or linked to any third party or Open-Source Components, other than Approved Third Party Components specifically described in a Statement of Work.

(h) 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

(i) 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.

(j) 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;

(k) Contractor acknowledges that the State cannot indemnify any third parties, including but not limited to any third-party software providers that provide software that will be incorporated in or otherwise used in conjunction with the Services, and that notwithstanding anything to the contrary contained in any third-party software license

agreement or end user license agreement, the State will not indemnify any third party software provider for any reason whatsoever;

(l) 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.

(m) all Configurations or Customizations made during the Term will be forward-compatible with future Maintenance Releases or New Versions and be fully supported without additional costs.

(n) Contractor will not advertise through the Hosted Services (whether with adware, banners, buttons or other forms of online advertising) or link to external web sites that are not approved in writing by the State;

(o) the Software and Services will in all material respects conform to and perform in accordance with the Specifications and all requirements of this Contract, including the Availability and Availability Requirement provisions set forth in the Service Level Agreement;

(p) all Specifications are, and will be continually updated and maintained so that they continue to be, current, complete and accurate and so that they do and will continue to fully describe the Hosted Services in all material respects such that at no time during the Term or any additional periods during which Contractor does or is required to perform the Services will the Hosted Services have any material undocumented feature;

(q) During the Term of this Contract, any audit rights contained in any third-party software license agreement or end user license agreement for third-party software incorporated in or otherwise used in conjunction with the Software or with the Hosted Services will apply solely to Contractor or its Permitted Subcontractors. Regardless of anything to the contrary contained in any third-party software license agreement or end user license agreement, third-party software providers will have no audit rights whatsoever against State Systems or networks.

**26.3 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.

**27. Offers of Employment.** During the first twelve (12) months of the Contract, should Contractor hire an employee of the State who has substantially worked on any project covered by this Contract without prior written consent of the State, the Contractor will be billed for fifty percent (50%) of the employee's annual salary in effect at the time of separation.

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

**29. Compliance with Laws.** Contractor, its subcontractors, including Permitted Subcontractors, and their respective Representatives must comply with all laws in connection with this Contract.

**30. 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](#), Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex (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. 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.

**32. 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 an agent in Michigan to receive service of process.

**33. Non-Exclusivity.** Nothing contained in this Contract is intended nor is to be construed as creating any requirements contract with Contractor, nor does it provide Contractor with a right of first refusal for any future work. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Services from other sources.

#### **34. Force Majeure**

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

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

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

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

- (i) shutdowns, disruptions or malfunctions of Hosted Services or any of Contractor's telecommunication or internet services other than as a result of general and widespread internet or telecommunications failures that are not limited to the Hosted Services; or
- (ii) the delay or failure of any Contractor Personnel to perform any obligation of Contractor hereunder unless such delay or failure to perform is itself by reason of a Force Majeure Event.

(b) no Force Majeure Event modifies or excuses Contractor's obligations under **Sections 21** (State Data), **22** (Non-Disclosure of Confidential Information), or **17** (Indemnification) of the Contract, Disaster Recovery and Backup requirements set forth in the Service Level Agreement, Availability Requirement defined in the Service Level Agreement, or any data retention or security requirements under the Contract.

**35. Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive

if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance. Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either 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 does not limit the State's right to terminate the Contract.

**36. 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.

**37. Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.

**38. Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.

**39. Survival.** The rights, obligations and conditions set forth in this **Section 42** and **Section 1** (Definitions), **Section 16.3** (Transition Responsibilities), **Section 17** (Indemnification), **Section 19** (Disclaimer of Damages and Limitations of Liability), **Section 21** (State Data), **Section 22** (Non-Disclosure of Confidential information), **Section 29** (Contractor Representations and Warranties), **Section 53** (Effect of Contractor Bankruptcy) and **Schedule C** Insurance, and any right, obligation or condition that, by its express terms or nature and context is intended to survive the termination or expiration of this Contract, survives any such termination or expiration.

**40. 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](http://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.

**41. Contract Modification.** This Contract may not be amended except by signed agreement between the parties (a "**Contract Change Notice**"). Notwithstanding the foregoing, no subsequent Statement of Work or Contract Change Notice executed after the Effective Date will be construed to amend this Contract unless it specifically states its intent to do so and cites the section or sections amended.

**42. 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.

**43. Accessibility Requirements.**

43.1 All Software provided by Contractor under this Contract, including associated content and documentation, must conform to WCAG 2.0 Level AA. Contractor must provide a description of conformance with WCAG 2.0 Level AA specifications by providing a completed PAT for each product provided under the Contract. At a minimum,

Contractor must comply with the WCAG 2.0 Level AA conformance claims it made to the State, including the level of conformance provided in any PAT. Throughout the Term of the Contract, Contractor must:

- (a) maintain compliance with WCAG 2.0 Level AA and meet or exceed the level of conformance provided in its written materials, including the level of conformance provided in each PAT;
- (b) comply with plans and timelines approved by the State to achieve conformance in the event of any deficiencies;
- (c) ensure that no Maintenance Release, New Version, update or patch, when properly installed in accordance with this Contract, will have any adverse effect on the conformance of Contractor's Software to WCAG 2.0 Level AA;
- (d) promptly respond to and resolve any complaint the State receives regarding accessibility of Contractor's Software;
- (e) upon the State's written request, provide evidence of compliance with this Section by delivering to the State Contractor's most current PAT for each product provided under the Contract; and
- (f) participate in the State of Michigan Digital Standards Review described below.

43.2 State of Michigan Digital Standards Review. Contractor must assist the State, at no additional cost, with development, completion, and on-going maintenance of an accessibility plan, which requires Contractor, upon request from the State, to submit evidence to the State to validate Contractor's accessibility and compliance with WCAG 2.0 Level AA. Prior to the solution going-live and thereafter on an annual basis, or as otherwise required by the State, re-assessment of accessibility may be required. At no additional cost, Contractor must remediate all issues identified from any assessment of accessibility pursuant to plans and timelines that are approved in writing by the State.

43.3 Warranty. Contractor warrants that all WCAG 2.0 Level AA conformance claims made by Contractor pursuant to this Contract, including all information provided in any PAT Contractor provides to the State, are true and correct. If the State determines such conformance claims provided by the Contractor represent a higher level of conformance than what is actually provided to the State, Contractor will, at its sole cost and expense, promptly remediate its Software to align with Contractor's stated WCAG 2.0 Level AA conformance claims in accordance with plans and timelines that are approved in writing by the State. If Contractor is unable to resolve such issues in a manner acceptable to the State, in addition to all other remedies available to the State, the State may terminate this Contract for cause under **Section 16.1**.

43.4 Contractor must, without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State arising out of its failure to comply with the foregoing accessibility standards

43.5 Failure to comply with the requirements in this **Section 47** shall constitute a material breach of this Contract.

**44. 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.

**45. 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 nor bind the other party in any manner whatsoever.

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

**47. 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.

**48. 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.

**49. 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 will 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.

**50. Schedules.** All Schedules that are referenced herein and attached hereto are hereby incorporated by reference. The following Schedules are attached hereto and incorporated herein:

<b>Schedule A</b>	Statement of Work
<b>Schedule B</b>	Pricing Schedule
<b>Schedule C</b>	Insurance Schedule
<b>Schedule D</b>	Service Level Agreement
<b>Schedule E</b>	Data Security Requirements
<b>Schedule F</b>	Disaster Recovery Plan
<b>Schedule G</b>	Transition Plan

**51. 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.

**52. Entire Agreement.** These Terms and Conditions, including all Statements of Work and other Schedules and Exhibits (again collectively the “Contract”) 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 Terms and Conditions, the Schedules, Exhibits, and a Statement of Work, the following order of precedence governs: (a) first, these Terms and Conditions and (b) second, Schedule E – Data Security Requirements and (c) third, each Statement of Work; and (d) fourth, the remaining Exhibits and Schedules to this Contract. NO TERMS ON CONTRACTOR’S 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, EVEN IF ATTACHED TO STATE’S DELIVERY OR PURCHASE ORDER, 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 CONDITION

## SCHEDULE A - STATEMENT OF WORK

This schedule identifies the requirements of the Contract. For clarification, any items identified in Table 1 as Future Development items are not currently functionally available and are not included in the current pricing schedule. All Future Development items will be offered to the State of Michigan to order via Change Notice through a new quote.

### 1. DEFINITIONS

The following terms have the meanings set forth below. All initial capitalized terms that are not defined in this Schedule must have the respective meanings given to them in Section 1 of the Contract Terms and Conditions.

Term	Definition
JOL	Jurisdiction Online
BCC Boilers	Building of Construction Codes Boilers Division
LARA	Licensing and Regulatory Agency

### 2. BACKGROUND

The State of Michigan Boiler and Insurance Boiler inspectors utilize Jurisdiction Online (JOL), a web-based platform for inspections related to boilers. There are approximately 68,315 boilers in the State that need inspection annually either by BCC or by a 3rd party insurance inspector. JOL is a vendor that the State and insurance companies have worked with for over 10 years to provide a seamless solution for boiler inspections. JOL needs an updated security review with required documentation.

- Upgrade the system security.
- Known business processes, programs or functions impacted: JOL is utilized to manage boiler compliance for the State of Michigan. Captures data for inspections of boilers, any violations and fees. System provides notifications and the ability to search criteria for needed and completed inspections.
- Inspection Frequency:
  - 1 year- power boiler, high pressure steam, steam over 15psi (Small boilers to nuclear power)
  - 2 year- low pressure steam for heat
  - 3 year – provides water for hot water heating system
- Necessary workflows and/or business processes to be created:
  - Inspector user:
    1. Entering of current boilers
    2. Entering and reviewing of search criteria or review of notifications sent by system
    3. Inspector gathers boiler number to inspect, inspects.
    4. Inputs data, notes and data of inspection into JOL system
    5. Inputs fees in system, if needed
  - Boiler Manager State Employee
    6. Checks inspections due based on city, county or zip code, set up criteria (called views)
    7. Builds custom work list daily that shows reports for the review. (about 500 are reviewed weekly).
  - Boiler State Employee
    8. Reviews reports for fees, builds and invoice file
    9. Sends inspection invoices and any violations letters that are needed to DTMB Print Services. (Outside of JOL)
  - LARA Cashiering
    10. LARA Cashiering gets the check, stamps the invoice as paid it and sends it to boiler (Outside of JOL)
  - Boiler State Employee
    11. In JOL, marks inspection invoice paid
    12. Sends file to print services to print and mail certificate (Outside of JOL)

PURPOSE

The State is contracting to a Contractor Hosted Software Solution and applicable Services.

3. IT ENVIRONMENT RESPONSIBILITIES

**For a Contractor Hosted Software Solution:**

**Definitions:**

**Facilities** – Physical buildings containing Infrastructure and supporting services, including physical access security, power connectivity and generators, HVAC systems, communications connectivity access and safety systems such as fire suppression.

**Infrastructure** – Hardware, firmware, software, and networks, provided to develop, test, deliver, monitor, manage, and support IT services which are not included under Platform and Application.

**Platform** – Computing server software components including operating system (OS), middleware (e.g., Java runtime, .NET runtime, integration, etc.), database and other services to host applications.

**Application** – Software programs which provide functionality for end user and Contractor services.

**Storage** – Physical data storage devices, usually implemented using virtual partitioning, which store software and data for IT system operations.

**Backup** – Storage and services that provide online and offline redundant copies of software and data.

**Development** - Process of creating, testing and maintaining software components.

<b>Component Matrix</b>	Identify contract components with contractor or subcontractor name(s), if applicable
Facilities	Amazon Web Services
Infrastructure	Amazon Web Services
Platform	Central Square
Application	Central Square
Storage	Amazon Web Services
Backup	Amazon Web Services & Central Square
Development	Central Square

4. USER TYPE AND CAPACITY

Type of User	Access Type	Number of Users	Number of Concurrent Users
State Employee	Administrative/Write/Read	20	20
Approved Third Party	Write/Read	200	200

Contractor Solution must meet the expected number of concurrent Users.

## 5. ACCESS CONTROL AND AUTHENTICATION

The Contractor's solution is anticipated to have the ability to integrate with the State's IT Identity and Access Management (IAM) environment as described in the State of Michigan Digital Strategy at a later date ([https://www.michigan.gov/dtmb/0,5552,7-358-82547\\_56345\\_56351\\_69611-336646--,00.html](https://www.michigan.gov/dtmb/0,5552,7-358-82547_56345_56351_69611-336646--,00.html)), which will consist of:

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

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

## 6. DATA RETENTION AND REMOVAL

The State will need to retain all data for the entire length of the Contract unless otherwise direct by the State.

The State will need the ability to delete data, even data that may be stored off-line or in backups.

The State will need to retrieve data, even data that may be stored off-line or in backups.

## 7. END USER AND IT OPERATING ENVIRONMENT

The SOM IT environment includes X86 VMware, IBM Power VM, MS Azure/Hyper-V and Oracle VM, with supporting platforms, enterprise storage, monitoring, and management running in house and in cloud hosting provides.

Contractor 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 desktop and mobile & tablet site traffic, measured using Michigan.gov sessions statistics and
- The current browser identified and approved as the State of Michigan standard

This information can be found at <https://www.michigan.gov/browserstats>. Please use the most recent calendar quarter to determine browser statistics. For those desktop and mobile & tablet 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.

Contractor must support the current and future State standard environment at no additional cost to the State.

## 8. SOFTWARE

Software requirements are identified in **Schedule A – Table 1 Business Specification Worksheet**.

Contractor must provide a list of any third party components, and open source component included with or used in connection with the deliverables defined within this Contract. This information must be provided to the State on a quarterly basis and/or if a new third party or open source component is used in the performance of this Contract.

### **Look and Feel Standards**

All software items provided by the Contractor must adhere to the State of Michigan Application/Site standards which can be found at <https://www.michigan.gov/standards>.

### **Mobile Responsiveness**

If the software will be used on a mobile device as define in Schedule A – Table 1, Business Specification Worksheet, the Software must utilize responsive design practices to ensure the application is accessible via a mobile device.

### **SOM IT Environment Access**

Contractor must access State environments using one or more of the following methods:

- State provided VDI (Virtual Desktop Infrastructure) where compliant.
- State provided and managed workstation device.
- Contractor owned and managed workstation maintained to all State policies and standards.
- Contractor required interface with State systems which must be maintained in compliance with State policies and standards as set forth in **Schedule E – Data Security Requirements**.
- From locations within the United States and jurisdiction territories.

## 9. INTEGRATION

Integration is not required at this time.

## 10. MIGRATION

Migration is not required at this time.

## 11. TRAINING SERVICES

The Contractor must provide administration and end-user training for implementation, go-live support, and transition to customer self-sufficiency when applicable, and upon request by the State.

**TRANSITION RESPONSIBILITIES Return of Customer Data.** If Customer requests in writing at least 10 days prior to the effective date of expiration or earlier termination of this Agreement, CentralSquare shall within 60 days following such expiration or termination, deliver to Customer in CentralSquare's standard format the then most recent version of Customer Data maintained by CentralSquare, provided that Customer has at that time paid all Fees then outstanding and any amounts payable after or as a result of such expiration or termination.

**Deconversion.** In the event of (i) expiration or earlier termination of this Agreement, or (ii) Customer no longer purchasing certain CentralSquare Solutions (including those indicated to be Third-Party Materials), if Customer requests assistance in the transfer of Customer Data to a different vendor's applications ("Deconversion"), CentralSquare will provide reasonable assistance. CentralSquare and Customer will negotiate in good faith to establish the relative roles and responsibilities of CentralSquare and Customer in effecting Deconversion, as well as the appropriate date for completion. CentralSquare shall be entitled to receive compensation for any additional consultation, software and documentation required for Deconversion on a time and materials basis at CentralSquare's then standard rates.

12. 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.

The 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.

13. CONTRACTOR PERSONNEL

**Contractor Contract Administrator.** Contractor resource who is responsible to(a) administer the terms of this Contract, and (b) approve and execute any Change Notices under this Contract.

<b>Contractor</b>
<b>Name:</b> Julie Hinton
<b>Address:</b> 1000 Business Center Dr., Lake Mary, FL 32746
<b>Phone:</b> 863-319-4773
<b>Email:</b> Julieann.Hinton@CentralSquare.com

14. CONTRACTOR KEY PERSONNEL

**Contractor Project Manager.** Contractor resource who is responsible to serve as the primary contact with regard to services who will have the authority to act on behalf of the Contractor in matters pertaining to the implementation services, matters pertaining to the receipt and processing of Support Requests and the Support Services.

<b>Contractor</b>
<b>Name:</b> Julie Hinton
<b>Address:</b> 1000 Business Center Dr., Lake Mary, FL 32746
<b>Phone:</b> 863-319-4773
<b>Email:</b> Julieann.Hinton@CentralSquare.com

**Contractor Security Officer.** Contractor resource who is responsible to respond to State inquiries regarding the security of the Contractor’s Solution. This person must have sufficient knowledge of the security of the Contractor Solution and the authority to act on behalf of Contractor in matters pertaining thereto.

<b>Contractor</b>
<b>Name:</b> Troy Saunders
<b>Address:</b> 1000 Business Center Dr., Lake Mary, FL 32746
<b>Phone:</b> 407-304-3218
<b>Email:</b> Troy.Saunders@centralsquare.com

15. CONTRACTOR PERSONNEL REQUIREMENTS

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

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

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

**Offshore Resources.** Not all projects will allow for the use of Offshore Resources. However, if they do, additional security requirements will need to be added.]

16. 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.

<b>State Contract Administrator</b>	
<b>Name</b>	Jordan Sherlock
<b>Phone</b>	517-243-5556
<b>Email</b>	SherlockJ@michigan.gov

**Program Managers.** The DTMB and Agency Program Managers (or designee) will jointly approve all Deliverables and day to day activities.

<b>DTMB Program Manager</b>	
<b>Name</b>	Stuart Willard
<b>Phone</b>	517-526-5410
<b>Email</b>	WillardS@michigan.gov

<b>Agency Program Manager</b>	
<b>Name</b>	Giget Stanton
<b>Phone</b>	517-582-8330
<b>Email</b>	Stantong1@michigan.gov

17. MEETINGS

Upon request, Contractor must participate in meetings (if determined necessary by the parties) to ensure ongoing support success.

18. ADDITIONAL INFORMATION

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

SCHEDULE A – TABLE 1 - Business Specification Worksheet

<b>A</b> <b>Business Specification</b> <b>Number</b>	<b>B</b> <b>Business Specification</b>
<b>Required</b>	
GEN 10	The system will provide asterisks by all required fields.
GEN 20	The system will provide flexible search capabilities, with the ability to narrow down a list of options to select from, based on the information being entered.
GEN 30	The system will display the fields on the screen in an efficient way.
GEN 40	The system will provide the ability to enter, retrieve, search and print comments.
GEN 50	The system will provide the ability to pay an invoice.
GEN 60	The system will pre-populate all fields on the screen that have data that is already known and stored in the database.
GEN 70	The system will provide the ability to send an email to more than one email address.
JOL 10	The system will use verbiage and instructions that are relevant and easy to understand.
JOL 20	As an Administrator we would Add State Inspectors and allow access to Special Inspectors (Insurance Inspectors) and activate them in JOL.
JOL 30	As an Administrator, must be able to enter Name, Address (OWS), Phone Number, Email, Commission (License to Inspect), State License Number, State of Michigan Boilers Number, State of Michigan Boiler Inspector License, and National Board Commission.
JOL 40	As an Administrator, must have a box that denotes an Active Inspector.
JOL 50	As an Administrator, must be able to update license expiration dates for Insurance Inspectors.
JOL 60	Must be able to designate a difference between a Michigan Jurisdiction and a Detroit Jurisdiction (we may have access to Michigan Jurisdiction only).
JOL 70	A report of Inspectors Ordered by Company, which displays all Inspectors, all Inspectors that are Active, and/or all Inspectors that are Not Active.
JOL 80	As a Reviewer, must have the ability to review Inspection Reports.
JOL 90	An Inspector, Reviewer and Admin all must be able to print all Reports.
JOL 100	A Reviewer must be able to see how many Inspection Reports are available for review on their home page.

JOL 110	A Reviewer must be able to select a specific Inspection Report to review.
JOL 120	As an Inspector, must be able to enter Inspection Reports for viewing.
JOL 130	As an Inspector, must be able to enter designated fees based on the size and type of boiler.
JOL 140	Insurance Inspectors must be able to select specific fees. Currently they are only charging certificate fees (this defaults to \$60).
JOL 150	As an Admin, more than one fee can be selected, as appropriate.
JOL 160	As a Reviewer, when selecting Items to Review, a number representing the amount of items to review appears on the page split into categories: Inspection Fees to review, Boiler Inspection record(s) to review, Location record(s) to review, and Boiler record(s) to review.
JOL 170	As a Reviewer, when selecting the Review button next to a specific category, the list of records appears on the screen in chronological order with Violations appearing at the top of the list (regardless of when Violations were submitted, they are always at the top of the list).
JOL 180	In the Items to Review screen, the system will present a Review button to the left of each record line.
JOL 190	In the Items to Review screen, the system will show the Date, Description, Submitter, Inspector, Employer and Status of each line item.
JOL 200	In the Items to Review screen, the system will show a box at the end of each line item allowing a Reviewer to select and deselect it.
JOL 210	In the Items to Review screen, when the box at the end of a line item is selected, the system will allow the Reviewer the option to Clear Selected or Approve Selected.
JOL 220	In the Items to Review screen, the system will show a box at the end of each line item and provide a Reviewer to Select All.
JOL 230	As a Reviewer Approves or Rejects line items, the system will update the numbers of records to be viewed (regardless of the category), the number of Rejected Inspection Session(s) and the number of Boiler Inspection record(s).
JOL 240	As a Reviewer, when selecting Items to Approve, a number representing the amount of items to review appears on the page split into categories: Inspection Fees to review, Boiler Inspection record(s) to review, Location record(s) to review, and Boiler record(s) to review.
JOL 250	The system will present the approve lists (regardless of the category) in chronological order and always put Violations at the top of the list regardless of when they were submitted).
JOL 260	In the Items to Approve screen, the system will present a Review and Edit button to the left of each record line.
JOL 270	In the Items to Approve screen, the system will show the Date, Description, Submitter, Inspector, Employer and Status of each line item.
JOL 280	In the Items to Approve screen, the system will show a box at the end of each line item allowing a Reviewer to select and deselect it.
JOL 290	In the Items to Approve screen, when the box at the end of a line item is selected, the system will allow the Reviewer the option to Clear Selected or Approve Selected.
JOL 300	In the Items to Approve screen, the system will show a box at the end of each line item and provide a Reviewer to Select All.
JOL 310	As a Reviewer Approves or Rejects line items, the system will update the numbers of records to be viewed (regardless of the category), the number of Rejected Inspection Session(s) and the number of Boiler Inspection record(s).

JOL 320	<p>When a Reviewer selects an Inspection item, an Inspection screen appears with the following fields:          In the Boiler Details area: Jurisdiction Number*, Status*, Nat'l Bd. No., Owner or Batter No., Other No. Specific Location, Year Built*, Year Installed*, Edit Manufacturer, Construction Type*, Use*, Boiler Type*, Method of Firing*, Fuel*, Manhole*, Pressure Gauge Installed?*, Low Water Cutoff Type*, Power Boiler Ht. Surface*, Min SV Rel Cap Required*, MRSVC Based On*, Input BTU/HR, Previous Pressure Allowed, Certificate Duration (MO)*, Cert Exp Date*, Max Design Temp (HWH, HWS), ASME Stamp*, and Exp. Tank Code?          In the Inspection Details area: Condition OK to Issue Cert. *, Inspection Date*, Pressure Allowed*, S.V. Tested, Rule 27 Complied*, Safety Valve Set At*, and Total Capacity of Safety Valve*          In the Object/Inspection Comments area: Inspection Comments</p>
JOL 330	The System will display "Current Certificate Expires: xx/xx/xxxx" on the same line as the Inspection Details area title.
JOL 340	When a Reviewer selects Edit on a line item, an Update Recommendation Data screen appears.
JOL 350	When a Reviewer is in the Update Recommendation Data screen, the Condition, Requirement, and Comments fields are text boxes.
JOL 360	The system will display the following fields on the "Update Recommendation Data" screen: Category, Date Found, Inspector, Status, Type, Date To Be Resolved By, Condition, Requirement, and Comments.
JOL 370	When a letter goes out to a Boiler Owner, the letters are printed and sent to the DTMB Print Center for printing, stuffing and sending.
JOL 380	When an Inspector gets an Inspection sent back from the Reviewer, they read the Comments to understand what needs to be updated/changed, then resubmit.
JOL 390	When an Inspector gets an Inspection back after being returned (Review Record Changes screen), the system will display both the old and new values with the following information: User, Date, Field Changed, Old Value, and New Value.
JOL 400	When an Inspector is at the Review Record Changes screen, the "What do you want to do..." drop down allows the Reviewer to Approve All Changes, Accept <date> <time>, and Reject to <Inspector Name>.
JOL 410	When a Reviewer is at the Review Inspection screen, the "What do you want to do..." drop down allows the following options: Schedule Activity, Add Test, Add Violation, Review Changes, and Approve Review.
JOL 420	When a Reviewer is at the Review Inspection screen, and selects Add Violation at the "What do you want to do..." drop down field, and then selects Schedule Activity to schedule another inspection (allowing the boiler owner time to correct the violation).
JOL 430	When a Reviewer is at the Review Inspection screen, and selects Add Violation at the "What do you want to do..." drop down field, a Choose Category pop up screen displays with several options.
JOL 440	When a Reviewer is at the Review Inspection screen, and selects Add Violation at the "What do you want to do..." drop down field, and selects a Category, a Sub Category field displays with options (options are based on the Category selected).
JOL 450	When either a Reviewer or Inspector selects Violation, the Type field will provide the option to select "Not Certificate Blocking" or "Certificate Blocking".
JOL 460	The system displays the standard calendar when selected at any of the 'Date' fields.
JOL 470	At the Inspection screen, in the Inspection Details area, the System will show the previously inspected selections in blue next to the box where the updated information is entered.

JOL 480	As a Reviewer, when at the "My Current Open Inspection" screen, a notation saying "Review Required" is displayed next to a line item that needs review.
JOL 490	As a Reviewer, when at the "My Current Open Inspection" screen, the System will display the following information: Location, Inspector, Last Date on Site, and Conditions Explained To, at the top of the screen.
JOL 500	As a Reviewer, when at the "My Current Open Inspection" screen, in the Object area, the System will display the following information in columns: Object, Last Inspected, OK, Inspection Type, Conditions OK?, Cert Fees, Other Fees, and Other Fees (yes, twice).
JOL 510	As a Reviewer, when at the "My Current Open Inspection" screen, in the Object area, the System displays a notification regarding the submission of the information being correct to the best of your knowledge.
JOL 520	As an Inspector, select the BPV - Classic Work Planning Search screen, select State of Michigan in the Ins Co field and type an alpha character in the Location Name to bring up a list.
JOL 530	On the BPV - Classic Work Planning Search screen, the system will show a black ball when a location is closed.
JOL 540	On the BPV - Classic Work Planning Search screen, the system will show a red ball when a location is open.
JOL 550	As an Inspector, select the BPV - Classic Work Planning Search screen, select State of Michigan in the Ins Co field and type an address in the Address 1 to bring up a list.
JOL 560	When an Inspection selects Edit and Add Inspection, select the Inspection Type field, and select a Date, the system will default to Inspectors Name, then an Inspection screen appears.
JOL 570	When an Inspector Adds the Inspection, the system will send the item to the Review Inspection Report screen.
JOL 580	Select Admin then Reports, depending on your access, your role will show the list of reports open for you
JOL 590	When an Inspector is on the Edit and Add Inspection, and selects the Use field dropdown, the system displays the following options: Unknown, Antique Boiler, Hot Water Heat, Hot Water Supply, Miniature Locomotive, Power Boiler, Process Boiler, and Steam Heating Boiler.
JOL 600	When an Inspector is on the Edit and Add Inspection, and selects the Construction Type field dropdown, the system displays the following options: Unknown, Weld, Riveted, Lap, and Mech.
JOL 610	When an Inspector is on the Edit and Add Inspection, and selects the Fuel field dropdown, the system displays the following options: Unknown, Coal, Electronic, Gas, Gas & Oil, Liquor, Nuclear, Oil, Waste, and Other Solid.
JOL 620	When an Inspector is on the Edit and Add Inspection, and selects the Method of Firing field dropdown, the system displays the following options: Unknown, Auto, and Hand.
JOL 630	When an Inspector is on the Edit and Add Inspection, and selects the Boiler Type field dropdown, the system displays the following options: Unknown, Fire Tube, Water Tube, Cast, and Other.
JOL 640	When an Inspector is on the Edit and Add Inspection, and selects the Manhole field dropdown, the system displays the following options: ?, No, and Yes.
JOL 650	When an Inspector is on the Edit and Add Inspection, and selects the Pressure Gauge Installed? field dropdown, the system displays the following options: Does Not Apply, No, and Yes.
JOL 660	When an Inspector is on the Edit and Add Inspection, and selects the Low Water Cutoff Type field dropdown, the system displays the following options: Unknown, Accepted Device, Attended, Delta-T, Float, Float & Probe, Flow Switch, Probe, Probe & Flow Switch, and None.

JOL 670	When an Inspector is on the Edit and Add Inspection, and selects the MRSVC Based On field dropdown, the system displays the following options: Unknown, Stamp, BTU, and Grate Area.
JOL 680	When an Inspector is on the Edit and Add Inspection, and selects the ASME Stamp field dropdown, the system displays the following options: Unknown, S, M, E, H, U, HLW, None, and Other.
JOL 690	When an Inspector is on the Edit and Add Inspection, and selects the S.V. Tested field dropdown, the system displays the following options: ?, No, and Yes.
JOL 700	When an Inspector is on the Edit and Add Inspection, and selects the Condition OK to Issue Cert. field dropdown, the system displays the following options: ?, No, and Yes.
JOL 710	When an Inspector is on the Edit and Add Inspection, and selects the Rule 27 Complied field dropdown, the system displays the following options: Unknown, N/A, No, and Yes.
JOL 720	When an Inspector is at the Edit and Add Inspection screen, the "What do you want to do..." drop down allows the following options: Schedule Activity, Add Test, and Add Violation.
JOL 730	When an Inspector is on the Edit and Add Inspection screen, at the Object/Inspection Comments area, in the Inspection Comments box, the Inspector can enter free form text.
JOL 740	When an Inspector is at the Edit and Add Inspection screen and at the "What do you want to do..." drop down, Schedule Activity is selected, a pop-up box to Add/Edit Schedule appears.
JOL 750	When an Inspector is at the Add/Edit pop-up box, the following fields appear: Type, Recurring, On Hold, Freq(m), Date, Date Complete*, and Comments.
JOL 760	When an Inspector is at the Add/Edit pop-up box, the fields are filled in and then click Submit, a Schedule Events for the Object area on the screen displays.
JOL 770	When an Inspector is at the Edit and Add Inspection screen and at the "What do you want to do..." drop down, Add Test is selected, a pop-up box to Add Test appears.
JOL 780	When an Inspector is at the Add Test pop-up box, the following fields appear: Hydro Date and Hydro Pressure.
JOL 790	When an Inspector is at the Add Test pop-up box, the fields are filled in and then click Submit, then the item appears in the Tests area of the Inspection screen.
JOL 800	When an Inspector is at the Inspection screen, and selects Add Violation at the "What do you want to do..." drop down field, and then selects Add Violation, a Choose Category pop up screen displays with several options.
JOL 810	When an Inspector is at the Inspection screen, and selects Add Violation at the "What do you want to do..." drop down field, and selects a Category, a Sub Category field displays with options (options are based on the Category selected).
JOL 820	When an Inspector is at the Inspection screen, after filling out the screens for adding a Violation, the Step 3 pop-up screen displays the following fields: Category, Date Found, Inspector, Status, Type, Date To9 Be Resolved By, Condition, Requirement, and Comments.
JOL 830	When an Inspector completes the Step 3 pop-up screen, then clicks Submit, Past Recommendations and Violations for the Object area appears on the screen and can not be deleted.
JOL 840	When an Inspector is at the My Current Open inspection screen, the following fields appear: Location, Inspector, Last Date on Site, Conditions Explained To, Oject, Last Inspect, OK, Inspection Type, Conditions OK?, Cert Fees, Other Fees, Other Fees, and Other Fees.

JOL 850	When an Inspector is at the My Current Open inspection screen, at the Inspection Type field dropdown, the following options appear: Not Inspected, Internal Cert, Internal Non-Cert, External Cert, External Non-Cert, Accident Inspect, and Change Status.
JOL 860	When an Inspector is at the My Current Open inspection screen, and makes a selection at the Inspection Type field dropdown, the system automatically displays the fees associated to that selected item in the the Cert Fees fields.
JOL 870	When an Inspector is at the My Current Open inspection screen, and makes a selection at the Inspection Type field dropdown, the system automatically displays the fees associated to that selected item in the the Cert Fees fields.
JOL 880	When an Inspector is at the My Current Open inspection screen, and makes a selection at the Inspection Type field dropdown, and the system displays the fees associated to that selected item in the the Cert Fees fields; the Inspector can select the Cert Fee dropdown to multiply the number of that fee (Ex: 1, 2, 3).
JOL 890	When an Inspector is at the My Current Open inspection screen, and makes a selection at the Inspection Type field dropdown, and the system displays the fees associated to that selected item in the the Cert Fees fields; the Inspector can add fees in the Other Fees dropdowns using freeform text.
JOL 900	When an Inspector is at the My Current Open inspection screen, and makes a selection at the Inspection Type field dropdown, and the system displays the fees associated to that selected item in the the Cert Fees fields; the Reviewer can enter text in the Conditions Explained To field and select Change Status in the inspection Type dropdown.
JOL 910	The system will allow any User to Search on any, or a selection of, the following fields: Location Name, NOB/SIC, Address 1, City, Zip, County, FIPS Code, Location #, Territory Code, Schedule Type, Schedule Start, Schedule End, CED Start, CED End, Violation Start, Violation End, Violation Resolve By Start, Violation Resolve By End, Violation Status, Violation Type, Jurisdiction #, NB #, Other #, Alt Juris Number, Ins Co, Status, Manufacturer, Type, System Number, Use, Category, Display Results by, Results per page, Order Results by, and Then Order by.
JOL 920	When a User is on the Search screen, at the Schedule Type field dropdown, the system displays the following options: My Company - Accident Inspect, My Company - External Cert, My Company - External Cert, My Company - External Non-Cert, My Company - Internal Cert, My Company - Internal Non-Cert, My Company - Recurring Cert, and My Company - Violation Follow Up.
JOL 930	When a User is on the Search screen, at the Violation Status field dropdown, the system displays the following options: <Any>, Open, Closed, and Hold.
JOL 940	When a User is on the Search screen, at the Violation Type field dropdown, the system displays the following options: <Any>, Certificate Blocking with Penalty, Certificate Blocking, and Not Certificate Blocking.
JOL 950	When a User is on the Search screen, at the Ins Co field dropdown, the system displays the following several options including State of Michigan (see list).
JOL 960	When a User is on the Search screen, at the Status field dropdown, the system displays the following options: <Any>, Active, Exempt, Location Closed, Out of Service, and Scrapped.
JOL 970	When a User is on the Search screen, at the Type field dropdown, the system displays the following options: <Any>, Cast, Fire Tube, Other, and Water Tube.
JOL 980	When a User is on the Search screen, and selects the Use field dropdown, the system displays the following options: <Any>, Antique Boiler, Hot Water Heat, Hot Water Supply, Miniature Locomotive, Power Boiler, Process Boiler, and Steam Heating Boiler.

JOL 990	When a User is on the Search screen, at the Category field dropdown, the system displays the following options: <Any> and Boiler.
JOL 1000	When a User is on the Search screen, at the Display Results by field dropdown, the system displays the following options: Locations and Objects.
JOL 1010	When a User is on the Search screen, when Display Results by Location is selected, at the Order Results by field dropdown, the system displays the following options: Address, City, County, Location Name, and Zip.
JOL 1020	As an Admin, when selecting the Admin tab and then Reports, a list of all Admin Reports appears.
JOL 1030	As an Admin, when selecting the Accounting tab and then Reports, a list of all Accounting Reports appears.
JOL 1040	As an Admin, when selecting the Reports tab a list of Recent Reports appears on the screen along with the Action, Name, Criteria, Start and End (date/time, of when it was requested).
JOL 1050	As an Admin, when selecting the Add Payment screen, the system displays the following options: Date Received, Check Date, Type, Check #, Amount, Process Now, Payer, Memo, Batch #, BPV Object, and Invoice.
JOL 1060	As an Admin, when selecting the Add Payment screen, at the Type field dropdown, the system displays the following options: Choose Type, Adjustment, AG Check, Cash, Cashier Check, Check, Collection Agency, Collection Agency - Write-Off, Credit Card, Electronic Fund Transfer, IAT, ITV, Money Order, Portal, and State Warrant.
JOL 1070	As an Admin, when selecting the Add Payment screen, at the Process Now field dropdown, the system displays the following options: Yes and No.
JOL 1080	As an Admin, when selecting the Search Invoices screen, the system displays the following options: Invoice #, PO #, Bill To Name, Location Name, Bill To Address1, Bill To State, Bill To City, Bill To Zip, Jurisdiction #, Invoice Date Start, Invoice Date End, Service Date Start, Service Date End, Print Date Start, Print Date End, Balance Start, Balance End, and Order By.
JOL 1090	As an Admin, when selecting the Search Invoices screen, at the Bill To State field dropdown, the system displays several options.
JOL 1100	As an Admin, when selecting the Search Invoices screen, at the Order By field dropdown, the system displays the following options: Bill To Name, Address, Invoice Date, Invoice #, and Balance.
JOL 1110	As an Admin, when selecting the Add Invoice screen at the Fee column field dropdown, the system will continue to display the current list of options.
JOL 1120	As an Admin, when selecting the Add Invoice screen, if you click Edit, it allows the user to put an alternate address in.
JOL 1130	As an Admin, when selecting the Search Check screen, the system displays the following a list of options: From Date, To Date, Receive From Date, Receive To Date, Check #, Amount, Payer, Payment #, Batch #, and Order Results by.
JOL 1140	As an Admin, when selecting the Search Check screen, at the Order Results by field dropdown, the system displays the following options: Payer, Amount, Check Date, Received Date, Entered Date, Check #, and Batch #.
JOL 1150	As an Admin, when selecting the Process Payments screen, the system will display a payment that wasn't processed or if a payment was entered twice.
JOL 1160	As an Admin, when selecting Accounting and then the Print screen, the system displays several options.
JOL 1170	As an Admin, when selecting Contact and then the Search Contact screen, the system displays several options.

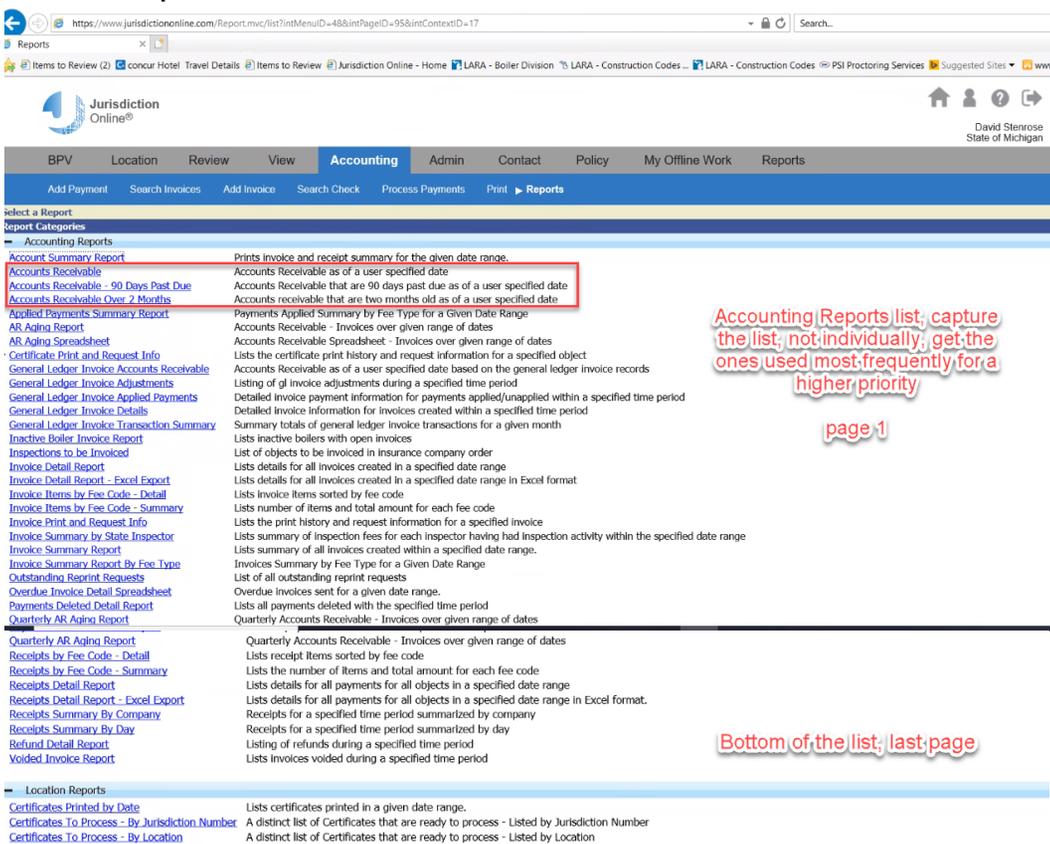
JOL 1180	As an Admin, when selecting Policy and then the Search Policies screen, the system displays several options.
JOL 1190	As an Admin, when selecting Policy and then the Add Policy screen, the system displays several options.
JOL 1200	As an Admin, when selecting My Offline Work and then the My Offline Work screen, the system displays several options.
JOL 1210	As an Admin, when selecting BPV and then the Open Inspections screen, the system displays any Inspection Report that was started and not submitted.
JOL 1220	As an Admin, when selecting BPV and then the Search Inspections screen, the system displays a list of options and dropdown that can be selected one or more at one time.
JOL 1230	As an Admin, when selecting BPV and then the Search Objects screen, the system displays a list of options and dropdown that can be selected.
JOL 1240	As an Admin, when selecting BPV and then the Move Objects screen, the system displays a list of options and dropdown that can be selected.
JOL 1250	As an Admin, when selecting BPV and then the Move Objects screen, the system displays a list of options to Edit Location Information and dropdown that can be selected.
JOL 1260	As an Admin, when selecting BPV and then the Object Mgmt screen, the system displays a Jurisdiction Numbers and Location Number field.
JOL 1270	As an Admin, when selecting BPV at the Object Mgmt screen, and enters text in the Jurisdiction Numbers field, a Location Summary box appears with the following information: Select box, Location Summary, Jurisdiction #, Object Type, Object Summary, Action Links (View Object, Violations Summary, and Object History), Drop responsibility of all objects checked., Claim responsibility of all objects checked for dropdown, and Change the status of all objects checked to dropdown.
JOL 1280	As an Admin, when selecting BPV at the Object Mgmt screen, and enters text in the Jurisdiction Numbers field, a Location Summary box appears with the options to Find, Clear, Select All, Clear All, or Submit information.
JOL 1290	As an Admin, when selecting the BPV tab and then Reports, a list of all BPV Reports appears.
JOL 1300	As a User, would like to have the Quick Links options available on the Home Page.
JOL 1310	As a User, would like to have a Quick Links options available to Add Inspection on the Home Page.
JOL 1320	As an Inspector, select Classic Planning, then Reports and a list of all Planning Reports appears.
JOM 10	Users must have the latest supported versions of Chrome, FireFox or Microsoft Edge.
JOM 20	Users must have a modern Web Browser to view PDF documents.
JOM 30	User have tool specific technical assistance available 8 a.m. - 7 p.m. EST, Monday - Friday. JO Support line is 866-319-4773.
JOM 40	The system will have built in security and password protection.
JOM 50	The system will display a Home Page that includes To Do Items.
JOM 60	The system will display a Home Page that includes Saved Queries.
JOM 70	The system will display a Home Page that includes Quick Links.
JOM 80	The system will display a Home Page that includes System Messages.
JOM 90	Once a User selects a To Do Item and it is executed, the finished task will be removed from the list.
JOM 100	A User can select a previously run query by selecting the Saved Query link.
JOM 110	Quick Links are customizable based on the User's jurisdiction and User Role.

JOM 120	When selected, a Quick Link will take the User directly to a frequently used task.
JOM 130	The System Home Page will display automatically updated Scheduled Events, Incomplete Inspections, New Payments, Locations to Match, and Review items.
JOM 140	The System Home Page will automatically update and remove from the list any Scheduled Events, Incomplete Inspections, New Payments, Locations to Match, and Review items as they are finished.
JOM 150	When selected, a To Do Item will display Description and Due Date of the Item.
JOM 160	When selected, a To Do Item will display a Red Circle and Exclamation Mark by all Overdue Items.
JOM 170	When selected, a To Do Item will display binoculars by all Items that are not Overdue.
JOM 180	When selected, a To Do Item will display a read-only popup window with details about the task.
JOM 190	When finished reviewing a To Do Item, the User will click Close button to close the item.
JOM 200	When a To Do Item is selected, the User can click on the blue linked text to Execute the Item.
JOM 210	When a To Do Item is Executed, an associated page will appear.
JOM 220	When an Executed To Do Item is finished, it is removed from the list.
JOM 230	If the User is in need of assistance using the application at any point they can select Help button in the open window.
JOM 240	When selected, a Quick Link will include an Add Inspection task.
JOM 250	When selected, the Add Inspection Quick Link will open the Add an Inspection window to enter and submit a Jurisdiction Number and Date Inspected without having to print an Inspection Worksheet or creating an Open Inspection Report by some other method.
JOM 260	The System Menu is located in the upper right corner and contains tabs for the User's Home Page, Help, Support, and Logout.
JOM 270	The Main Menu displays the areas available to the User.
JOM 280	When selecting a tab from the Main Menu, a Sub-Menu appears displaying areas available based on User Role and Security.
JOM 290	The Main Activity Area contains text boxes or drop-downs appropriate to the page specified by the User's Tab Menu and Sub-Menu selections.
JOM 300	The System will display Action Buttons (Next, Cancel, etc.) at the bottom of the screen when a wizard is in use on that page..
JOM 310	The System will display Navigation Bars (Submit, Cancel, Reset, "What do you want to do..." text box, etc.) relevant to the page being worked on.
JOM 320	If a User selects the Help button, a help topic relevant to the current page displays.
JOM 330	If a User selects the Help button, and the help topic is different than what is displayed, the User may select the Contents, Index, or Search tabs to find a topic.
JOM 340	To open the Table of Contents, the User will click on the ShowNavpane button.
JOM 350	When a User opens the Table of Contents, the information is organized to find the Help topic for a specific screen.
JOM 360	On the Index tab, the User will type in a keyword to search for help.
JOM 370	On the Search tab, the User will type a word in the text box and press Enter, then select from a list of possible topics.
JOM 380	As a User, when address information is changed (added or edited), the system will automatically validate the entered data.
JOM 390	As a User, if an address cannot be found or is a duplicate address, the system will display a prompt to use either the standardized address or the original address.

JOM 400	As a User, if an address cannot be found or is a duplicate address, and the Standardized Address button is selected, the system will automatically populate the address fields with the system recommendation.
JOM 410	As a User, if the Standardized Address button is selected, the system populated address fields can be edited and revalidated.
JOM 420	As a User, if an address cannot be found or is a duplicate address, and the Original Address button is selected, the system will populate the address fields with the address information originally typed in by the User.
JOM 430	The System will generate an alert, (City, State, Zip, and Country fields are not consistent for the location address. Please review the address to ensure you entered the correct information.), when the address information entered is found to be inconsistent.
JOM 440	The System will display a Location Summary screen that includes the following fields: Location Name, JO Location Number, Address 1, Address 2, City, State, Zip Code, and Country; along with a box for Address Validation Warning(s) and Suggested Standardized Address; the buttons for "Click here to use the standardized address" and "Click here to use the original address".
JOM 450	If a User enters an address that already exists in the system, a screen will display with information about the existing location.
JOM 460	If a User enters an address that already exists in the system, a radial button will appear providing an option to 'Use this Location' (when selected) or create a new location for the address entered (when left blank).
JOM 470	When selecting the 'Use this Location' radial button, then clicking Next, the View/Edit Location screen displays.
JOM 480	If a User leaves the 'Use this Location' radial button blank, then clicks Next, the system will capture the address information as a new duplicate location.
JOM 490	The system will display a Check for Duplicates screen that include the following information: buttons at the top for Search Locations, Add Location, and Check for Duplicates; entered address information; View button for Name, Location Number, #BPV Objects, #Elevator Objects, and Use This Location fields; Previous, Next, and Reset buttons at the bottom of the box.
JOM 500	The User can select the Report button at the top of any Search screen or as an option in a submenu, then click on the name of the report to view.
JOM 510	The User can select the name of a specific report, an Inspections worksheet, and filtered reports to either save or print.
JOM 520	When a User selects BPV - Work Planning, a Search box appears with the following fields: Jurisdiction, State, Location Name, Address 1, City, Zip, County, FIOS Code, and Location #; that are used for the User to enter search parameters.
JOM 530	In the BPV - Work Planning Search screen, when a User selects an option in the Jurisdiction field dropdown, that jurisdiction's specific types, uses, schedules, etc., will be available as search options.
JOM 540	The system will allow wildcards to be used when entering data for searches.
JOM 550	On the BPV - Work Planning Search screen, at the Location #, a User may type in multiple Location Numbers to search on.
JOM 560	The system will allow the User to accept dates in a wildcard format (i.e. t = today's date; t+X or t-X for a range of dates).
JOM 570	In the BPV - Work Planning Search results screen, a small circle with an exclamation point will appear before an object number if that object is overdue regardless of that object's status.
JOM 580	In the BPV - Work Planning Search results screen, a small red diamond will appear if the object has an open jurisdictional violation on it.

JOM 590	In the BPV - Work Planning Search results screen, if the + button is clicked next to an object, that object's inspection history will be listed below the line of information about the object.
JOM 600	In the BPV - Work Planning Search results screen, anywhere on the screen, if the Admin does a right-click, the options Add Inspection, Print Inspection Worksheet, Print Selected Inspection Worksheet, and Reports, opens in a box on the screen.
JOM 610	In the BPV - Open Inspections screen, if inspections or objects are missing required data a red X will appear next to them.
JOM 620	In the BPV - Open Inspections screen, if inspections or objects have all of the required data, a green checkmark will appear next to them.
JOM 630	As an Admin, must be able to apply more than one payment to any one object at a time.
JOM 640	As an Admin, must be able to print and reprint Invoices.
JOM 650	As an Admin, must be able to print and reprint Certificates.
JOM 660	As an Admin, must be able to print and reprint Violation Letters.
JOM 670	As a Reviewer, must be able to Approve several Location record changes at one time.
JOM 680	As a Reviewer, must be able to Reject several Location changes at one time.
JOM 690	As a Reviewer, must be able to Approve several Object record changes at one time.
JOM 700	As a Reviewer, must be able to Reject several Object changes at one time.
JOM 710	Only a person with Admin rights will be able to add users.
JOM 720	Only a person with Admin rights will be able to edit users.
JOM 730	An Admin will be able to disable a user account but not delete it.
JOM 740	Only a person with Admin rights will be able to change User Roles.
JOM 750	An Admin can change User Roles using the Admin - Add User screen.
JOM 760	Only a person with Admin rights will be able to change User Groups.
JOM 770	An Admin can change User Groups using the Admin - Add User screen.
BOLR 10	Access for users in any location around the State of Michigan
BOLR 20	Ability to search parameters for Inspection agency, either state or insurance company, certificate inspection due date, violation severity and/or follow up, compliance date, location by county, city, or zip code, boiler type or use, boiler status, manufacture, National Board number or other number.
BOLR 30	Ability to mark invoices as paid
BOLR 40	Ability for the State and Insurance Inspectors to access the software
BOLR 50	Ability to establish appropriate security roles and user access roles
BOLR 60	Ability to print lists, invoices, etc. from within the program
BOLR 70	Ability to create Reports as needed
BOLR 80	SOC 2 Type 2
BOLR 90	Help desk support
BOLR 100	The system will have approximately 90+ users of the application, plus Public Users through FOIA.
BOLR 110	User Types that will be accessing the system are State Employee, Public Users, Contractors, and Vendors.
BOLR 120	Access for each user group is Read access for Public Users, Read and Write Access for Deputy Inspectors; Read, Write, and Administrative Access for Boilers Staff (SOM); Read, Write, and Administrative Access for Insurance Inspectors (Some staff for scheduling).

BOLR 130	Access for concurrent users: 32 for Concurrent Public Users (for Michigan but Web Based, Nation wide); 12 for Concurrent State Employee Users; and 20 for Concurrent Contractor Users.
REP 10	As an Admin, at the Admin tab, on the Reports screen, under General User Reports, an Inspection Metrics Report is available.
REP 20	As an Admin, at the Admin tab, on the Reports screen, under General User Reports, an Inspectors Ordered By Commissions Nbr Report is available.
REP 30	As an Admin, at the Admin tab, on the Reports screen, under General User Reports, an Inspectors Ordered By Company Report is available.
REP 40	As an Admin, at the Admin tab, on the Reports screen, under General User Reports, an Inspectors Ordered By Name Report is available.
REP 50	As an Admin, at the Admin tab, on the Reports screen, under General User Reports, an Insurance Companies Report is available.
REP 60	As an Admin, at the Admin tab, on the Reports screen, under General User Reports, a Locations Downloaded for Offline Work Report is available.
REP 70	As an Admin, at the Admin tab, on the Reports screen, under General User Reports, a User Audit Spreadsheet Report is available.
REP 80	As an Admin, at the Admin tab, on the Reports screen, under General User Reports, a Violation Written and Closed Summary Report is available.
REP 90	As an Admin, at the Admin tab, on the Reports screen, under Inspection Forms/Reports, an Inspections Keyed - Detail Report is available.
REP 100	As an Admin, at the Admin tab, on the Reports screen, under Inspection Forms/Reports, an Inspections Keyed - Summary Report is available.
REP 110	As an Admin, at the Admin tab, on the Reports screen, under Inspection Forms/Reports, an Inspections Reviewed - Summary Report is available.
REP 120	As an Admin, at the Admin tab, on the Reports screen, under Inspection Forms/Reports, a MI Inspection Statistics Report - Excel Report is available.
REP 130	As an Admin, at the Admin tab, on the Reports screen, under Inspection Forms/Reports, a MI Inspector Statistics Report is available.
REP 140	As an Admin, at the Admin tab, on the Reports screen, under Object Reports, an Insurance Changes Report is available.
REP 150	As an Admin, at the Admin tab, on the Reports screen, under Object Reports, a Jurisdiction Number Allocation Report is available.
REP 160	As an Admin, at the Admin tab, on the Reports screen, under Object Reports, a Jurisdiction Number Allocation Report (with Company Name Restriction) is available.
REP 170	As an Admin, at the Admin tab, on the Reports screen, under Object Reports, an Object Count By Company Report is available.
REP 180	As an Admin, at the Admin tab, on the Reports screen, under Object Reports, a Violation Keyed - Detail Report is available.
REP 190	As an Admin, at the Admin tab, on the Reports screen, under Object Reports, a Violation Keyed - Summary Report is available.
REP 200	As an Admin, at the Admin tab, on the Reports screen, under Object Reports, a Violation Statistics Report is available.

REP 210	As an Admin, at the Accounting tab, on the Reports screen, under Accounting Reports, an Accounts Receivable Report is available.
REP 220	As an Admin, at the Accounting tab, on the Reports screen, under Accounting Reports, an Accounts Receivable - 90 Days Past Due Report is available.
REP 230	As an Admin, at the Accounting tab, on the Reports screen, under Accounting Reports, an Accounts Receivable Over 2 Months Report is available.
REP 240	<p><b>Additional Reports</b></p>  <p>Accounting Reports list, capture the list, not individually, get the ones used most frequently for a higher priority</p> <p>page 1</p> <p>Bottom of the list, last page</p>
USER 10	<p><b>Link to State Policy - Technical Standard</b>  <b>1340.00.020.01 Access Control Standard</b></p>

	<a href="https://stateofmichigan.sharepoint.com/teams/insidedtmb/work/_policies/IT%20Policies/1340.00.020.01%20Access%20Control%20Standard.pdf">https://stateofmichigan.sharepoint.com/teams/insidedtmb/work/_policies/IT%20Policies/1340.00.020.01%20Access%20Control%20Standard.pdf</a>
USER 20	User Types that will be accessing the system are State Employee, Public Users, Contractors, and Vendors.
USER 30	Access for each user group is Read access for Public Users, Read and Write Access for Deputy Inspectors; Read, Write, and Administrative Access for Boilers Staff (SOM); Read, Write, and Administrative Access for Insurance Inspectors (Some staff for scheduling).
USER 40	Access for concurrent users: 32 for Concurrent Public Users (for Michigan but Web Based, Nation wide); 12 for Concurrent State Employee Users; and 20 for Concurrent Contractor Users.
DATA 10	The system will provide the ability to retrieve archived data.
DATA 20	The system will encrypt all data, both in transit and in rest.
DATA 30	The applicable cloud providers configuration management scanning tool and secure templates will be used.
DATA 40	The system will utilize security controls to assist in the integrity of the data.
DATA 50	The system will ensure the accuracy of the data by limiting data access to role(s) that are authorized to enter and/or modify the data.
DATA 60	The system will comply with the current retention policy.
TECH 10	The system will create a mobile friendly application, that can be run efficiently on any device, including a desktop.
TECH 20	When the application is running, the system will size each screen appropriately, regardless of the device that the application is running on.
SEC 10	The system will use role based security.
SEC 20	The system will authenticate the validity of the individual users of the application. Keep in mind during the development process that each expected user of the application has to have their own unique way of logging in.
SEC 30	User Logon and session information is logged by the application, as well as activities/changes made by the user in the system during that session
SEC 40	User Logon, session, and auditing of activities/changes by that user are stored in the application database. This information is persisted/not purged
SEC 50	After 15 minutes of inactivity, the system will time out, displaying a message to let the user know that they have been logged out due to 15 minutes of inactivity.
SEC 60	The system will have approximately 90+ users of the application.
SEC 70	The system will require all passwords to adhere to current security standards (similar to network password requirements).
SEC 80	The system will force a password reset every 90 days.
SEC 900	The system display a banner page.
SEC 100	Does the Bureau have a Business Continuity Plan (one for all their applications)?
SEC 110	How will the bureau employees receive bureau specific on role based security training? Do they provide any type of role based security training?
SEC 120	Reliability of the software functionality will be assured by continuous testing of the application both before and after implementation.
SEC 130	The system must allow the agency to review user access every 180 days to determine who has access to the system, and the last date it was accessed.
SEC 140	The system must allow the State to generate a report when a user leaves (including date) when their access was removed.
SEC 150	Each of the security requirements contained in the IT policies, standards and procedures must be adhered to.

SV 40	A recent dynamic application vulnerability scan report. Scan results needs to be very recent, recommend within one week of request and one of the following tools are acceptable: AppScan Dynamic Analyzer, AppScan Mobile Analyzer, AppScan Mobile Analyzer for iOS, AppScan Source, AppScan Standard, AppScan Static Analyzer, Black Duck Hub, Burp Suite, Cigital, Generic, HP Fortify, HP WebInspect, IBM Security Guardium, Nessus, SecureAssist, Veracode, or WhiteHat Sentinel. If a report is sent from one of these tools it should be in a .csv or .xml file format.
SV 50	A list of security policies, processes and procedures that are used to ensure the security of the environment where the SOM data resides. o Disaster Recovery Plans: Plan document, and dates and evidence of last fail over test and last table top test . o Incident Response Plans: and dates and evidence of last time plan was tested
<b>Future Developments</b> (if a Change Notice is executed)	
FTE 10	If a license is not renewed by the expiration date, access to Michigan Boiler database in JOL is revoked.
FTE 20	A Reviewer of a report cannot be the same person as the person who entered the report into the system.
FTE 30	The system must allow only State of Michigan Inspectors to submit a Special Inspection Fee (is not a Certificate Inspection) is based on time and mileage (is usually not a typical Inspection).
FTE 40	When an Inspector selects Certificate Blocking in the Type field on the Update Recommendation Data screen, a letter will go out to the owner of the boiler after the Reviewer clicks Submit.
FTE 50	When an Inspector submits an Inspection, the Reviewer requires Inspection Comments text around the condition of the Boiler.
FTE 60	If a user has 3 invalid login attempts, within a 15 minute period, the system will lock the users account, displaying a message that the user account has been locked along with the instructions on how to unlock the account.

SCHEDULE B – PRICING

Price proposals must include all costs for the licensing, support, implementation, and training for the Solution.

1. Licensing Fees. If Contractor is proposing a perpetual license, Contractor shall include the one-time cost of the license, which shall cover all intended users of the Solution (please refer to the estimated number and type of users identified in the **User Type and Capacity Section of Schedule A - Statement of Work**). If Contractor is proposing a term-based license, Contractor shall include annual costs for the term-based license for, which shall cover all intended users of the Solution (please refer to the estimated number and type of users identified in the **User Type and Capacity Section of Schedule A - Statement of Work**). While the State is looking for precise pricing based on the estimated number of users, Contractor is encouraged to also provide a separate, tiered pricing structure to afford the State discounted pricing based on potential increases in volume in the future. If Contractor offers an enterprise pricing model (e.g. unlimited number of users), it is encouraged to separately provide that pricing option as well.

If Contractor is proposing a subscription License Model, only Table A must be completed. If Contractor is proposing a Perpetual License Model, License costs must be included in Table B.

2. Support Service Fees. If the Contractor is proposing a perpetual license, the Contractor must identify any annual costs for ongoing support of the Solution (the “**Support Service Fees**”) to meet the requirements of **Schedule D to the Contract Terms - Service Level Agreement**. Separate Support Service fees must be documented in Table B below.

3. Hosting Fees. If Contractor is proposing a perpetual license with a separate hosting cost (direct or through a subcontractor), Contractor must provide the monthly hosting cost in Table B below. Contractor shall include the hosting costs to accommodate all intended users of the Solution (please refer to the estimated number and type of users identified in the **User Type and Capacity Section of Schedule A - Statement of Work**). Contractor must also provide tiered pricing for hosting to accommodate future growth or reductions.

**Table A - Subscription License Model**

Subscription Based - Product Name	Annual License Subscription Fee (Price per user)	Annual Tiered Pricing	Annual Enterprise Licensing – Unlimited Number of Users
JO BPV – Company Annual Subscription Fee			\$30,000 for all users identified in Section 4. – User Type and Capacity

Licensing and Hosting costs will be paid after installation, configuration, and State testing and acceptance of the Solution.

The contract pricing for Support Fees will be awarded based on a firm fixed fee. However, for price evaluation purposes, Contractor must provide a breakdown of how Support Fees were calculated.

6. Rate Card for Ancillary Professional Services.

<b>Resource</b>	<b>On-Site Hourly Rate</b>	<b>On-Shore and Off-Site Hourly Rate</b>
Time and Materials	\$180	\$180
Fixed Fee	\$195	\$195

Quoted fees for Professional Service Rates are good for one year from the execution of this contract. Future Quotes for professional services beyond one year shall be quoted at the then current rate for professional services which shall not exceed a rate of 5% above the previous year's Service Rates.

**Travel and Expenses**

The State does not pay for overtime or travel expenses.

SCHEDULE C - INSURANCE SCHEDULE

Required Coverage.

1.1 **Insurance Requirements.** Contractor, at its sole expense, must maintain the insurance coverage identified below. All required insurance must: (i) protect the State from claims that arise out of, are alleged to arise out of, or otherwise result from Contractor's or subcontractor's performance; (ii) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (iii) be provided by a company with an A.M. Best rating of "A-" or better, and a financial size of VII or better.

Required Limits	Additional Requirements
<b>Commercial General Liability Insurance</b>	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence \$1,000,000 Personal & Advertising Injury \$2,000,000 Products/Completed Operations \$2,000,000 General Aggregate Limit	Policy must be endorsed to include "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds.
<b>Automobile Liability Insurance</b>	
If a motor vehicle is used in relation to the Contractor's performance, the Contractor must have vehicle liability insurance on the motor vehicle for bodily injury and property damage as required by law.	
<b>Workers' Compensation Insurance</b>	
<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
<b>Employers Liability Insurance</b>	
<u>Minimal Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	
<b>Privacy and Security Liability (Cyber Liability) Insurance</b>	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence \$1,000,000 Annual Aggregate	Policy must cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.

1.2 If any required policies provide claims-made coverage, the Contractor must: (i) provide coverage with a retroactive date before the Effective Date of the Contract or the beginning of Contract Activities; (ii) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Contract Activities; and (iii) if coverage is cancelled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the Effective Date of this Contract, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

1.3 Contractor must: (i) provide insurance certificates to the Contract Administrator, containing the agreement or delivery order number, at Contract formation and within twenty (20) calendar days of the expiration date of the

applicable policies; (ii) require that subcontractors maintain the required insurances contained in this Section; (iii) notify the Contract Administrator within five (5) business days if any policy is cancelled; and (iv) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

1.4 This Section is not intended to and is not to 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).

## SCHEDULE D - SERVICE LEVEL AGREEMENT

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

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

“**Availability**” has the meaning set forth in **Section 2.1**.

“**Availability Requirement**” has the meaning set forth in **Section 2.1**.

“**Available**” has the meaning set forth in **Section 2.1**.

“**Contact List**” means a current list of Contractor contacts and telephone numbers set forth in the attached **Schedule D – Attachment 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.

“**Corrective Action Plan**” has the meaning set forth in **Section 3.9**.

“**Critical Service Error**” has the meaning set forth in **Section 2.4**.

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

“**High Service Error**” has the meaning set forth in **Section 2.4**.

“**Low Service Error**” has the meaning set forth in **Section 2.4**.

“**Medium Service Error**” has the meaning set forth in **Section 2.4**.

“**Resolve**” has the meaning set forth in **Section 2.4**.

“**RPO**” or “**Recovery Point Objective**” means the maximum amount of potential data loss in the event of a disaster.

“**RTO**” or “**Recovery Time Objective**” means the maximum period of time to fully restore the Hosted Services in the case of a disaster.

“**Scheduled Downtime**” has the meaning set forth in **Section 2.3**.

“**Scheduled Uptime**” means the total minutes in the Service Period.

“**Service Availability Credits**” has the meaning set forth in **Section 2.6(a)**.

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

“**Service Level Credits**” has the meaning set forth in **Section 3.8**.

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

“**Service Period**” has the meaning set forth in **Section 2.1**.

“**Software Support Services**” has the meaning set forth in **Section 3**.

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

“**Support Hours**” means Monday – Friday, 8:00am – 5:00pm EST

“**Support Request**” has the meaning set forth in **Section 3.5**.

“**Support Service Level Requirements**” has the meaning set forth in **Section 3.4**.

**2. Service Availability and Service Available Credits.**

2.1 Availability Requirement. Contractor will make the Hosted Services and Software Available, as measured over the course of each calendar month during the Term and any additional periods during which Contractor does or is required to perform any Hosted Services (each such calendar month, a “**Service Period**”), at least 99.98% of the time, excluding only the time the Hosted Services are not Available solely as a result of one or more Exceptions (the “**Availability Requirement**”). “**Available**” means the Hosted Services and Software are available and operable for access and use by the State and its Authorized Users over the Internet in material conformity with the Contract. “**Availability**” has a correlative meaning. The Hosted Services and Software are not considered Available in the event of a material performance degradation or inoperability of the Hosted Services and Software, in whole or in part. The Availability Requirement will be calculated for the Service Period as follows:  $(\text{Actual Uptime} - \text{Total Minutes in Service Period Hosted Services or Software are not Available Due to an Exception}) \div (\text{Scheduled Uptime} - \text{Total Minutes in Service Period Hosted Services or Software are not Available Due to an Exception}) \times 100 = \text{Availability}$ .

2.2 Exceptions. No period of Hosted Services degradation or inoperability will be included in calculating Availability to the extent that such downtime or degradation is due to any of the following (“**Exceptions**”):

- (a) Failures of the State’s or its Authorized Users’ internet connectivity;
- (b) Scheduled Downtime as set forth in **Section 2.3**.

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

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

2.5 Remedies for Service Availability Failures.

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

<b>Availability</b>	<b>Credit of Fees</b>
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≥99.98%	None
<99.98% but ≥99.0%	10% of 1/12 <sup>th</sup> of the annual license fee
<99.0% but ≥95.0%	25% of 1/12 <sup>th</sup> of the annual license fee
<95.0%	50% of 1/12 <sup>th</sup> of the annual license fee

(b) Any Service Availability Credits due under this **Section 2.6** will be applied in accordance with payment terms of the Contract. Service Availability Credits earned, if any, during an annual license period will be accumulated during that period and applied to the subsequent annual license fee.

(c) If the actual Availability of the Hosted Services and Software is less than 95% Availability in three (3) consecutive Service Periods, then, in addition to all other remedies available to the State, the State may terminate the Contract on written notice to Contractor with no liability, obligation or penalty to the State by reason of such termination.

**3. Support and Maintenance Services.** Contractor will provide IT Environment Service and Software maintenance and support services (collectively, “**Software Support Services**”) in accordance with the provisions of this **Section 4**. The Software Support Services are included in the Services, and Contractor may not assess any additional fees, costs or charges for such Software Support Services.

3.1 Support Service Responsibilities. Contractor will:

- (a) correct all Service Errors in accordance with the Support Service Level Requirements, including by providing defect repair, programming corrections and remedial programming;
- (b) provide unlimited telephone support Monday – Friday, 8:00am – 5:00pm EST,
- (c) provide online access to technical support bulletins and other user support information and forums, to the full extent Contractor makes such resources available to its other customers; and
- (d) respond to and Resolve Support Requests as specified in this **Section 3**

3.2 Service Monitoring and Management. Contractor will continuously monitor and manage the Hosted Services and Software to optimize Availability that meets or exceeds the Availability Requirement. Such monitoring and management includes:

- (a) proactively monitoring on a twenty-four (24) hour by seven (7) day basis all Hosted Service functions, servers, firewall and other components of Hosted Service security;
- (b) if such monitoring identifies, or Contractor otherwise becomes aware of, any circumstance that is reasonably likely to threaten the Availability of the Hosted Service, taking all necessary and reasonable remedial measures to promptly eliminate such threat and ensure full Availability; and
- (c) if Contractor receives knowledge that the Hosted Service or any Hosted Service function or component is not Available (including by written notice from the State pursuant to the procedures set forth herein):
  - (i) confirming (or disconfirming) the outage by a direct check of the associated facility or facilities;
  - (ii) If Contractor's facility check in accordance with clause (i) above confirms a Hosted Service outage in whole or in part: (A) notifying the State in writing pursuant to the procedures set forth herein that an outage has occurred, providing such details as may be available, including a Contractor trouble ticket number, if appropriate, and time of outage; and (B) working all problems causing and caused by the outage until they are Resolved as Critical Service Errors in accordance with the Support Request Classification set forth in **Section 3.5 and 3.6**, or, if determined to be an internet provider problem, open a trouble ticket with the internet provider; and

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

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

(a) all updates, bug fixes, enhancements, Maintenance Releases, New Versions and other improvements to the Hosted Services and Software, including the Software, that Contractor provides at no additional charge to its other similarly situated customers; provided that Contractor shall consult with the State and is required to receive State approval prior to modifying or upgrading Hosted Services and Software, including Maintenance Releases and New Versions of Software; and

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

3.4 Support Service Level Requirements. Contractor will correct all Service Errors and respond to and Resolve all Support Requests in accordance with the required times and other terms and conditions set forth in this **Section 3.4 ("Support Service Level Requirements")**, and the Contract.

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

Support Request Classification	Description:  Any Service Error Comprising or Causing any of the Following Events or Effects
Critical Service Error	<ul style="list-style-type: none"> <li>• Issue affecting entire system or single critical production function;</li> <li>• System down or operating in materially degraded state;</li> <li>• Data integrity at risk;</li> <li>• Declared a Critical Support Request by the State; or</li> <li>• Widespread access interruptions.</li> </ul>
High Service Error	<ul style="list-style-type: none"> <li>• Primary component failure that materially impairs its performance; or</li> <li>• Data entry or access is materially impaired on a limited basis.</li> </ul>
Medium Service Error	<ul style="list-style-type: none"> <li>• IT Environment Services and Software is operating with minor issues that can be addressed with an acceptable (as determined by the State) temporary work around.</li> </ul>
Low Service Error	<ul style="list-style-type: none"> <li>• Request for assistance, information, or services that are routine in nature.</li> </ul>

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

Support Request Classification	Service Level Metric  (Required Response Time)	Proposed Resolution Times
Critical Service Error	One (1) hour	CentralSquare will work continuously (including after hours) to provide the Client with a solution that allows the Client to resume live operations on the production system. CentralSquare will use commercially reasonable efforts to resolve the issue as soon as possible and not later than 24 hours after notification.
High Service Error	Two (2) hour	CentralSquare will work to provide the Client with a solution that allows the Client to resume normal operations on the production system within 3 business days after notification.
Medium Service Error	Eight (8) hours	CentralSquare will work to provide the Client with a resolution reasonably appropriate to the nature of the case which may include a workaround or code correction in a future release of the software. Priority 3 issues have priority scheduling in a subsequent release.
Low Service Error	forty-eight (48) hours	CentralSquare will work to provide the Client with a resolution which may include a workaround or code correction in a future release of the software. Priority 4 issues have no guaranteed resolution time.

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

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

**4. Data Storage, Backup, Restoration and Disaster Recovery.** Contractor must maintain or cause to be maintained backup redundancy and disaster avoidance and recovery procedures designed to safeguard State Data and the State's other Confidential Information, Contractor's Processing capability and the availability of the IT Environment Services and Software, in each case throughout the Term and at all times in connection with its actual or required performance of the Services hereunder. All backed up State Data shall be located in the continental United States. The force majeure provisions of this Contract do not limit Contractor's obligations under this section.

4.1 Data Storage. Contractor will provide sufficient storage capacity to meet the needs of the State at no additional cost.

4.2 Data Backup. Contractor will conduct, or cause to be conducted, daily back-ups of State Data and perform, or cause to be performed, other periodic offline back-ups of State Data on at least a weekly basis and store and retain such back-ups as specified in **Schedule A**. Contractor must, within five (5) Business Days of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of State Data in the format specified by the State.

4.3 Data Restoration. If the data restoration is required due to the actions or inactions of the Contractor or its subcontractors, Contractor will promptly notify the State and complete actions required to restore service to normal production operation. If requested, Contractor will restore data from a backup upon written notice from the State. Contractor will restore the data within one (1) Business Day of the State's request. Contractor will provide data restorations at its sole cost and expense.

4.4 Disaster Recovery. Throughout the Term and at all times in connection with its actual or required performance of the Services, Contractor will maintain and operate a backup and disaster recovery plan to achieve a Recovery Point Objective (RPO) of 24 hours, and Contractor will use commercially reasonable efforts to provide a Recovery Time Objective (RTO) of 24 hours (the "**DR Plan**"), and implement such DR Plan in the event of any unplanned interruption of the Hosted Services. Contractor's current DR Plan, revision history, and any reports or summaries relating to past testing of or pursuant to the DR Plan are attached as **Schedule F**. Contractor will actively test, review and update the DR Plan on at least an annual basis using industry best practices as guidance. Upon request, the Contractor will provide the State with copies of all such updates to the Plan within fifteen (15) days of its adoption by Contractor. All updates to the DR Plan are subject to the requirements of this **Section 4**; and provide the State with copies of all reports resulting from any testing of or pursuant to the DR Plan promptly after Contractor's receipt or preparation. If Contractor fails to reinstate all material Hosted Services and Software within the periods of time set forth in the DR Plan, the State may, in addition to any other remedies available under this Contract, in its sole discretion, immediately terminate this Contract as a non-curable default.

SCHEDULE D - Attachment 1 – Contact List

Julie Hinton

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## SCHEDULE E – DATA SECURITY REQUIREMENTS

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

“**Contractor Security Officer**” has the meaning set forth in **Section 2** of this Schedule.

“**FedRAMP**” means the Federal Risk and Authorization Management Program, which is a federally approved risk management program that provides a standardized approach for assessing and monitoring the security of cloud products and services.

“**FISMA**” means The Federal Information Security Modernization Act of 2014 (Pub.L. No. 113-283 (Dec. 18, 2014)).

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

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

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

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

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

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

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

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

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

The State has established Information Technology (IT) PSPs to protect IT resources under the authority outlined in the overarching State 1305.00 Enterprise IT Policy. In no case will the safeguards of Contractor’s data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable public and non-public State IT policies and standards, of which the publicly available ones are at [https://www.michigan.gov/dtmb/0,5552,7-358-82547\\_56579\\_56755---,00.html](https://www.michigan.gov/dtmb/0,5552,7-358-82547_56579_56755---,00.html).

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

**4. Acceptable Use Policy.** To the extent that Contractor has access to the State’s IT environment, 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\\_458\\_958\\_7.pdf](https://www.michigan.gov/documents/dtmb/1340.00.01_Acceptable_Use_of_Information_Technology_Standard_458_958_7.pdf). All Contractor Personnel will be required, in writing, to agree to the State's Acceptable Use Policy before accessing State systems. The State reserves the right to terminate Contractor's and/or subcontractor(s) or any Contractor Personnel's access to State systems if the State determines a violation has occurred.

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

5.1 If Hosted Services are provided by a Hosting Provider, ensure each Hosting Provider maintains FedRAMP authorization for all Hosted Services environments throughout the Term, and in the event a Hosting Provider is unable to maintain FedRAMP authorization, the State, at its sole discretion, may either a) require the Contractor to move the Software and State Data to an alternative Hosting Provider selected and approved by the State at Contractor's sole cost and expense without any increase in Fees, or b) immediately terminate this Contract for cause pursuant to **Section 15.1** of the Contract;

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

5.3 ensure that the Software and State Data is securely hosted, supported, administered, accessed, and backed up in a data center(s) that resides in the continental United States, and minimally meets Uptime Institute Tier 3 standards ([www.uptimeinstitute.com](http://www.uptimeinstitute.com)), or its equivalent;

5.4 maintain and enforce an information security program including safety and physical and technical security policies and procedures with respect to its Processing of the State Data that complies with the requirements of the State's data security policies as set forth in this Contract, and must, at a minimum, remain compliant with NIST Special Publication 800-53 MOD Controls using identified controls and minimum values as established in applicable State PSPs;

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

5.6 take all reasonable measures to:

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

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

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

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

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

**6. Security Accreditation Process.** Throughout the Term, Contractor will, within reasonable limits, and within a reasonable timeframe, provide assistance to the State, at no additional cost, with its **Security Accreditation Process**, which includes the development, completion and on-going maintenance of a system security plan (SSP) using the State's automated governance, risk and compliance (GRC) platform. On an annual basis, or as otherwise required by the State such as for significant changes, re-assessment of the system's controls will be required to receive and maintain authority to operate (ATO). All identified risks from the SSP will be remediated through a Plan of Action and Milestones (POAM) process with remediation time frames and required evidence based on the risk level of the identified risk. For all findings associated with the Contractor's solution, at no additional cost, Contractor will be required to create or assist with the creation of State approved POAMs, perform related remediation activities, and provide evidence of compliance. The State will make any decisions on acceptable risk, Contractor may request risk acceptance, supported by compensating controls, however only the State may formally accept risk. Failure to comply with this section will be deemed a material breach of the Contract.

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

## **8. Security Audits.**

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

8.2 Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program from time to time during the term of this Contract. The State, at its own expense, is entitled to perform, or to have performed, an audit of Contractor's data privacy and information security program. If the State chooses to perform an audit, Contractor will, make all such records, appropriate personnel and relevant materials available during normal business hours for inspection and audit by the State or an independent data security expert that is reasonably acceptable to Contractor, provided that the State: (i) gives Contractor at least five (5) Business Days prior notice of any such audit; (ii) undertakes such audit no more than once per calendar year, except for good cause shown; and (iii) conducts or causes to be conducted such audit in a manner designed to minimize disruption of Contractor's normal business operations and that complies with the terms and conditions of all data confidentiality, ownership, privacy, security and restricted use provisions of the Contract. The State may, but is not obligated to, perform such security audits, which shall, at the State's option and request, include penetration and security tests, of all Hosted Services.

8.3 During the Term, Contractor will, when requested by the State, provide a copy of Contractor's and Hosting Provider's FedRAMP System Security Plan(s) or SOC 2 Type 2 report(s) to the State within two weeks

of the State's request. The System Security Plan and SSAE audit reports will be recognized as Contractor's Confidential Information.

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

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

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

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

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

(a) Contractor must either a) grant the State the right to dynamically scan a deployed version of the Software; or b) in lieu of the State performing the scan, Contractor must dynamically scan a deployed version of the Software using a State approved application scanning tool, and provide the State, upon request, with a vulnerabilities assessment after Contractor has completed such scan. These scans and assessments i) must be completed and provided to the State quarterly (dates to be provided by the State) and for each major release; and ii) scans must be completed in a non-production environment with verifiable matching source code and supporting infrastructure configurations or the actual production environment.

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

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

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

(a) For Software that includes third party and open source software, all included third party and open source software must be documented and the source supplier must be monitored by the Contractor for notification of identified vulnerabilities and remediation. SCA scans may be included as part of SAST and DAST scanning or employ the use of an SCA tool to meet the scanning requirements. These scans must be completed for all third party and open source software initially, for all updated third party and open source software, and for all third party and open source software in each major release and Contractor must provide the State with a vulnerability assessment upon request by the State

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

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

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

**10. Infrastructure Scanning.**

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

**11. Nonexclusive Remedy for Security Breach.**

11.1 Any failure of the Services to meet the requirements of this Schedule with respect to the security of any State Data or other Confidential Information of the State, including any related backup, disaster recovery or other policies, practices or procedures, is a material breach of the Contract for which the State, at its option, may terminate the Contract immediately upon written notice to Contractor without any notice or cure period, and Contractor must promptly reimburse to the State any Fees prepaid by the State prorated to the date of such termination.

SCHEDULE E, Attachment 1 – PCI Compliance & CEPAS

**CEPAS Electronic Receipt Processing Standard.** All electronic commerce applications that allow for electronic receipt of credit or debit card and electronic check transactions must be processed via the State's Centralized Electronic Payment Authorization System (CEPAS). To minimize the risk to the State, full credit/debit card numbers, sensitive authentication data, and full bank account information must never be stored on state-owned IT resources.

**1. Payment Card Industry Data Security Standard.**

- a. Undertaking by Contractor.** Contractors that process, transmit, store or affect the security of credit/debit cardholder data, must adhere to the Payment Card Industry Data Security Standard (PCI DSS). The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law.
- b. Cooperation to Notify of Breach.** The Contractor must notify the State's Contract Administrator, within 48 hours of discovery, of any breaches in security where cardholder data has been compromised. In that event, the Contractor must provide full cooperation to the card associations (e.g. Visa, MasterCard, and Discover) and state acquirer representative(s), or a PCI approved third party, to conduct a thorough security review. The review must validate compliance with the PCI Data Security Standard for protecting cardholder data. The Contractor must provide, at the request of the State, the results of such third-party security review. At the State's sole discretion, the State may perform its own security review, either by itself or through a PCI approved third party.
- c. Responsibilities for Costs Incurred.** The Contractor is responsible for all costs incurred as the result of the breach. Costs may include, but are not limited to, fines/fees for non-compliance, card reissuance, credit monitoring, and any costs associated with a card association, PCI approved third party, or State initiated security review. Without limiting Contractor's obligations of indemnification as further described in this Contract, Contractor must indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and incidental expenses, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the breach.
- d. Disposing of Cardholder Data.** The Contractor must dispose of cardholder data when it is no longer needed in compliance with PCI DSS policy. The Contractor must continue to treat cardholder data as confidential upon contract termination.
- e. Audit by Contractor.** The Contractor must provide the State's Contract Administrator with an annual Attestation of Compliance or a Report on Compliance showing the contractor is in compliance with the PCI Data Security Standard. The Contractor must notify the State's Contract Administrator of all failures to comply with the PCI Data Security Standard.

SCHEDULE G – TRANSITION OUT PLAN

Return of Customer Data. If Customer requests in writing at least 10 days prior to the effective date of expiration or earlier termination of this Agreement, CentralSquare shall within 60 days following such expiration or termination, deliver to Customer in CentralSquare's standard format the then most recent version of Customer Data maintained by CentralSquare, provided that Customer has at that time paid all Fees then outstanding and any amounts payable after or as a result of such expiration or termination.

Deconversion. In the event of (i) expiration or earlier termination of this Agreement, or (ii) Customer no longer purchasing certain CentralSquare Solutions (including those indicated to be Third-Party Materials), if Customer requests assistance in the transfer of Customer Data to a different vendor's applications ("**Deconversion**"), CentralSquare will provide reasonable assistance. CentralSquare and Customer will negotiate in good faith to establish the relative roles and responsibilities of CentralSquare and Customer in effecting Deconversion, as well as the appropriate date for completion. CentralSquare shall be entitled to receive compensation for any additional consultation, software and documentation required for Deconversion on a time and materials basis at CentralSquare's then standard rates.